

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 15 May 2019	<b>Meeting Name:</b> Chief Executive
<b>Report title:</b>		<b>Gateway 2 - Contract Award Approval</b> Southwark Works employment support commissioning framework	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Principal Strategy Officer	

## RECOMMENDATION(S)

1. That the Chief Executive approves the establishment of the Southwark Works framework agreement, for the period July 2019 – July 2023, appointing the suppliers specified below to the framework.

<b>Table 1: Framework appointments</b>		
<b>Lot</b>	<b>Lot name</b>	<b>Framework providers</b>
<b>Lot 1</b>	Vulnerable young people, including care leavers	St Giles Trust InSpire Twin Training
<b>Lot 2</b>	Long term unemployed	St Giles Trust Renaissi Wellfair2work (Get Set)
<b>Lot 3</b>	Mental health	South London and Maudsley NHS Trust
<b>Lot 4</b>	Learning disabilities and learning difficulties, including autism	Unity Works Southwark Mencap
<b>Lot 5</b>	Families & lone parents	JCCS Ltd
<b>Lot 6</b>	Ex-offenders	St Giles Trust
<b>Lot 7</b>	Substance use	JCCS Ltd St Giles Trust
<b>Lot 8</b>	Homelessness	Thames Reach Salvation Army
<b>Lot 9</b>	Pre-apprenticeship support	No appointment
<b>Lot 10</b>	Sectors	JCCS Ltd Step Ahead Wellfair2work (Get Set)

2. That the Chief Executive approves the individual call-off contracts from the framework as set out below for an initial period of 2 years from 1 July 2019 to 30 June 2021 with the option to extend for a further two years.

<b>Table 2: Call-off contract awards</b>		
<b>Lot</b>	<b>Lot name</b>	<b>Provider</b>
<b>Lot 1</b>	Vulnerable young people, including care leavers	No call-off until October 2019 (see paragraph 61 for anticipated costs)
<b>Lot 2</b>	Long term unemployed	Renaissi
<b>Lot 3</b>	Mental health	South London and Maudsley NHS Trust
<b>Lot 4</b>	Learning disabilities and learning difficulties, including autism	Unity Works Southwark
<b>Lot 5</b>	Families & lone parents	JCCS Ltd
<b>Lot 6</b>	Ex-offenders	St Giles Trust
<b>Lot 7</b>	Substance use	St Giles Trust
<b>Lot 8</b>	Homelessness	Thames Reach
<b>Lot 9</b>	Pre-apprenticeship support	No call-off award
<b>Lot 10</b>	Sectors	JCCS Ltd Step Ahead Wellfair2work (Get Set)

3. That the Chief Executive notes that call-off contracts for Lot 1 will be procured later in 2019, to start in October 2019, and that a further Gateway report will be brought forward for approval.
4. That the Chief Executive notes that no providers have been appointed to Lot 9 and that alternative plans are being developed to procure pre-apprenticeship provision, as set out in paragraph 30 of this report. Approval for these plans will be sought via further Gateway reports as necessary.

## **BACKGROUND INFORMATION**

### **Southwark Works model**

5. Southwark Works is the council's longstanding employment support programme and is formed of a network of providers who offer a range of tailored employment support based on underlying needs, such as mental health, homelessness or disability. This model aims to ensure there is expertise available locally to deal with the range of issues that affect resident's ability to gain and sustain employment whilst providing a recruitment service for local employers.
6. Southwark Works has operated since 2004 and has supported thousands of residents to find work and change their lives; it has made a considerable contribution to the 2014-2018 council target to support 5,000 people into work. The programme operates through 2 main elements:
  - directly contracted employment support for a variety of target groups and within key growth sectors in the borough (i.e. construction) from a variety of specialist providers (who make up the network)
  - network co-ordination – including network management, assessment of customers and referral to Southwark Works providers and/or external support;

operation of a hub office for customers; customer record management to track progress and outcomes, sourcing of vacancies through employer engagement activity; providing recruitment services to local employers, organising job fairs for the network, supporting the council in communicating the service.

7. In 2014 the council developed an employment commissioning framework to procure the Southwark Works contracts. The initial contracts let from the framework started delivery in July 2015. The framework operates over a 4 year period, with call-off contracts awarded every 2 years. The current contracts end 30 June 2019. Mirroring this, the current Southwark Works network coordination contract was procured for a 4 year period in 2015 (2 years + 2 years) and will also end on the 30 June 2019, following an extension for a 3 month period from April-July 2019, approval of which has been obtained through a separate gateway 3 report, signed on 9 August 2018.
8. It should be noted that in November 2018 the Head of the Chief Executive's Office, in consultation with the Monitoring Officer and the Strategic Director of Finance and Governance, signed off a Gateway 3 approving the early termination of the Southwark Works Framework Lot 11 Sector (Retail and Hospitality) contract. In the same report a contract variation was approved to enable an existing provider to take over the remainder of this contract delivery from 1 November 2018 to 30 June 2019.
9. Reflecting the changing needs of the current and future labour market, the Southwark Works programme delivery for 2019-2023 will focus on:
  - Engaging and supporting residents with a variety of needs in terms of training and pre-employment support
  - Ensuring residents who want a better job are supported
  - Working with residents to address multiple barriers to work such as housing and skills
  - Working with employers to ensure that all Southwark residents can access opportunities in the borough
10. The Gateway 1 for this procurement was approved by Cabinet on 30 October 2018 and approval of the Gateway 2 for the establishment of the framework and individual call-off contracts was delegated to the Chief Executive.

#### **Procurement project plan**

Activity	Complete by
Enter Gateway 1 decision on the Forward Plan	03/08/2018
DCRB Review Gateway 1	21/09/2018
CCRB Review Gateway 1	04/10/2018
Brief relevant cabinet member (over £100k)	28/08/2018
Prior Information Notice (PIN) published	15/10/2018
Notification of forthcoming decision - cabinet	22/10/2018
Approval of Gateway 1: Procurement strategy report (cabinet)	30/10/2018

Activity	Complete by:
Scrutiny call-in period and notification of implementation of Gateway 1 decision	07/11/2018
Completion of tender documentation	02/11/2018
Publication of OJEU Notice	14/11/2018
Publication of Opportunity/SQ on Contracts Finder	15/11/2018
Market engagement events	19/11/2018 and 22/11/2018
Closing date for receipt of SQ	07/12/2018
Completion of short-listing of applicants	11/01/2019
Invitation to tender launched	21/01/2019
Closing date for return of tenders	04/03/2019
Completion of any clarification meetings/presentations/evaluation interviews	22/03/2019
Completion of evaluation of tenders	29/03/2019
DCRB Review Gateway 2	17/04/2019
CCRB Review Gateway 2	25/04/2019
Notification of forthcoming decision	03/05/2019
Approval of Gateway 2: Contract Award Report	14/05/2019
Notification of intention to award contracts	14/05/2019
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	21/05/2019
Standstill Period (if applicable)	24/05/2019
Framework appointment and call-off contract award	27/05/2019
TUPE Consultation period (if applicable)	27/05/2019
Add to Contract Register	30/05/2019
Place award notice on Contracts Finder	30/05/2019
Place award notice in Official Journal of European (OJEU)	17/06/2019
Framework contract start and first initial call-off contract start	01/07/2019
Lot 1 initial call-off contracts start	01/10/2019
Initial contract completion date	30/06/2021
Contract completion date – (if extension(s) exercised)	30/06/2023

## KEY ISSUES FOR CONSIDERATION

### Description of procurement outcomes

11. The framework and call-off contracts were tendered through the OJEU as a restricted tendering procedure, comprising of two stages. Initial bids were received from 30 providers with most providers bidding for more than one lot. Bidders were required to meet minimum financial and quality standards at the first stage.
12. 30 organisations submitted SQ responses and 21 organisations were shortlisted and invited to tender.
13. At tender stage, bidders were invited to bid for both the appointment to framework lots and for call-off contracts, completing a set of questions to assess quality and price for both framework appointment and call-off contract award. A weighted model of 80% quality, 20% output/price was used. The quality of tenders was assessed across three key areas of delivery: outreach and needs assessment, service delivery and service planning.
14. Tenders were received from 13 organisations. The 8 organisations who declined to bid cited the following reasons for this:
  - Lack of bid writing resources or bidding for a number of other contracts at the same time
  - Tender too onerous for the contract size
  - TUPE requirements/costs
  - Awarded other contracts during the tendering phase
15. Following the evaluation, 11 providers scored sufficiently to be appointed to the Framework, 8 of which are recommended for call-off contract award.

### Key/Non Key decisions

16. This report deals with a key decision.

### Policy implications

17. In June 2018, cabinet adopted a new council plan, which includes the commitment to make Southwark a *full employment borough*. The plan also sets out a number of ambitions, relating to employment and skills, that the council will deliver over the next four years to 2022 including:
  - a. Help 5,000 more people into work and create 2,500 new apprenticeships
  - b. Introduce a Southwark Good Work Standard
  - c. Make sure everyone has a basic qualification in English and maths and that residents have the digital skills to get the jobs of the future
  - d. Provide one to one support for low paid workers to help them get better paid jobs and improve access to financial support to those who need additional funding for courses
  - e. Guarantee education, employment or training for every care leaver
18. Improving employment and skills outcomes for residents are also at the heart of the Economic Wellbeing Strategy and Southwark's Skills Strategy. The aims and ambitions of the strategies are aligned to council plan ambitions and Fairer Future Promises.

19. The council aspires for all Southwark residents to have work that is fairly paid, underpinned by the council's lead on promoting the London Living Wage. We also want Southwark residents to have secure employment and the skills to progress beyond entry-level, insecure or low-paid work.
20. The council remains committed to making support into employment inclusive, recognising the gender wage gap, childcare and housing costs, and other invisible barriers to work and progression that affect our residents.
21. Recognising the significance of ensuring residents are equipped with the skills they need to achieve good employment outcomes, the Skills Strategy vision is to secure a high quality, local skills offer that is accessible and responsive to learner and employer needs. This offer will support all learners to build resilience and develop valuable workplace skills for a strong local economy now and in the future. Key ambitions of the strategy are to *ensure that all young people leave education equipped with the skills and knowledge they need to enter the world of work and that learners of all ages, including those in work, are able to develop their skills to progress into better jobs and increase their earnings.*
22. By providing a unified framework for council-led employment activity, the Southwark Works employment commissioning framework supports the achievement of objectives across a suite of Council plans including the Children and Young People's Plan, the Joint Health and Wellbeing Strategy, the Housing Strategy and the Safer Southwark Partnership Action Plan.
23. The council continues to work on a cross-borough basis to deliver employment programmes such as Working Capital and the Work and Health programme. The Local Economy Team work closely with DWP locally and has secured £100,000 in DWP Community Budget funding to support the delivery of the Southwark Works framework in 2019/2020. Efforts are continually made to ensure that all national and regional provision is aligned to the local employment support delivered by Southwark Works and valued by local residents and employers.

#### **Tender process– 2 stage process**

24. The tender was advertised through OJEU and Contracts Finder, as well as being directly notified to the existing provider network.

#### **Stage 1 - Selection Questionnaire (SQ)**

25. Providers were asked to demonstrate their capacity to deliver a framework contract. The standard version of the SQ was utilised for this with additional questions asked regarding Quality Assurance, Equalities, Safeguarding and Health and Safety. General compliance was assessed on a pass/fail basis and technical and professional ability questions were evaluated using the council's standard 0-5 scoring system. Bidders were required to achieve a minimum score of two on each question in order to progress to ITT.

#### **Stage 2 - Invitation to Tender (ITT)**

26. Bidders were asked to respond to two separate sets of method statement questions set out in the Framework Appointment Tender Response Document and the Framework Call-Off Contract Tender Response Document to bid for framework appointment and initial call-off contract award consecutively. Bidders were not

obliged to bid for an initial call-off contract though they were required to complete the framework appointment questions in order to be considered for both framework appointment and a call-off contract award.

27. For the framework appointment the following sub-criteria were used for the quality assessment: Outreach; Service Delivery and Service Planning. For the call-off contract response more detail was sought to determine ability to meet the client group's needs for immediate delivery; the following sub-criteria were used: Outreach, Needs Assessment and Client Journey; Service Delivery and Service Planning. Quality criteria were given an overall score out of 100 and an 80% weighting.

### **Output/price assessment**

28. The pricing and outputs assessment provided an overall 'value for money' score made up of 20 marks.

### **Tender evaluation**

29. 30 organisations submitted a total of 74 SQ responses. 21 organisations were shortlisted and invited to tender.
30. No providers have been appointed to Lot 9 of the framework. Plans are being developed to consider alternative options to procure pre-apprenticeship provision. Further Gateway reports to approve alternative provision will be brought forward as required.
31. Over 2,500 jobs starts, 450 apprenticeships and 800 progression outcomes are expected to be delivered across the contracts awarded for the initial two year period.

### **Plans for the transition from the old to the new contracts**

32. The focus will be on ensuring all contracts are ready to start delivery on 1 July 2019 (October 2019 for the Lot 1 contracts). This will be achieved by providing a thorough induction to Southwark Works including the use of the Hanlon CRM system, working with the Southwark Works Network Coordination contract holder. The network coordination contract for 2019-2021 was awarded in March 2019. We will work with all providers to finalise their mobilisation plans and make arrangements with council departments to establish referral routes. All partners will have met each other prior to the commencement of the contracts.
33. TUPE is likely to apply to Lots 4, 6 and 8. TUPE information was shared during the procurement process and staffing costs have been taken into account by new providers in submitting their bids. We will ensure new providers have access to updated staffing information as soon as possible and will support providers in addressing any delivery issues that result from this.

### **Plans for monitoring and management of the contracts**

34. The contract will be managed and monitored within existing staff resources in the Local Economy Team. Contract monitoring arrangements in line with council procedures and established processes will include:

- Payment related to achievement of KPIs
- Quarterly monitoring of outputs and outcomes
- Regular meetings with contractor's project manager to review and manage performance
- Regular review of costs
- Consultations with internal customers of this project to monitor its contribution to Council-wide policies and priorities
- Management and oversight of ongoing risks and staging of payments following the completion of project phases
- Improvement planning where two consecutive quarters of underperformance occurs
- Evaluation of service delivery – every 2 years

### Identified risks for the new contract

35. The following risks have been identified for the delivery of the new contract

Service delivery			
	Risk	Impact	Mitigation
1.	Southwark Works hub office move is delayed	Medium	<ul style="list-style-type: none"> <li>• The move from the current E&amp;C office to the Walworth Road is scheduled for summer 2019.</li> <li>• This is being robustly project managed by the Local Economy Team and the plans are clear on the interdependencies between this procurement and the office relocation</li> </ul>
2.	TUPE – delays in the start as a result of disputes regarding the transfer of staff	Medium	<ul style="list-style-type: none"> <li>• The council will ensure updated TUPE information is sent to new providers as soon as possible</li> <li>• The council has allocated over the minimum requirement number of days for the TUPE consultation period</li> </ul>
3.	Timing – deviations from planned timetable	Medium	<ul style="list-style-type: none"> <li>• Robust project management in place</li> <li>• Project start up requirements for this service will be minimal and contract monitoring will identify any emerging issues</li> <li>• Project outcomes and outputs are known to be deliverable within stated timescales and to specified volume and quality criteria</li> <li>• Staged payments will provide an incentive for the contractor to deliver against key milestones</li> </ul>
4.	Budget changes affecting indicative budget for 2019-2023	Low	<ul style="list-style-type: none"> <li>• Contract structure of 2 years plus 2 optional years combined with break clause allowing break or variation due to budget constraints</li> </ul>
5.	Failure to deliver outputs and equalities targets	Medium	<ul style="list-style-type: none"> <li>• Realistic, deliverable targets set at the outset</li> <li>• Robust monitoring and action planning</li> </ul>

			procedures in place <ul style="list-style-type: none"> <li>Equalities review plan will be developed</li> </ul>
6.	Cost overrun/ underperformance	Low	<ul style="list-style-type: none"> <li>Staged quarterly payments in arrears linked to achievement of key performance indicators (KPIs) gives the council control over expenditure through contracted claw back mechanisms and will ensure costs do not exceed contractual limits. This also removes the need for performance bonds or parent company guarantees</li> </ul>
7.	Procurement challenge	Low	<ul style="list-style-type: none"> <li>Robust scoring and feedback has been prepared to justify decision</li> <li>Providers who have had their bids rejected have secured contracts via other lots therefore it is anticipated that there will be no challenge to the decision</li> <li>The procurement process has been followed correctly to prevent the opportunity for grounds on which to make challenge being available</li> </ul>

### Community impact statement

36. Southwark Works supports a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. It seeks to bridge gaps in mainstream service provision provided largely by Jobcentre Plus and DWP programme providers. The Southwark Works service focuses on building self efficacy and self esteem for all service users at all times.

37. By focusing attention on these groups this service specifically aims to meet the needs of protected characteristics groups, in line with the council's published Equalities Approach. Due regard has been paid to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 specifically: to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity; though providing the means to engage in the labour market and improve socio-economic outcomes and wellbeing, and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics specifically supported through this provision are age, disability, race and gender.

38. The service contract will specify that employment support and local employment opportunities are made available solely to Southwark residents. An EIA has been completed for this procurement. Identified mitigating actions include:

- Outreach and engagement will target demographic groups more likely to require employment support
- Tender documents reflected EIA analysis and asked potential suppliers to describe the demographic breakdown of the clients they will support
- CRM system – the CRM system is currently used by the majority of Southwark Works providers. Going forward it will be a requirement, allowing officers to

access more robust information on the demographic breakdown of Southwark Works clients

- d) The council has asked successful suppliers to complete satisfaction surveys with their clients and a wider evaluation of outcomes every two years. This service user survey will ask questions on demographics of clients; officers will be able to use this to determine if there is disparity of wider outcomes achieved through the service.
39. Community benefits will accrue through the direct outputs of the Framework contracts as well as the Network Coordination contract, principally through measurement of numbers in defined groups entering employment, but also indirectly through effective operation of the Southwark Works Network and through meeting employer demand for a local workforce.
40. The drop-in service to be provided at the Southwark Works office is an open access service to users and is compliant with the Equality Act 2010.
41. All of the services in the new contract will be monitored through the Local Economy Team, in collaboration with referring council teams, to ensure that employment support and referral of candidates is effectively aligned with job opportunities, employment support, and training programmes arising from regeneration and development in Southwark.

#### **Social Value considerations**

42. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

#### **Economic considerations**

43. This contract explicitly seeks to promote employment opportunities for Southwark residents of working age, and is supported by a requirement to increase employment and therefore voluntarily adheres to local guidance on Social Value legislation.
44. Supporting more people into work can reduce demand for wider public services such as out of work support, social care and health services.
45. An increasing number of residents moving off benefits and into employment, with a focus on payment of the London Living Wage (LLW), will reduce the risks attached to low financial resilience and ultimately support improvements in quality of life and future life-chances.

#### **Social considerations**

46. Getting into, progressing in and staying in work will strengthen the financial independence and resilience of residents and is likely to positively impact health and wellbeing. Employers who recruit through Southwark Works will benefit from

having an increasingly local work force, and may potentially improve the diversity of their workforce as a result.

47. The council is an officially accredited LLW Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by all Southwark Works Framework providers will result in quality improvements for the council. These should include continuity of service provision resulting from reduced turnover of staff and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required.
48. All providers will be expected to meet LLW requirements. Following contract award LLW payment and any cost implications will be monitored as part of the contract review process.

### **Environmental/Sustainability considerations**

49. In accordance with the Council Plan objectives, in relation to the Fairer Future Vision and the Economic Wellbeing Strategy, service providers will be required to supply details of all environmental sustainability initiatives employed during the delivery of the service.
50. This project is based on one-to-one and some one-to-many contacts between employment advisors and members of the public, and as such will have few direct environmental impacts and minimal scope for carbon reduction. One-to-many events are likely to be held in venues nearest to transport hubs to permit easy access by public transport.

### **Market considerations**

51. A total of 21 bids were received from 13 providers for this contracting opportunity, considerably less than when the previous Framework was commissioned in 2014/2015 when 47 tenders were received from 28 providers. The response at the SQ stage was encouraging though several providers failed to submit a tender, citing a number of reasons for this, mainly being resource constraints.
52. It is not surprising that the market has changed since the current Framework was commissioned in 2014: there are more payment by results programmes and fewer stable voluntary and community sector organisations delivering employment support.
53. We are confident that although there are fewer providers on the new Framework we have secured a sufficient range of good quality, well established provision to support the delivery of key council plan targets.
54. All bidders on the Framework are VCS or welfare to work companies with a range of experience delivering employment contracts over a number of years.

### **Staffing implications**

55. There are no direct staffing implications. Quarterly monitoring visits and all other contract management meetings/ work will be undertaken by the Local Economy Team's lead officer for the contract or a delegated officer as appropriate within existing staffing.

56. As noted in paragraph 33, TUPE may apply in respect of Lots 4, 6 and 8. Whether TUPE will apply in respect of Lot 1 will depend on which Framework appointees are awarded the contracts. There are no TUPE implications for the council as an employer because the council's contract management and administrative function will remain with the council and these activities do not form part of the contract specification. TUPE compliance is a matter for the outgoing (transferor) and the incoming (transferee) organisations. Bidders were advised to consider the application or otherwise of TUPE to this invitation and to seek independent legal advice on the matter if they believed it to be necessary. Tenders were considered on the basis that such matters had been accounted for in the tendered price.

57. The current Project Procurement Plan allows sufficient time between the confirmation of the contract award and the service commencement date for the relevant outgoing and the incoming organisations to each comply with their obligations under TUPE. The Council will, as noted in paragraph 33, take appropriate steps to support them in this matter.

### **Financial implications**

Please see paragraphs 58-65 of the closed report.

### **Legal implications**

66. Please see concurrent from the Director of Law and Democracy.

### **Consultation**

67. Extensive consultation with service users was carried out as part of the 2017 Southwark Works evaluation, which also included feedback from current providers, employers and partners such as Jobcentre Plus. Results for this and more recent consultation with colleagues in council departments including Social Care, Public Health, Education, Culture, Housing and Modernise, the Clinical Commissioning Group, and existing Southwark Works providers have helped shape the specification for this tender and determine the target Lots within the wider Southwark Works Framework.

68. In autumn 2017 the council carried out the Southwark Conversation, one of the biggest engagement exercises of its kind involving 3,000 residents and almost 200 separate events. The outcomes from the exercise directly informed priorities of the Council Plan including the importance of training and preparing young people for work through apprenticeships and access to local job opportunities. The network coordination and framework directly address these priorities.

69. As part of the development of the Southwark Skills Strategy, external consultation with partners included: Department of Work and Pensions, Southwark Business Forum, Better Bankside Business Improvement District (BID), Blue Bermondsey BID, Southbank BID, Team London Bridge BID, We Are Waterloo BID, Southwark Chamber of Commerce & Industry, Federation of Small Businesses, Guys and St Thomas' Hospital, London South Bank University, schools, Southwark Youth Forum, adult education providers and further education Colleges, Southwark Association of the School Governors, Central London Forward and delivery partners on our Southwark Works Framework. Partnership and key stakeholders engagement will continue as the framework is implemented and reviewed.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance**

- 70. This report is requesting the Chief Executive to approve the establishment of the Southwark Works framework agreement and individual call-off contracts as reflected in the recommendations in paragraphs 1-4 of this report. Full details and background are provided within the main body of the report.
- 71. The Strategic Director of Finance and Governance notes that the estimated cost of the proposals can be contained with the funding detailed in the financial implications section within the closed version of the report.
- 72. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### **Head of Procurement**

- 73. This report seeks approval to award a place on the Southwark Works Framework Agreement to the providers listed in paragraph 1, and award contracts to the providers listed in paragraph 2, and to procure Lots 1 and 9 at a later date.
- 74. An EU-compliant two stage restricted process was undertaken to establish a framework and simultaneously tender the first phase of call-off contracts. A robust evaluation process was undertaken before successful and unsuccessful bidders were briefed.
- 75. Value for money has been achieved through applying an 80/20, quality/price split to contract awards, and an output-based model, with an emphasis on delivering real results within budget.
- 76. Contract Management arrangements are detailed in paragraph 34.

### **Director of Law and Democracy**

- 77. The Director of Law and Democracy notes the contents of paragraph 1 of this report which seeks the approval of the Chief Executive to the appointment of 11 organisations to the framework, and the award of 8 service contracts to be "called off" from the framework as described in paragraph 2 of this report.
- 78. On the basis of the information contained in this report it is confirmed that the procurement was carried out in accordance with the Contract Standing Orders and the EU procurement rules, namely the Public Contracts Regulations 2015. In making the decision to appointment the organisation to the framework and to award the call off contracts, the decision maker must be satisfied that best value is achieved. A weighted model of 80% quality, 20% output/price was used and the quality of tenders was assessed across three key areas of delivery: outreach and needs assessment, service delivery and service planning. Paragraph 53 of this report advises that the council has secured sufficient range of good quality, well established provisions to support the delivery of key council plan targets.
- 79. In line with the requirement of the Council's Contract Standing Orders, paragraphs 58 to 63 of the closed report confirms that adequate expenditure has been

identified and set aside to meet the costs associated with the proposed award of contracts which are to be called off from the framework.

80. The extent to which TUPE is likely to apply following the award of contracts is summarised within paragraphs 33, 56 and 57 of the report.

#### **PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS**

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report.

Signature



Date 15/05/19

Designation

HEAD OF CHIEF EXEC'S OFFICE

#### **PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:**

- 1) All key decisions taken by officers
- 2) Any non-key decisions which are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available.

##### **1. DECISION(S)**

As set out in the recommendations of the report.

##### **2. REASONS FOR DECISION**

As set out in the report.

##### **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION**

Not applicable.

##### **4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION**

**5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST**

*If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.*

**6. DECLARATION ON CONFLICTS OF INTERESTS**

**I declare that I was informed of no conflicts of interests.\***

**or**

**~~I declare that I was informed of the conflicts of interests set out in Part B4.\*~~**

(\* - Please delete as appropriate)

## BACKGROUND DOCUMENTS

Background documents	Held At	Contact
<b><u>Gateway 1 - Procurement Strategy Approval</u></b> Southwark Works employment support commissioning framework	Local Economy Team	Elaine Gunn X55479

## AUDIT TRAIL

Lead Officer	Stephen Gaskell, Head of the Chief Executive's Office	
Report Author	Elaine Gunn, Principal Strategy Officer, Susan Du Toit, Strategy Officer	
Version	FINAL	
Dated	15 May 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member	Yes	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet	No	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	7 May 2019	