

	LEADER'S PORTFOLIO 18 AUGUST 2008	
	Key Decision	YES
Corporate Priority	ALL	Cabinet Portfolio Holder Cllr. T Fox Date of Decision/ Referral to O&S 18 August 2008 Deadline for call-in 21 August 2008 5.00pm Implementation 22 August 2008 Date (if no call-in)

REPORT OF: HEAD OF TRANSFORMATIONAL MANAGEMENT SERVICES HTMS/08/49

WARDS AFFECTED: ALL

SUBJECT: TENDERING SHORTLIST FOR CORPORATE EFFICIENCY REVIEW CONSULTANCY SUPPORT INTO CUSTOMER SERVICES

RECOMMENDATION (S):

Cabinet Member is requested to:

- (a) Approve the use of consultancy support as set out below.
- (b) Approve entry into contract with the most suitable supplier.

REASON FOR RECOMMENDATION (S):

To:

- (a) Comply with the Council's Financial and Contract Procedure Rules.
- (b) Ensure a competent supplier is appointed.

HIGHLIGHTED RISKS:

- Risk of failing to comply with Financial and Contract Procedure Rules
- Risk of not achieving the goals set for the CER into Customer Services.
- Risk of not having independent advice in producing an implementation plan.

1. INTRODUCTION

- 1.1 The Council is currently undertaking a far-reaching Corporate Efficiency Review into Customer Services.
- 1.2 It was recognised before the review started that once scoped it would benefit from consultancy support and the business consultancy framework was established for just such a purpose. The pre-tendered framework contains five consultancy companies with a range of expertise.
- 1.3 The project team undertaking this review has scoped the objectives originally identified by KPMG and added and scoped an additional objective. These scoping documents were sent to all five consultancies in the framework.
- 1.4 From this framework mini-tendering exercise two consultancies returned tender documents and these have been assessed and scored.
- 1.5 This report seeks approval to enter into a contract with the most suitable consultancy from the mini-tendering exercise.

2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

- 2.1 This proposal contributes to the Aim of “Improving the Council”, specifically to the top Priority of “improving performance of our services and ensuring they provide Value for Money”.

3. BACKGROUND AND ISSUES

- 3.1 The Corporate Efficiency Review (CER) into Customer Services has identified 8 objectives to be completed or where implementation has begun by March 2009.
- 3.2 It was recognised before the project started that about half of these objectives would benefit from consultancy support and, a procurement framework was established with five companies in anticipation of this.
- 3.3 In late June 2008 scoping documents for all 8 objectives were sent to the five consultancies in the framework. From this mini-tender two consultancies returned tender bids and these have now been assessed and references are being taken up. It is the intention to choose just one of the two to provide all the consultancy support for the initial part of the review.

4. CONSULTATION

- 4.1 Consultation regarding the requirements for these services has taken place with STG, the Strategic Director and the project team.

5. ASSESSMENT

- 5.1 Both consultancies that returned tender bids proposed similar plans, i.e. for a fixed cost to undertake initial support up to and including the development of implementation plans (phase 1); with phase 2 being support with implementation that would need to be costed separately based on the implementation plan and level of support needed. Both indicated that efficiency savings should cover phase 2 costs.
- 5.2 Initial estimates of any phase 2 costs are significant and it is by no means definite that the project team would recommend moving to this option. The current approval is therefore restricted to the fixed phase 1 costs and any consideration of phase 2 will result in a separate report and approval.
- 5.3 Of the two returns one is for just over £29,000 and provides 40 consultancy days (£740/day) and the second is for just over £21,000 and provides 23 consultancy days (£940/day). As both have scored similarly for the technical/quality scores then it is considered that whilst the former has a greater total cost it is better value for money based on cost per day.
- 5.4 References are currently being taken up for both and provided these are acceptable it is anticipated we would contract with the former company. Although there is a slight complication that this consultancy company has strong links with a supplier currently shortlisted for our EDRM and CRM tenders and implications of this will also be brought into the final selection.

6. IMPLICATIONS

- 6.1 **Policy**
No direct implications, though changes in working practices may have policy implications later in the project.
- 6.2 **Financial**
The anticipated expenditure for phase 1 only (fixed price) will come from a corporate source yet to be identified.
- 6.3 **Legal**
The mini-tendering process complies with the Council's Financial and Contract Procedure Rules and used an existing pre-tendered framework.
- 6.4 **Equality & Diversity**
None.

6.5 **Other**

This report seeks approval to enter into a contact with whichever is deemed to be the most suitable supplier once reference and other issues have been resolved.

For this first phase of support; staffing implications, planning implications, crime & disorder implications, health and safety implications and environmental implications do not apply.

7. ACTION PLAN

7.1 An action plan already exists for the Corporate Efficiency Review and had been reported to the board.

A handwritten signature in dark ink, appearing to read 'Nicola Willis', is positioned above the typed name of the Head of Service.

Head of Service: Nicola Willis, Head of Transformational Management Services

Author: Paul Hill, Service Transformation Manager

Telephone No: 01723 232304

Fax No: 0870 238 4159

E-mail address: paul.hill@scarborough.gov.uk

Background Papers:

None

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT PAUL HILLI (contact details above)

Risk Matrix

Appendix A

Issue/Risk	Consequences if allowed to happen	Likeli-hood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
Failure to comply with the Council's Financial and Contract Procedure Rules.	There could be a challenge, which may delay the implementation of the contract.	C	4	Procurement Services has been consulted and involved in the preparation and publication of the Contact notice to comply with the Councils constitution.	A	2
Failure to tender the contract may result in the Council entering into a contract on uncompetitive terms.	Expenditure could be outside the budget.	C	3	The contract is being tendered from an existing pre-tendered framework so competitive terms should be maintained.	B	1
Failure to procure these support services might result in not achieving the goals set for the review.	Customer Services are key to the Council's transformational agenda and it is imperative that the processes are refined and improved.	D	4	Consultancy support will allow independent input into implementations plans and hopefully make the establishment of these plans quicker and more focussed.	B	2

Issue/Risk	Consequences if allowed to happen	Likeli-hood	Impact	Mitigation	Mitigated Likelihood	Mitigated Impact
The actual cost of the support is greater than anticipated.	Exceed budget or unable to complete project.	D	4	The phase 1 consultancy bids for a fixed budget and a defined amount of work.	B	2

Guidelines

<u>Likelihood of event occurring:</u> A Very Low B Not Likely C Likely D Very Likely E Almost Certain	<u>Likelihood:</u> Very unlikely Not Likely Likely Very Likely <i>Almost Certain</i>	Theoretical but would be considered exceptional during the project lifetime Conceivable and could foreseeably happen, but infrequently Will occur several times, expect to happen fairly often, e.g. monthly Occurs repeatedly, not supervised, occurs regularly e.g. weekly <i>An incident/failure waiting to happen, possibly occurring daily</i>
<u>Impact on the project objectives:</u> 1 Low 2 Minor 3 Medium 4 Major 5 Catastrophic	<u>Impact;</u> Low Minor Medium Major Catastrophe	Insignificant issue in terms of the project achieving its objectives Some disruption to project possible, may result in cost/time overrun to small extent Cost/time overrun which requires notification to project sponsor immediately, possible adverse media coverage locally Significant disruption or cost time overrun, local and possible national media coverage, project objectives severely affected such that not all can be achieved or major revision to deliverables required. Project cannot achieve objectives, service provision not possible, significant cost/time overruns extended local or national media coverage