

# Record of Cabinet portfolio member decision

## ESTATES SERVICES AND STRATEGIC PROPERTY ADVICE: COLLABORATIVE PROCUREMENT DATE OF PUBLICATION – 2 AUGUST 2013

- NB: The Head of Legal and Democratic Services must receive a request to call-in this decision by 4.30pm on Friday 9 August 2013.
- Subject to the call-in mechanism this decision will be implemented on Monday 12 August 2013.
- The council's cabinet portfolio holder has taken the executive decision outlined below. This decision is published in accordance with the council's procedure rules.

DECISION TAKER	DETAILS OF DECISION												
Mrs J Nimmo-Smith	<p>To agree a joint procurement with the Vale of White Horse District Council using the open EU tender process for the estates services and strategic property advisors framework agreement from 1 November 2013 as required by contract procedure 11 page 234 of the November 2012 constitution.</p> <p>To agree a variation from the tender evaluation policy for this procurement by scoring the tenders in lot 2 on 60 per cent quality and 40 per cent price. There is no variation in lot 1, which is scored on 40 per cent quality and 60 per cent price.</p>												
	<p><b>Reasons for recommending decision</b></p> <p>In the context of these contracts, "estates services" refers to the day-to-day core estate management work, such as rent reviews, lease renewals and asset valuations. "Strategic property" refers to the more specialised projects advising on regeneration schemes and large property deals. Recent examples include advice at Market Place Mews, Henley, and potential regeneration of the former Waitrose site at Wallingford.</p> <p>South Oxfordshire District Council is out of contract with both its estates services and strategic property advisors contracts. The incumbent providers for strategic property advice are DTZ and Driver Jonas Deloitte and for estates services advice are Lambert Smith Hampton, Carroll and Partners, and Cluttons. These contracts ran until August 2011 and the approximate spend on these contracts over the last three years is shown in the table below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Strategic property advisors</th> <th>Estates services advisors</th> </tr> </thead> <tbody> <tr> <td>2010/11</td> <td style="text-align: center;">£37,000</td> <td style="text-align: center;">£18,000</td> </tr> <tr> <td>2011/12</td> <td style="text-align: center;">£38,000</td> <td style="text-align: center;">£12,250</td> </tr> <tr> <td>2012/13</td> <td style="text-align: center;">£10,000</td> <td style="text-align: center;">£10,500</td> </tr> </tbody> </table> <p>Vale of White Horse District Council is also out of contract on these services.</p>	Year	Strategic property advisors	Estates services advisors	2010/11	£37,000	£18,000	2011/12	£38,000	£12,250	2012/13	£10,000	£10,500
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	<p><b>Joint procurement</b>  In order to achieve best value and reduce costs, officers are recommending procuring a joint framework with the Vale for both estates services and strategic property advisors. Officers propose that other contracting bodies ('OCBs'), i.e. the other Oxfordshire districts and their partners, would also be able to draw-down services under this framework. West Oxfordshire District Council and Cotswold District Council have already expressed an interest in doing so. By making this framework available to OCB's, officers anticipate that the councils will be able to achieve better prices through economies of scale.</p> <p><b>Procurement method and evaluation</b>  The proposed procurement method is an open invitation to tender (ITT) above the EU threshold, so OJEU will apply. The contracts procedure rules (CPR11) require that any joint procurement arrangements with other local authorities where the total contract value exceeds the relevant EU threshold should be approved by the cabinet member prior to the commencement of any procurement by the councils. Officers propose to split the framework into two lots, one for estates services and one for strategic property advisors. Potential providers would be able to bid for either or both of these lots. Officers also propose that the councils enter into three draw-down contracts under each lot.</p> <p>In addition, officers propose that the evaluation of the tenders would be scored on the basis of 60 per cent price, 40 per cent quality for lot one (estates services) of the framework and 40 per cent price, 60 per cent quality, for lot two (strategic property advisors). The reason for the amended price/quality split in lot two is that officers consider the quality of strategic property advice is a more significant factor than price, given the nature of the projects. The evaluation proposal for lot two would be a deviation from the tender evaluation policy and requires head of service agreement, in consultation with the cabinet member, unless cabinet or the relevant cabinet member makes this decision. Officers recommend that this decision is included in the individual cabinet member decision required for the joint procurement and procurement method.</p> <p>Once providers are selected to the framework, the councils must stipulate how they draw-down the services. For estates services, officers recommend this can be by direct award, whereby the cheapest provider is chosen under the framework for that particular element of work. For strategic property advice, officers propose to run a mini-competition for each piece of work, as quality and expertise will vary from instruction to instruction. Under the mini-competition route, officers recommend a 40/60 price/quality split to represent the need to have the right provider for the right job.</p>
	<p><b>Alternative option considered</b></p> <p>Officers had explored the option of drawing down on the new Oxfordshire County Council contract. It has entered into a new ten year partnership with Carillion/Capita Symonds. However, the information provided did not convince officers that savings could be achieved, and they had doubts over the contractor's ability to provide a high level of service.</p> <p>Officers also looked at a new framework being advertised through the Government</p>

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	<p>Procurement Service commencing 1 April 2013. Officers considered this framework to be unsuitable as it would force the councils to enter into a draw-down contract with just one provider. Officers took the view that the councils would be better served, in terms of resilience of service and quality of work, by entering into a framework with three providers each for both estates services and strategic property advisors.</p>

If you have any queries regarding this decision please contact the decision taker above or Peter Beer, Email: [peter.beer@southandvale.gov.uk](mailto:peter.beer@southandvale.gov.uk), Tel: 01491 823762

A copy of the report considered by the Cabinet member is available from Steven Corrigan, Democratic Services Manager, Legal & Democratic Services, 01491 823049, [steven.corrigan@southandvale.gov.uk](mailto:steven.corrigan@southandvale.gov.uk)