

Procurement Title

Supply of Stone and Paving Products

Procurement Option

Open Procedure compliant with the Public Contract Regulations 2015

New or Existing Provision

A new Framework Agreement for an existing provision

Estimated Annual Contract Value and Funding Arrangements

The estimated spend for the Framework is £500,000 per annum. The Framework will be advertised with a value of £2m - £4m over 4 years as the exact quantity of products required for future schemes is currently unknown. Budgets are subject to change and new projects which have a requirement for stone and paving products may be introduced.

Funding for this project shall be from the Highways Revenue and Capital budgets dependent on the scheme or project the products are required for.

Contract Duration

A Framework Agreement will be awarded to multiple suppliers for an initial 2-year period with the option to extend for a further 24 months.

Lots

This agreement will not be divided into lots.

Evaluation

The agreement will be established by evaluating suppliers against the following criteria:

Stage 1 – Mandatory and discretionary grounds to ascertain suppliers' financial, technical capability and ability to demonstrate their experience in operating in compliance with Industry standards. Each tenderer must pass this stage in order to proceed to stage 2.

Stage 2 – Tender bids will be evaluated on a technical questionnaire which is intended to cover quality of service including delivery, and sustainability including awareness of and commitment to reducing carbon emissions and reducing waste.

The expected evaluation methodology for this project will be:

Technical and Sustainability - Pass/ Fail. The technical and sustainability questions will be marked as pass or fail which reflects the importance of appointing quality suppliers to the Framework who can supply products to meet the Authority's requirements. Suppliers will be required to provide a clear response to the sustainability section which is intended to cover carbon emissions and reduction of waste.

Tenderers who pass the evaluation will be appointed to the Framework and invited to tender for mini-competitions which will be published to all suppliers when a requirement for products is identified.

Background

The council has a requirement for the supply of stone and paving products across Lancashire for future development schemes which may require special and bespoke quarried stone paving and walling products and for works and improvements which require standard precast concrete paving products including kerbs, edgings and block paving.

It is proposed that this will be a multi provider Framework which provides no guarantee of spend and no commitment to use. Purchases will be made on a call off basis through mini-competitions published when a requirement for the materials is identified. By combining the suppliers for quarried/natural stone and pre-cast products onto one list, suppliers who may not otherwise tender for one of the Lots (for example if they are unable to supply all of the products required by the Lot) may be encouraged to submit a response to the tender, thus widening the supplier base and encouraging competition.

The option to evaluate mini-competitions by lowest price or lowest price and delivery timescales shall be added to the Framework. It is anticipated that this will encourage competition, (particularly for the more specialist products) and allow pricing to be submitted according to market conditions whilst encouraging suppliers to provide a competitive price for the goods required.

Procurement Title

Civil Engineering Materials

Procurement Option

Open Procedure compliant with the Public Contracts Regulations 2015.

New or Existing Provision

To replace the existing provision which expires in February 2023.

Estimated Annual Value of the Framework and Funding Arrangements

The estimated annual value is £1,100,000 which will be funded by Capital and Revenue budgets.

Framework Duration

Four years.

Lots

The Framework will be divided into three area Lots to provide flexibility and availability of materials required by Highway Services to carry out works for the council and private works for developers. The Lots are:

Lot 1 – Area One: Ribble Valley, Blackburn, Hyndburn, Burnley, Pendle, Rossendale

Lot 2 – Area Two: Preston, South Ribble, West Lancashire, Chorley

Lot 3 – Area Three: Lancaster, Wyre, Blackpool, Fylde

A maximum of three suppliers will be appointed to each area Lot, and there is no restriction on the number of Lots which a Supplier can bid for or be appointed to. The suppliers will be ranked in each area Lot based on their overall tender score.

Lot 4 – Mini-competitions: Any Area

There will be no limit on the number of suppliers appointed to this Lot. It will include the three suppliers appointed to each Area Lot and any other supplier who submitted a compliant bid but not awarded a place on either Lots 1, 2 or 3.

Evaluation

The framework will be established by evaluating bids against the following criteria:

Selection Stage (Pass/Fail):

Tenderers will complete The Crown Commercial Services Standard Selection Questionnaire which is used to gather basic information about the supplier, to establish if there are grounds for mandatory and discretionary exclusion, ascertain economic and financial standing, technical and professional ability.

Award Stage:

The evaluation will be based on 20% Quality and 80% Price. The Quality criteria will include Social and Environmental Value in the overall weighting.

Framework Detail

Civil engineering materials, which include goods such as drainage pipes, ducting, gully grates, road castings, kerbs and paving are currently purchased via an established single-supplier contract let by the Authority, which is due to expire in February 2023.

The Highway Services now requires a multi-supplier framework to provide the flexibility and availability of the materials it requires to carry out works for the council and private works for developers.

Division of the framework into Area Lots will enable local merchants to submit bids who would otherwise be ineligible if the tender requirement was based on ability to supply materials countywide.

Appointing a maximum of three suppliers to each Area will provide contingency of supply during difficult trading times where shortages or longer lead times can be detrimental to Highway Services. Having access to multiple suppliers will also reduce operative downtime and travelling costs on the occasions when goods have to be collected.

The framework agreement provides no guarantee of spend and no commitment to use. For Lots 1, 2 and 3, purchases will be made on a call-off basis from Price Lists as and when goods are required. For Lot 4 purchases will be made following mini-competition.

The council's own Framework Agreement and Call-off Terms and Conditions will apply.

Procurement Title

Customer Contact Centre Solution

Procurement Option

Further competition via Crown Commercial Service G-Cloud 13 framework, compliant with the Public Contract Regulations 2015

New or Existing Provision

New tender for the replacement of the existing customer contact centre system solution

Estimated Annual Contract Value and Funding Arrangements

Estimated project value is for £3,662,400 over four years and is to be funded from the digital services revenue budget

Contract Duration

The Agreement will be let for an initial period of 36 months from March 2023 with an option to extend for a further 12 months, concluding no later than February 2027.

Lots

Not applicable

Evaluation

The Contract will be established by evaluating service providers against the following Crown Commercial Services evaluation methodology and criteria:

- Prepare – understand and detail service requirements, conducting soft market testing if required. Define the evaluation criteria and weightings
- Long list – using the digital marketplace, search for service providers that match the Authority's key requirements
- Short list – review each service providers system and filter out those that do not match the Authority's specific requirements
- Evaluation – review each short-listed service providers service documents against the evaluation criteria. The panel will moderate and document decision making
- Clarifications – issue clarifications to each service provider to clarify their service proposal against the Authority's requirements. Invite for a meeting or system demonstration if required.
- Finalise evaluation – panel members finalise their scores and award to the service provider that offers the most economically advantageous tender proposal

Tenderers will be evaluated on.

- 70% technical, quality, and social value
- 30% whole of life costs

The highest scoring tenderer will be awarded the service contract.

Contract Detail

The council will utilise the Crown Commercial Service, G-Cloud 13 framework call-off order form to structure the future contract. Additional clauses will be added that are bespoke to the county council and this specific contract.

The council's Customer Access Service receives approximately 1 million interactions each year to a multi-skilled workforce supporting around 27 services. The current contact centre solution in use is a Genesys solution with additional management applications provided by Sabio. The solution is hosted on-premises across two council data centres in a highly available configuration and uses trunks to council infrastructure for telephone connectivity.

The future solution is moving to a single service provider that is cloud based (i.e. not hosted by the council). The solution aims to deliver:

- A modern customer experience platform which will enable the council to deliver our future Customer Experience Strategy and set out our ambition to deliver customer experience excellence.
- Rapid migration of the existing userbase from the current on-premises Genesys contact centre platform to a new predominantly cloud based Customer Contact Centre as a Service (CCAAS) platform
- A seamless provision of the new solution with a fully managed end to end design and implementation service
- A scalable solution that can be easily rolled out to new users in the future
- A robust, resilient and financially viable solution and service
- A service provider who will collaborate with the council to maximise the benefits of the contract, demonstrating exceptional account management at all levels
- Ongoing support with traditional issue resolution and escalation but also change capacity for future adoption
- Using digital technology to improve the customer journey
- Data driven insights to improve performance
- Accurate forecasting and scheduling

Procurement Title

Openreach Agreement

Procurement Option

Direct Award, waiver of the council's Procurement Rules

New or Existing Provision

Existing agreement with annual renewals

Estimated Contract Value and Funding Arrangements

The council currently spends £1m per annum with Openreach for access to the physical infrastructure and connection charges. Based on the continued buy-in from each customer site, circa £1m per annum is the continued forecasted expenditure for this access.

Contract Duration

Reviewed annually.

Lotting

Not applicable

Evaluation

Not applicable

Background and Advice

The council contracts with Openreach Limited to access their existing public communication network, connecting the county council's geographically dispersed sites. The council also provides ICT services to schools and public authorities, such as the fire service and district councils.

Openreach holds a significant market power in the provision of telecommunication physical infrastructure. Openreach has limited competition and as a result, Ofcom impose heavy regulations to ensure that communication providers, such as the county council, can obtain equal and fair access to Openreach's vast national telecoms infrastructure.

In 1998 Lancashire County Council formed a consortium with Cumbria County Council and Lancaster University to create the CLEO (Cumbria and Lancashire Education Online) network. CLEO was a concept that provided schools across Lancashire and Cumbria with a WAN (wide area network) and ISP (internet service provision) connection. The network was self-built by Lancashire County Council through funding from the Department for Education (DfE), making Lancashire a Communication Provider (CP) under Ofcom oversight.

The approach to self-build compared to buying a fully managed service as a solution was taken for two reasons. The benefit of investing in a bespoke solution supported the longer-term investment in Lancashire and Cumbria, and the complexity of the

geography for both counties meant that few (if any) competitors could offer the level of service needed for all school sites, particularly in remote communities.

Since the turn of the century, the CLEO network has been upgraded and redefined to support changing technology and solutions. It now supports not only schools, but local councils, blue light services, academy's and, of course, the council's own premises. At its core, the council, as a CP, provide and manage WAN/ISP network connectivity to all site customers. Since DfE funding ended in 2010, the council has continued to manage the service with end users paying to sustainably fund the network.

The council's Core WAN Roadmap, produced by Digital Services, recommends the continued operation as a CP. With the council's existing capability and scale, the CP model approach supports a financial and economic benefit the council. For instance, the self-build approach has ensured that broadband investment goes direct to the network builders instead of through intermediaries, ensuring every pound spent is on physical improvements. With the combined scale of our Core Network, this has ensured our investment maximises our benefit for all Lancashire service users.

As with almost all UK CP's, the existing UK broadband network is based upon access to the Openreach buildings and network infrastructure. Openreach are a separate legal company to BT, although they are still part of the BT Group of companies. Due to this and the dominate position Openreach have within the infrastructure market, Ofcom (the Office of Communications regulatory and competition authority) heavily regulate and monitor Openreach's performance. In order to ensure fair competition, Ofcom have regulated Openreach to provide a single market price and terms and conditions to all CPs. This oversight facilitates open competition for the end user via a choice of multiple suppliers. As the council is both an end user and a CP, the council is in a fortunate position that we can access both procurement options.

Implications

Legal

Following the transition from BTLS to the council in 2021, the council signed a PECN/PECS (Public Electronic Communications Network and Public Electronic Communications Service) declaration with Ofcom in respect of operating the CLEO network. The effect of that declaration was that the council confirmed:

- a) The Electronic Communications Services will be provided, or are intended to be provided, over the relevant Electronic Communications Network.
- b) The relevant Electronic Communication Service is considered to be a service that is or will be provided so as to be available to members of the public.

Part 2 of the Public Contracts Regulations (PCR 2015) do not apply where a contracting authority is able to rely on Regulation 8 of PCR 2015. Regulation 8 relates to "public contracts... for the principal purpose of permitting contracting authorities to provide or exploit public communications networks or to provide to the public one or more electronic communications services". Following a review of the definitions of "Public Communications Network" and "Electronic Communications

Services" within the Communication Act 2003 and Ofcom Conditions against the requirements of Regulation 8, the council believes the ongoing agreement with Openreach adheres to the Regulation 8 definition.

As a result, the council is not required to follow Part 2 of PCR 2015 and competitively tender this opportunity.

Procurement:

The Council's Procurement Rules (Appendix R of the county council's Constitution) require all contracts, above the relevant thresholds, to be openly tendered. Based on the historic and future spend forecast, the council would be required to openly tender our requirements. Due to the significant market dominance that Openreach have in Lancashire, a tender exercise would not achieve a value for money outcome.

As Openreach are a network operator/builder, they can only sell to the wholesale market which is only available to CPs, such as the council. Openreach can also not respond to open tender opportunities due to Ofcom regulations. By tendering our network requirements, only CPs could bid. The CPs would wholly, or partly, use the Openreach network to supply our future network demand. The supply costs would be greater than the Ofcom negotiated wholesale pricing that the council, as a CP, could procure direct from Openreach.

The council's only option would be to tender a fully managed WAN service provision that is provided by another CP. This is a different service model that the council is proposing. The advantages of competition via a fully managed service are not expected to offer any innovative advancements or cost savings.

Where the council can achieve competition, such as Principal Core Operators agreements for Inter Exchange Connectivity (IEC) in the end-to-end market, the council will review these opportunities at the point the contractual agreements are renewed. Where available, the relevant Procurement Rules will be followed.

The agreement with Openreach will be reviewed annually to ensure the market position, within Lancashire, supports this strategy. If the future Procurement Bill changes the legal position set out here, the council will follow the relevant regulations when they come into force.

There are no further known procurement risks identified with the continued direct contracting with Openreach.