

Cabinet Member Delegated Decision report 30 October 2017

Report title: Lambeth Communications Framework of Service Providers

Wards: All

Portfolio: Cllr Imogen Walker, Deputy Leader, (Finance and Resources)

Report Authorised by: Jackie Belton: Strategic Director for Corporate Resources

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Report summary

The report summarises the outcome of a procurement exercise which sought the recruitment of a Framework of Service Providers to provide communications services to Lambeth Council and its communications trading arm, Lambeth Communications.

The Framework will support Lambeth Communications (trading service) to expedite its trading capacity and give it more agility around commissioning. In addition, the Framework will provide the council with additional capacity in a number of areas where internal capacity is minimal.

The process has resulted in 20 suppliers in four individual lots meeting the prescribed criteria of the tender exercise. The recommendation is to award those suppliers with 3 year contracts with an option of two further years based on achieving the desired levels of performance.

Finance summary

The estimated cost associated with the Framework of Providers is up to £1m per annum or £3m over the three year lifetime (1 November 2017 to 2 November 2020) of the framework. There will be provision within the contract to extend the contract for a further two years at an additional cost of £2m making the total estimated cost of £5m over a five year lifetime (1 November 2017 to 1 November 2022) of the agreement.

Table 1

Lot Number	Estimate Annual Value of Contract
1 – Research and Consultation	£500,000
2 – Graphic Design	£200,000
3 – Film production and photography	£200,000
4 – Digital and social media marketing	£100,000

The Framework of Service Providers will provide the Council with additional capacity in the delivery of services to clients, externally and internally. The cost of these services will initially be paid for from Policy and Communications and then fully recouped from clients (internal and external). In instances where services are commissioned from the Framework for trading purposes, the cost of these services will be fully recharged to clients in a manner aligned to commercial practices.

The Framework Agreements (contracts) awarded to suppliers do not guarantee work; therefore it is difficult to accurately forecast how much each supplier will receive, but we have capped the amount of commissioning for each supplier at £250,000 per annum.

Recommendations

1. To approve the following service providers [Enventure, QA, Ipsos Mori, The Campaign Company and Fluid] for the Lot 1 (Research and Consultation) framework of providers for the period 1 November 2017 to 2 November 2020 with provision to extend for a further two years to 1 November 2022 for a total estimated contract value of £2,500,000.
2. To approve the following service providers [22 Design, Earth Creative, Whatever Design, Fluid, Hudson Fuggle, Martin Lore Partnership, Rob Levison, and Stafford Tilley] for the Lot 2 (Graphic Design) framework of providers for the period 1 November 2017 to 2 November 2020 with provision to extend for a further two years to 1 November 2022 for a total estimated contract value of £1,000,000.
3. To approve the following service providers [22 Design, Animal Track Productions, Cornocupia, Hudson Fuggle, Jon Spaul Photography, Malt Films, MX Multiplier and Revealing Reality] for the Lot 3 (Film Production & Photography) framework of providers for the period 1 November 2017 to 2 November 2020 with provision to extend for a further two years to 1 November 2022 for a total estimated contract value of £1,000,000.
4. To approve the following service providers [Forster Communications and Shape History] for the Lot 4 (Digital & Social Media Marketing) framework of providers for the period 1 November 2017 to 2 November 2020 with provision to extend for a further two years to 1 November 2022 for a total estimated contract value of £500,000.

Reasons for Exemption from disclosure: The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

- 1.1 This report explains the outcome of a procurement exercise to develop a Framework of Service Providers to supply a range of creative services to both Lambeth Council and Lambeth Communications – the council’s communications trading service. In summary, it has resulted in 19 suppliers in four lots, namely ‘research and consultation’; ‘film production and photography’; ‘graphic design’ and ‘digital/social media marketing’, successfully navigating the ITT process and meeting price/quality criteria to a specific standard.
- 1.2 Communicating with, and engaging residents and other key stakeholders around council services, decision making and the democratic process are integral to its existence. High-quality communication and engagement through various channels and media relies on specialist knowledge and skill. Whether that is a multi-channel consultation exercise around regeneration, or explaining new legislation in a leaflet, or a digital marketing campaign to promote the fostering process; specialist communications expertise is important to a local authority. This report therefore has relevance to the delivery of the Borough Plan and council policies generally. It will support the delivery of these by explaining, engaging, beginning conversations and describing progress.
- 1.3 Further, the Framework will support the development and growth of ‘Lambeth Communications’, the Council’s communications trading service. Having a Framework in place provides access to resources and therefore agility when responding to client need.
- 1.4 This report is a Gateway 3 procurement report.

2. Proposal and Reasons

- 2.1 To develop a Framework of Service Providers, a two stage tendering exercise was carried out which included a shortlisting stage followed by a tender stage. The tender documents were issued on 6th December 2016. For the shortlisting stage, service providers were initially asked to complete the Standard Selection Questionnaire in combination with a set of supplementary questions setting out their track-record and experience. There were a total of 91 expressions of interest and subsequently 54 service providers were shortlisted for the tender stage.
- 2.2 For the tender stage there were 50 responses across the four lots. An evaluation panel was established for each of the four lots and reviewed the responses received. Tenderers were asked to complete a method statement of their proposals for the contract and a priced submission for their services.
- 2.3 The method statement consisted of three generic questions which were the same across the lots followed by lot specific questions. An evaluation was conducted to each response based on the grid set out below which was provided to all tenderers in the ‘Instructions for Tenderers’. Table 2 below sets out the Evaluation Matrix that was used with respect to each tender response.

Table 2 – Evaluation Matrix

0	Failure. Failed to address the question/issue.
1	Unfavourable. An unfavourable response/answer/proposal. There is limited or poor evidence of skill/experience sought; a high risk that relevant skills will not be available.
2	Less Than Acceptable. The response/answer/proposal lacks convincing evidence of skill/experience sought; lack of real understanding of requirement or evidence of ability to deliver; medium risk that relevant skills or requirement will not be available.

3	Acceptable. Acceptable response/answer/proposal to the particular aspect of the requirement; evidence has been given of skill/experience sought.
4	Above Acceptable. Response/answer/proposal demonstrates real understanding of the requirement and evidence of ability to meet it (based on good experience of the specific provision required or relevant experience of comparable service or supply).
5	Excellent. The response/answer/proposal provides real confidence based on experience of the service or supply provision required. Response indicates that the Service Provider will add real value to the organisation with excellent skills and a deep understanding of the service or supply requested.

- 2.4 A price submission was made by each tenderer with marks awarded to each tenderer based on the pricing matrix set out in the tender documentation.
- 2.5 The selection of providers was made against those achieving the highest combined score for Quality and Price (based on 50% quality and 50% price), subject to the following
- a. tenderers achieving the minimum quality threshold score of 3 (acceptable) for each qualitative requirement
 - b. Tenderers awarded places on the framework did not exceed the total number advertised for each lot.

The exercise has resulted in a strong list of suppliers, who have demonstrated a high degree of skill and competence, experience, resource, capability and offer the council value for money. It is therefore proposed to appoint those providers identified in Table 3 for the Lambeth Communications Framework of Providers. Suppliers will be selected for commissions on a project-by-project basis by direct award and via mini competition.

Table 3

Lot Number	Service Providers Selected by Lot
1: Research and consultation	Enventure Fluid Ipsos Mori QA The Campaign Company
2: Graphic Design	22 Design Earth Creative Whatever Design Fluid Hudson Fuggle Martin Lore Partnership Rob Levison Design Stafford Tilley
3: Film production and photography	22 Design Animal Track Productions Cornocupia Hudson Fuggle Jon Spaul Photography Malt Films MX Multiplier Revealing Reality

4: Digital and social media marketing	Forster Communications Shape History
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3. **Finance**

- 3.1 The estimated contract value across the four lots is £3,000,000 over a three year period with the scope to extend for a further two year at a cost of £2,000,000 making the total estimated value of the contract up to £5m. The contract is expected to commence on 1st November 2017 and will end on 2nd November 2020 with an option to extend.
- 3.2 The contract will be largely used to support external clients in meeting their communications requirements. The cost associated with these commissions will therefore be rechargeable to clients and therefore there will be no net cost to the Council. The forecast spend per Lot per annum is given in the table below. When considering the amounts given, it should be borne in mind that these amounts relate to commissions internally at Lambeth Council, and externally on behalf of Lambeth Communications.

Lot Number	Estimate Annual Value of Contract
1 – Research and Consultation	£500,000
2 – Graphic Design	£200,000
3 – Film production and photography	£200,000
4 – Digital and social media marketing	£100,000

- 3.3 The framework of providers will also be used to meet the needs of Lambeth Council. The annual estimated cost of these services is expected to be between £500,000 and £1,000,000 and this will be funded from the Policy and Communications budget in the first instance, but recouped from internal and external clients.

4. **Legal and Democracy**

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member for Finance and Corporate Resources. Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.2 Under the Contract Standing Orders, contracts with an estimated value of more than £100,000 should be competitively tendered and this report sets out how officers have complied with this condition.
- 4.3 The statutory procurement rules apply to this procurement exercise and since the aggregate value of the framework exceeds the services contract threshold of circa £165,000, officers were obliged to publish a notice in the official journal of the European Union and to follow one of the procedures prescribed in the Public Contracts Regulations 2015. This report describes how officers met these obligations.

- 4.4 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender.
- 4.5 The notice also has to state when the 'standstill period' is expected to expire and the date before which the contracting authority will not conclude the framework agreement.
- 4.6 This proposed key decision was entered in the Forward Plan on 28 July 2017 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 An officer from the Communications team led this procurement. The evaluation panel comprised of existing lead officers for the Lot disciplines in the Communications Team and they helped to develop the specification and then subsequently conduct the tender evaluation process. The Procurement team advised on the development of tender documentation.
- 5.2 External consultation took place with potential suppliers through a market testing exercise in 2016 to establish interest in this opportunity.

6. Risk management

- 6.1 Officers have identified potential risks associated with the delivery of this contract and set out in Table 4 below the control measures of managing those risks.
- 6.2 All suppliers have provided reassurance they have adequate insurances in place in respect of their work and interacting with the public. Financial checks via Dun and Bradstreet were also done.

Item	Risk	Likelihood	Impact	Score	Control Measures
1	Appointment of Poorly-performing Service Providers	2	4	8	1. Ensure there are sufficient termination clauses in the framework contract. 2. Where suppliers perform poorly, limit commissions to them
2	Legal Entity of the Trading Body – Potential Challenge	1	1	1	1. Ensure that LAMCO only trades with public bodies.
3	Redundancy of, or resignation of officer responsible for this contract management	3	2	6	1. A contract management narrative to be created to ensure continuity and shared with a 2 nd officer 2. Robust handover arrangements

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7. Equalities impact assessment

- 7.1 The framework presented an opportunity to support local suppliers. The range and breadth of the services the Council requires from the framework means there was an opportunity to support the local economy in Lambeth by introducing local service providers. Two of the suppliers selected are Lambeth small businesses and the majority of suppliers selected are London-based.
- 7.2 In addition, the Council's policies with respect to economic growth and employment will ensure the payment of the London Living Wage.

8. Community safety

- 8.1 Not applicable.

9. Organisational implications

9.1 Environmental

None

9.2 Staffing and accommodation

None

9.3 Procurement

In accordance with Lambeth Contract Standing Orders a Gateway 1 Business Case was approved on 11th November 2016. A Gateway 2 Procurement Strategy was subsequently presented to the Council's Procurement Board on 6th December 2016.

In accordance with the Gateway 2 the tender documents were issues through EU Supply and a OJEU Contracts Notice was published on 8th December 2016 (OJEU Ref: 2016/S237-431704). Following a two-stage tender process an evaluation was carried by the nominated Evaluation Panel which selected a panel of Service Providers for each of the four lots as set out in Table 3 of this report.

A separate part 2 (exempt from disclosure) report has been prepared which sets out commercially confidential information with respect to this procurement.

9.4 Health

None

10. Timetable for implementation

- 10.1 Table 5 below sets out the main stages to the commencement of the Lambeth Communications Framework of Providers.

Table 5

Activity	Date
Submit to Procurement Board Administrator	5 th Sept 2017
Procurement Board	12 th Sept 2017
Decisions online	20 th October – 29 th October
Cabinet Member Decision	30 th October

Call-In Period	31 st October to 6 th November
OJEU Standstill Period	12 th October to 23 rd October
Execution of Contract	30 th October
Commencement of Contract	1 st November 2017

10.2 The intention is to perform contract management with suppliers quarterly where a contractor has delivered work within that quarter, and annually with all contractors.

10.3 The Framework will involve contract award to 20 suppliers. The intention is to conduct contract management on a quarterly basis in line with the council's policies on this matter.

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Imogen Walker	Deputy Leader (Finance and Resources)	10/08/17	29.08.17	None
Jackie Belton	Strategic Director for Corporate Resources	10/08/17	29.08.17	None
Nilesh Jethwa, Finance	Corporate Resources	10/08/17	28.08.17	3
Michael O'Hora, Legal Services	Corporate Resources	10/08/17	11.08.17	4
Alexander Harris, Democratic Services	Corporate Resources	10/08/17	14.08.17	4
Procurement Board	Corporate Resources	12/09/17	12/09/17	Throughout

Report History	
Original discussion with Cabinet Member	09.11.16
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	28.07.17
Key decision reasons	2. Expenditure, income or savings in excess of £500,000
Background information	
Appendices	None

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Paul Morris, Head of Creative and Business Development, Lambeth Communications

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Imogen Walker – Deputy Leader of the Council (Finance and Resources)

Any declarations of interest (or exemptions granted):

Any conflicts of interest:

Any dispensations: