

# Finance and Resources Committee

10.00, Thursday, 14 January 2016

## Integrated Employability Services

Ref: CT 0432

Item number	7.22
Report number	
Executive/routine	
Wards	All

### Executive Summary

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This report seeks the approval of the Finance and Resource Committee for the award of the Integrated Employability Service contract. The term of the contract will be two years from 1 April 2016 to 31 March 2018 with an option to extend for a further two years.

### Links

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Coalition pledges	<a href="#">P29, P30</a>
Council outcomes	<a href="#">CP7, CP8</a>
Single Outcome Agreement	<a href="#">SO1, SO2</a>

## Integrated Employability Services

**Ref: CT 0432**

### 1. Recommendations

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- 1.1 It is recommended that the Finance and Resource Committee approves the award of a two year contract to Edinburgh College and Community Renewal for Integrated Employability Services, with the option to extend for a further two years.
- 1.2 The value of the contract will be £1,250,000 per annum with a total contract value of £5,000,000 (including two year contract extensions).

### 2. Background

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- 2.1 This report outlines the result of the procurement of Integrated Employability Services.
- 2.2 The requirement was to commission a city-wide employability service to offer support to Edinburgh residents with multiple barriers to employment; to assist them with moving into sustainable work, education or training; and to support unemployed people where the service is tailored to their individual needs in order to make a long lasting impact and to build skills capacity.
- 2.3 The Scottish Government produced the Strategic Skills Pipeline model as part of the European Social Fund (ESF) Priority 5 programme.
- 2.4 It allows a number of provisions and interventions to coexist from a range of stakeholders and forms the core infra-structure of employability support; avoiding unnecessary duplication and confusion.
- 2.5 The Strategic Skills Pipeline is a five stage approach offering employability support and guidance to services aligned with local and national employability provision aimed at enhancing the journey of the client to sustainable employment.
- 2.6 Council funded employability services target gaps in national provision to offer a local approach and bring added value where possible. 'A Strategy for Jobs - The City of Edinburgh Council's Economic Strategy 2012-2017' outlines priority areas on which this contracted service will focus.

### 3. Main report

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- 3.1 This service falls within The Public Contracts (Scotland) Regulations 2012 Part B services. Although a Part B Services Contract is not subject to the full rigours of the regulations, the requirement for openness, transparency and fair and equal treatment remains, as does the need to comply with the Council's Standing Orders.
- 3.2 To assist with the development of the final specification for the service, early market engagement took place on 5 March 2015 to support co-production of the service, 34 individuals attended representing 26 organisations. A bidder event took place on 14 July 2015, 26 individuals attended, representing 22 organisations.
- 3.3 An open tender was placed on the Public Contract Scotland and Public Contracts Scotland Tender website 20 August 2015 resulting in 51 organisations noting interest in the opportunity. From those noting interest two organisations submitted a tender.
- 3.4 To ensure only the highest quality proposals were considered a quality threshold rating of 50% was applied to the qualitative evaluation. Only one organisation met this standard and were then evaluated on the basis of the most economically advantageous tender with 60% overall for quality and 40% for price.

The scoring methodology is set out in Appendix 2. The resultant score for the tender is as follows:-

Provider	Quality (Max 60)	Price (Max 40)	Overall Rank
Edinburgh College and Community Renewal	42%	40%	1

- 3.5 Price evaluation considered the total overall cost of the service and the unit cost associated with achieving the performance outcomes. The total price for the service will be split for payment with 60% paid for operational delivery and 40% for achievement of performance outcomes; this approach will support best value from the contract.

### 4. Measures of success

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- 4.1 A successful tender process has been completed, and is compliant with European Union (EU) part B Regulations and Contract Standing Orders.

## 5. Financial impact

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- 5.1 A budget of £5,000,000 based on a two year contract plus two years extension.
- 5.3 The costs associated with procuring this contract are estimated at from £20,001 and £35,000.

## 6. Risk, policy, compliance and governance impact

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- 6.1 This contract is required to comply with EU procurement regulations (Part B).
- 6.2 A further risk is the partnership between the providers Edinburgh College and Community Renewal breaking down, but this is mitigated by a long standing professional relationship.
- 6.3 European Social Funds are only guaranteed for the first three years and are subject to further approval and funds becoming available.

## 7. Equalities impact

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- 7.1 An equalities impact assessment was conducted as part of the procurement process and there were no equalities issues identified.

## 8. Sustainability impact

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- 8.2 Community benefits proposal incorporating training, sponsorship, work experience and job opportunities have been included as part of providers submissions.

## Background reading/external references

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### Links

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<b>Coalition pledges</b>	P29 - Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work P30 - Continue to maintain a sound financial position including
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	long-term financial planning
<b>Council outcomes</b>	CP7 - Access to work and learning CP8 - A vibrant, sustainable local economy
<b>Single Outcome Agreement</b>	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	1 – Summary Tender Process 2 – Award Criteria 3 – Scoring Methodology

## Appendix 1

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## Summary of Tendering and Tender Evaluation Processes

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<b>Contract</b>	Integrated Employability Services
<i>Contract Period</i>	1 April 2016 for a period of 2 years with the option to extend for up to a further 2 years
<i>Estimated contract value</i>	£1,250,000 (Annual) £5,000,000 (Total including extensions)
<i>Standing Orders observed</i>	Open Procedure
<i>EC Directives</i>	2004/18/EC – Part B
<i>Tenders Returned</i>	2
<i>Tenders fully compliant</i>	1
<i>Recommended Provider/s</i>	1
<i>Primary Criterion</i>	Most economically advantageous tender to have met the qualitative and technical specification of the client department'
<i>Evaluation criteria and weightings and reasons for this approach</i>	Quality (60%) – minimum threshold 50. Price (40%); Quality was of higher importance due to the nature of the provision; minimum threshold ensured low quality bid could not win.
<i>Evaluation Team</i>	Officers from Economic Development

## Appendix 2

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## Qualitative Criteria

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<b>Award Criteria</b>	<b>Weighting (%)</b>
Service Delivery	20%
Meeting Clients Needs	20%
Partnership and Resources	15%
Emerging Employment Opportunities	15%
Quality Management and Reporting	10%
Staffing	10%
Community Benefits	10%

## Appendix 3

### Scoring Methodology

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<b>Score</b>	<b>Description</b>
<b>0</b> <b>Unacceptable</b>	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
<b>1</b> <b>Poor</b>	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
<b>2</b> <b>Acceptable</b>	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
<b>3</b> <b>Good</b>	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
<b>4</b> <b>Excellent</b>	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.