

Finance and Resources Committee

10.00am, Thursday, 10 November 2022

Contract Award Recommendations Report in respect of 'Business Gateway Specialist Support Training Services'

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 Finance and Resource Committee are asked to:
- 1.1.1 Approve the award of contracts to Enterprise North East Trust Ltd, trading as Elevator, in respect of Lots 1, 2 and 3 for the Business Gateway Specialist Support Training Services requirements;
 - 1.1.2 Note the contract durations will be for an initial period of three years, with an option to extend for up to two further periods of 12 months each, to be undertaken at the sole discretion of the Council; and
 - 1.1.3 Note that the commencement of the contracts will be from 6 March 2023 at a total estimated cost of £1,039,000 over the potential maximum period of five years.

Paul Lawrence

Executive Director of Place

Contact: Al Bryce, Business Growth Contracts and Programme Manager

E-mail: Al.Bryce@edinburgh.gov.uk | Tel: 0131 529 6617

Report

Contract Award Recommendations Report in respect of 'Business Gateway Specialist Support Training Services'

2. Executive Summary

- 2.1 This report seeks approval to award the contracts for 'Business Gateway Specialist Support Training Services' to Enterprise North East Trust Ltd, trading as Elevator, in respect of Lots 1, 2 and 3 as detailed in the report.
- 2.2 Contracts will commence on 6 March 2023 for an initial period of three years, with options to extend for up to two further periods of 12 months each, at a total estimated cost of £1,039,000 over the potential maximum period of five years.

3. Background

- 3.1 Business Gateway is a Scottish Government funded service contributing to the economic wellbeing of Scotland by providing access to free business support services.
- 3.2 Responsibility for delivery of the Business Gateway service was passed to local authorities in April 2008. The delivery of Business Gateway in the Lothians is a partnership between the City of Edinburgh Council, East Lothian Council, Midlothian Council and West Lothian Council, with Edinburgh acting as the lead partner.
- 3.3 The Council has a Service Level Agreement (SLA) with each of the other Partner Councils to ensure delivery of a quality service and that targets are achieved.
- 3.4 The services are delivered by the Council's Business Growth and Inclusion (BGI) team, who also oversee the SLA and the relationship with the partners as well as external contractors.
- 3.5 While Business Gateway advisory services are delivered in-house by each of the partner local authorities, the proposed services within this contract have been delivered externally since 2008. The principal reasons for this are the specialist nature of the services provided requires the provision of specialised knowledge and expertise plus it provides the flexibility to meet fluctuating demands for the Council and other partner authorities.

- 3.6 Lot 1 includes local webinar and workshop delivery, including '1 to 1', '1 to Few' and '1 to Many' events. Topics are agreed between the 4 local authority partners quarterly in advance, based on local demand but likely to include areas such as start-up finance, business planning, PR, negotiating, bookkeeping, selling, marketing.
- 3.7 Lot 2 covers delivery of the Scottish Government's DigitalBoost programme in the region and is again by client demand but can cover the full scope of digital including areas such as search engine optimisation, website design, social media marketing, digital technology implementation, ecommerce.
- 3.8 Lot 3 relates to delivery of additional specialist consultancy support, part-funded currently by European Regional Development Fund and, from 2023, by the Shared Prosperity Fund. Current topics supported through this include innovation, HR, exporting, strategy.
- 3.9 The existing specialist training contract arrangements have been extended and are currently scheduled to end on 5 March 2023.

4. Main report

- 4.1 The Council's Commercial and Procurement Services conducted a competitive procurement exercise utilising the 'Open' procedure to identify the most appropriate service providers. The invitation to tender was published on the Public Contracts Scotland tendering portal, with all interested organisations, including Small and Medium sized Enterprises (SME's), being encouraged to bid.
- 4.2 In view of the nature of the training provisions, BGI is the main Council service area requiring the proposed services. However, prior to inviting tenders, BGI consulted with counterparts in each of the other Councils, detailed in paragraph 3.2 above, to inform the agreed Lothians-wide requirements used in the procurement process.
- 4.3 Tender submissions were evaluated based on Most Economically Advantageous Tender. In the case of Quality, tenderers' responses to a total of eight questions/topics were evaluated and scored. With regards to price, tenders were evaluated and scored based on proposed prices in respect of the range of service provisions relevant to each respective Lot.
- 4.4 All partners agreed that the quality of the service delivered is of paramount importance and therefore a price/quality ratio of 40:60 was adopted.
- 4.5 The table below shows details of the weighted scores awarded to each tender:

Tenderer	Quality (Max.60%)	Cost (Max. 40%)	Total
LOT 1			
Enterprise North East Trust Limited t/a Elevator	52.95	40.00	92.95

Tenderer 2	53.25	28.94	82.19
Tenderer 3	56.55	17.61	74.16
Tenderer 4	37.35	29.54	66.89
LOT 2			
Enterprise North East Trust Limited t/a Elevator	57.90	40.00	97.90
Tenderer 2	51.75	34.44	86.19
LOT 3			
Enterprise North East Trust Limited t/a Elevator	45.45	40.00	85.45
Tenderer 2	45.60	35.63	81.23
Tenderer 3	48.30	21.98	70.28

- 4.6 Appendix 1 provides a more detailed breakdown of the various weightings applied to the evaluations of both Quality and Price.
- 4.7 The recommended tenderer is not the incumbent provider and so there may be some overlap in service delivery while the incumbent completes their work with existing client referrals. It is also possible that incumbent's staff may be in scope of TUPE regulations and so the planned implementation timetable makes allowance for this possibility.
- 4.8 BGI will have responsibility for managing the successful delivery of the proposed services not only within Edinburgh, but also on behalf the partner authorities and this brings an additional dimension of complexity and risk. Consequently, the Contracts and Grants Management team in Procurement Services will engage with the BGI Contract Manager to ensure that effective contract management is delivered throughout the contract lifecycle. To this end, a Contract Management and Handover Report, detailing the necessary steps and measures, will be produced and agreed.
- 4.9 BGI's proactive contract management (including robust monitoring of all appropriate management information, key performance indicators and budget tracking) will help deliver an effective and efficient service for the city of Edinburgh, and indeed across the whole of the Lothians, throughout the duration of the contact.

5. Next Steps

- 5.1 Subject to approval, the services will commence on 6 March 2023 and will enable the Council to fully address its responsibilities with regards to the delivery of the Business Gateway service.

6. Financial impact

- 6.1 The individual contract values are estimated at £360,000, £359,000 and £320,000 for Lots 1, 2 and 3 respectively, giving an overall total estimated spend of £1,039,000 over the maximum contract period (i.e. including potential extensions), and is budgeted for through the Business Gateway payment received through the General Revenue Grant.
- 6.2 The costs associated with procuring the proposed contract are estimated to be between £10,000 and £20,000.

7. Stakeholder/Community Impact

- 7.1 The majority of the proposed training service is expected to be delivered remotely on-line. This approach was adopted out of necessity during the COVID-19 pandemic but has proven to be very popular and is now the format preferred by service users. Delivering the service in this manner also helps reduce the environmental impact which would otherwise result from face-to-face delivery at a range of venues across the Lothians. Face to face delivery will still be used selectively to ensure the service is accessible to the widest range of users as possible including users with protected characteristics.
- 7.2 The published Invitation to Tender documents included a requirement for successful tenderers to provide Community Benefits and included a handful of appropriate examples, such as environmental improvement measures, volunteering and mentoring support, provision of community resources, sponsorship of community organisations etc.
- 7.3 The recommended tenderer will provide a useful range of appropriate Community Benefits. These include a number of provisions relating to funding and mentoring support for young people up to the age of 30 to help them on their start-up journey, funded entirely through their charitable trust. Grants will range in value from £100 to £3,000 and they expect to be able to support up to 80 young people in year one, increasing this number in subsequent years.
- 7.4 The recommended tenderer has confirmed that they pay their staff the Real Living Wage and are an accredited Living Wage employer. Additionally, they have confirmed that they are also signed up to the Scottish Business Pledge.

8. Background reading/external references

- 8.1 None.

9. Appendices

9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process.

Appendix 1 – Summary of Tendering and Tender Evaluation Processes.

Contract	Business Gateway Specialist Support Training Services ref: CT0967	
Contract period (including any extensions)	Maximum of 5 years - initial period of 3 years, with options to extend for up to 2 additional periods of 1 year each.	
Estimated Total Contract Values (inc. extensions)	Lot 1: £360,000 Lot 2: £359,000 Lot 3: £320,000	
Procurement Route Chosen	'Open' procedure	
Tenders Returned	Lot 1: 4 Lot 2: 2 Lot 3: 3	
Recommended Supplier	Lot 1: Enterprise North East Trust Ltd trading as Elevator Lot 2: Enterprise North East Trust Ltd trading as Elevator Lot 3: Enterprise North East Trust Ltd trading as Elevator	
Price / Quality ratio	Price 40%	Quality 60%
Price / Quality ratio rationale	The price of the proposed provision is obviously an important consideration because it must be affordable and represent acceptable value for money. In this case, however, the quality of the service delivery is seen as key to the ultimate success of the provision. Therefore, taking both of these factors into account and with the intention of securing good quality at prices which deliver best value for money, a cost:quality ratio of 40:60 was deemed appropriate.	
Evaluation criteria and weightings	Price:	40%

	<p style="text-align: center;">Quality, of which:</p> <ol style="list-style-type: none"> 1. Understanding the Project Requirements 2. Proposed Methodology for Planning the Delivery of the Service 3. The Approach to Delivering the Service 4. Contract Management and Performance Management 5. Business Continuity 6. Data Security Measures 7. Fair Work Practices 8. Community Benefits 9. Fair Work Management Information 	<p style="text-align: right;">60%</p> <p style="text-align: right;">20%</p> <p style="text-align: right;">25%</p> <p style="text-align: right;">20%</p> <p style="text-align: right;">10%</p> <p style="text-align: right;">10%</p> <p style="text-align: right;">5%</p> <p style="text-align: right;">5%</p> <p style="text-align: right;">5%</p> <p style="text-align: right;">n/a – for information only</p>
<p>Evaluation Team</p>	<p>Lots 1 and 2: 1 officer from City of Edinburgh Council, together with counterparts from East Lothian Council and West Lothian Council.</p> <p>Lot 3: 3 officers from the Council's Business Growth & Inclusion services.</p> <p>Additionally, question 6 in all 3 Lots (re Data Security Measures) was evaluated by specialists from the Council's Customer and Digital Services division.</p> <p>Unfortunately, Midlothian Council were unable to field an evaluator.</p>	