

From: Mark Dance, Cabinet Member for Economic Development  
David Cockburn, Corporate Director – Business, Strategy and Support

To: Economic Development Cabinet Committee – 3 December 2013

Subject: Decision No: 13/00079 - Procurement of an organisation to deliver Inward Investment Services for Kent County Council Area

Classification: Unrestricted

Past Pathway of Paper: Economic Development Cabinet Committee – 6 March 2013

Electoral Division: All

**Summary:**

KCC previously operated a three-year Service Level Agreement with Locate in Kent, for them to deliver inward investment services in Kent. The latest 3 year agreement expired on 31<sup>st</sup> March 2013, however this was extended for a year whilst KCC investigated the best way to secure these services in future.

Advice from the Department for Business, Innovation and Skills, received in May 2013, was that the market for these services had developed sufficiently that a procurement exercise would be necessary.

This report details the process that has been followed, and outlines the requirements that KCC have asked bidders to meet when submitting their proposals.

**Recommendation:**

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision to award the contract for Inward Investment Services for Kent County Council Area as attached at Appendix A.

**1. Introduction**

- 1.1 As a part of its efforts to grow the Kent economy, Kent County Council has had a long term aim to secure inward investment into the county, and supporting existing companies to expand in Kent, rather than relocating out of the county. Since 1997 this has been delivered through Locate in Kent, which was established by KCC as a investment promotion agency. Until March of this year, KCC had funded Locate in Kent through a three year service level agreement.

- 1.2 As was reported to this committee in March 2013, following discussions held with legal and procurement advisors, it was felt that there was a need to examine the contractual relationship with Locate in Kent, as since we first created the organisation, the market for these types of services had changed. Whilst advice was sought from the Department for Business, Innovation and Skills (BIS) on the best way to proceed, the existing agreement with Locate in Kent was extended by one year, with an end date of March 2014.
- 1.3 In May 2013, BIS advice was received that the market for these type of services had matured to the point where a competitive procurement exercise should be undertaken to secure inward investment services for Kent going forward.

## **2. Financial Implications**

- 2.1 The contract will commence upon 1<sup>st</sup> April 2014 and will continue until 31<sup>st</sup> March 2017 unless terminated in accordance with the Conditions of Contract laid out in the Invitation to Tender. Subject to satisfactory performance and availability of funding from KCC, the contract will be extended for an additional 3 years (until 31<sup>st</sup> March 2020).
- 2.2 The value of the contract is estimated to be £625,000 + VAT per annum (this represents a reduction on this contract, when set against last years spend of £750,000). However, tenderers were made aware of the fact that, due to budgetary pressures on KCC, only the first year of the contract would be guaranteed at this level. Tenderers were also asked to show how they would deliver a 10% reduction in year 2, and year 3 of the contract.

## **3. Bold Steps for Kent and Policy Framework**

- 3.1 Inward investment is a key part of delivering one of the three key aims of Bold Steps for Kent – To help the economy grow. By procuring these services we will ensure a continued focus on attracting new investment into Kent, and into Kent's priority sectors, including life sciences, creative and media, land based and low carbon industries.

## **4. The Procurement Process**

- 4.1 Following the receipt of the advice from BIS, work was undertaken with the Procurement team to procure these services.
- 4.2 A procurement plan was developed, and was discussed by the KCC Procurement Board
- 4.3 Following the Procurement Board, the Tender Specification

documents were developed, and were then issued via the Kent Business Portal.

The timetable for the process was:

Proposed Procurement Timetable	
Closing Date and time for Tender Submissions	Midday Wednesday 6 <sup>th</sup> November 2013
Commencement of Tender Evaluation Period	w/c 11 <sup>th</sup> November 2013
Interviews	w/c 25 <sup>th</sup> November 2014
Contract Award	w/c 16 <sup>th</sup> December 2014
Contract Commencement Date	1st April 2014

## 5. The Requirement

- 5.1** The tender specification, outlining the service that we are looking for, is laid out in full in Appendix B with the service requirements detailed in full from page 12.
- 5.2** In brief, the service that we asked tenderers to supply could be summarised as:

*Kent County Council is seeking a supplier that can be the inward investment agency for Kent. The successful supplier must have an excellent understanding of the key issues companies face when looking to relocate, an understanding of the commercial property market in Kent, how to identify and develop leads, how to support companies during the relocation process, and how to support relocated companies following relocation. The successful supplier should have a strong track record of delivering similar services. The successful supplier should have a strong understanding of the loans, grants and funds that could be available and how to access support for companies from national programmes.*

*The successful supplier will be expected to develop innovative and creative solutions to secure inward investment in Kent and support KCC's priorities for inward investment, which are :*

- *Securing investment into the county of Kent that will create jobs*
- *Promoting the county to target markets and high value sectors*
- *Competing with other locations being considered by the investor and developing compelling reasons why the company should invest*

*in Kent*

- *Maintaining close contact with companies who invest in Kent, supporting them to establish and grow in Kent*
- *Attracting potential investors and providing key information to help decision making.*
- *Working closely with key partners in the county and internationally in collaboration with UK Trade and Investment*

**5.3** The procurement process is currently continuing with the expectation that the successful contractor will be notified shortly.

## **6. Recommendation**

**6.1** The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Economic Development on the proposed decision to award the contract for Inward Investment Services for Kent County Council Area as attached at Appendix A.

## **7. Background Documents**

Kent County Council Tender Document for Inward Investment Services in Kent

## **8. Contact details**

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