

**From:** Bryan Sweetland, Cabinet Member – Environment, Highways & Waste  
John Burr, Director of Highways & Transportation

**To:** Environment, Highways & Waste Cabinet Committee

**Date:** 15 November 2012

**Subject:** Technical & Environmental Service Contract (TESC) update

**Classification:** Unrestricted

**Summary:** This paper is the latest Member update on the TESC procurement process and follows on from previous Policy Overview and Scrutiny Committee (POSC) updates, Informal Members Group (IMG) discussions and a paper to the Environment, Highways and Waste (EHW) Cabinet Committee in September.

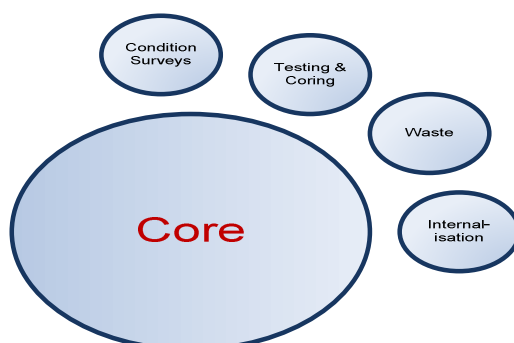
**Recommendations:** Members are asked to note the recent procurement progress and next steps that will identify the preferred bidder leading to the award of the new contract.

## 1. Introduction

A previous update paper was submitted to the EHW Cabinet Committee on 20 September 2012, explaining how the now decommissioned Policy Overview and Scrutiny Committee (POSC) decided on 14 March 2012 not to extend the current Jacobs contract beyond 31 March 2013. The paper of 20 September outlined the procurement timeline and progress to date. The EHW Cabinet Committee agreed that a robust procurement process continues to progress.

## 2. The “Paw-Print” Model

As previously explained, the Paw-Print detailed below, is used to illustrate how the Technical and Environmental Services Contract (TESC) will be comprised of a Core Services contract for the majority of the professional services, with some smaller specialist contracts (“toes”) and internalised services. The Paw-Print approach gives better flexibility in the procurement of services and greater choices without significant additional procurement costs.



The core represents about 80% of the contract value. The “toes” represent three smaller specialist contracts and internalisation as listed below:

1. Road Condition Surveys
2. Materials Testing and Coring
3. Waste Management
4. Internalisation of various H&T functions (including Arboriculture and Structures).

### **3. Recent Progress**

#### Core Contract

1. *Pre-Qualification*: An Official Journal of the European Union (OJEU) notice and Pre Qualification Questionnaire (PQQ) were published on 13 July 2012. The closing date for bidders to return PQQ's was 22 August 2012. The completed PQQ's were then evaluated and the following five companies were invited to submit a full tender – AECOM, Amey, Atkins, Capita Symonds, Parsons Brinckerhoff.
2. *Invitation to Tender (ITT)*: On 24 September 2012, an Invitation to Tender (ITT) was issued to the five shortlisted bidders and the unsuccessful applicants were notified. The five bidders have until the close of play on 6 November 2012 to submit their final tenders. As a part of this process, a Bidders Day was held on 11 October where the potential providers met KCC representatives (Officers and Members) to discuss the TESC requirements in more detail. The Elected Members panel of David Brazier and Roy Bullock both agreed that this was a useful and informative event.

### **4. Next Steps**

#### Core Contract

1. *Bidders Presentations*: Presentations take place on 20 November and a small group of Members will be asked to sit on the assessment panel which scores the bidders based on their presentation and subsequent question and answer sessions.
2. *Preferred Bidder Identified*: By the end of November, the preferred bidder will be identified and a report prepared for the Commissioning and Procurement Board. The Board will meet on 12 December where they will be informed of the preferred bidder. There will then be a mandatory standstill period of at least ten calendar days (this is a requirement for all contracts tendered via the OJEU) before the Corporate Director; Enterprise & Environment signs off the award of contract.
3. *Mobilisation*: Mobilisation must have commenced by early January 2013 to allow both KCC and the new provider sufficient time to start the new contract on 1 April 2013.

#### The Smaller ("Toe") Contracts

The "Road Condition Surveys" and "Materials Testing & Coring" contracts will both be procured separately, with support from the Corporate Procurement Team, under "Spending the Council's Money". These contracts will commence on 1 April 2013, in line with the start of the TESC Core Contract.

#### H&T Internalisation

The on-going series of changes and adjustments to service structure and design continues through the internalisation of certain functions previously provided by Jacobs. This currently includes bringing Structures, Arboriculture and Gazetteer maintenance back in house for delivery directly by KCC.

Waste Management – Waste lead the procurement of a stand-alone contract.

## **5. Financial Implications**

The proposed contract spend by KCC will be approximately £4m - £5m per year for an initial period of up to 5 years, with possible extension(s) for a further 5 years. This is a significant potential reduction on historic spend through the “Jacobs” contract which was worth around £12m – £13m per year in 2010/11.

## **6. Conclusions**

A robust and focussed procurement process continues to progress and will lead to contract award in early 2013.

## **7. Recommendations**

Members are asked to:

- Note the contents of this report.

## **8. Background Documents**

EHW Policy Overview and Scrutiny Committee meetings:

- 12 January 2012

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=529&MId=3968&Ver=4>

- 14 March 2012

<https://democracy.kent.gov.uk/ieListDocuments.aspx?CId=529&MId=3969&Ver=4>

EHW Cabinet Committee Meeting:

20 September 2012

<https://democracy.kent.gov.uk/documents/s34114/Item%20B9%20-%20Technical%20and%20Environmental%20Service%20Contract.pdf>

## **9. Contact details**

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