

From: David Cockburn, Corporate Director – Business, Strategy and Support

To: Leader of the Council

Decision No: 13/00079

Subject: Award of a contract to deliver Inward Investment Services for Kent County Council Area

Classification: Unrestricted

Past Pathway of Paper:

- Economic Development Cabinet Committee – 3 December 2013
- 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 asked bidders to meet, and details (in an exempt report) the successful bidder.

**Recommendation:**

That the contract for delivering Inward Investment services for Kent County Council is awarded to the organisation identified in the exempt report.

**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 an inward 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 the Economic Development Cabinet 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 change. Whilst advice was sought from the Department for Business, Innovation and Skills (BIS) as 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, 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 April 2014 and will continue until 31 March 2016 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 year (until 31 March 2017).
- 2.2 The value of the contract is estimated to be £625,000 excluding VAT per annum (this represents a reduction on this contract, when set against last's 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 As one of its three clear aims within Bold Steps for Kent, Kent County Council is committed to growing the economy of Kent. Attracting inward investment into Kent, and supporting Kent based companies to remain and expand in Kent, is a key element in achieving this aim.

## **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:

Procurement Timetable	
<b>Closing Date and time for Tender Submissions</b>	<b>Midday Wednesday 6<sup>th</sup> November 2013</b>
<b>Commencement of Tender Evaluation Period</b>	<b>w/c 11<sup>th</sup> November 2013</b>
<b>Interviews</b>	<b>w/c 25<sup>th</sup> November 2014</b>
<b>Contract Negotiation</b>	<b>w/c 16<sup>th</sup> December 2014</b>
<b>Contract Award</b>	<b>Not before w/c 27<sup>th</sup> January 2014</b>
<b>Contract Commencement Date</b>	<b>1st April 2014</b>

## **5. The Requirement**

**5.1** 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*

**5.2 The procurement process is now complete, and an organisation has been selected to deliver the service. The successful organisation is identified in the exempt report, which also details the responses received to the tender opportunity.**

## **6. Recommendation**

That the contract for delivering Inward Investment services for Kent County Council is awarded to the organisation identified in the exempt report.

## **7. Background Documents**

Kent County Council Tender Document for Inward Investment Services in Kent

Exempt Report – Approval to Award Form for Inward Investment Services in Kent

## **8. Contact details**

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