

PLYMOUTH CITY COUNCIL

Subject: Award of Contracts for Plymouth Adult Education
2019-2022

Committee: Cabinet

Date: 12 February 2019

Cabinet Member: Councillor Jon Taylor (Cabinet for Education, Skills and Transformation)

CMT Member: Alison Botham (Director of Children's Services)

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Ref: PEO18213

Key Decision: Yes

Part: 1

Purpose of the report:

On Course South West was established on 1st April 2015 as a Joint Venture between YMCA, the former Adult Education Service of PCC and Shekinah Mission. The original intention was to novate the contract previously held by PCC to the new enterprise but shortly before the transfer the Skills Funding Agency (now ESFA) announced that under new regulations PCC had to maintain the contract. Each year there has been a review with the ESFA regarding the option to return or novate the contract and, due to late notification from the ESFA, it has been decided in previous years to continue via an exemption with the existing delivery model.

An options appraisal was undertaken and approved by delegated decision in June 2018. This resulted in a recommendation to retain the contract in PCC and commission the service required from the market. The resultant procurement will be for the delivery of Adult Education. Providers will be free to continue to offer other courses to fee paying customers and the contract will not prevent a provider from selling courses outside the contract which do not directly support the Plan for Skills. The funded contract will however require the provider to offer courses and training which are aligned to the city's skills agenda.

A two stage tender process commenced in October 2018 with the aim to award three contracts in total.

The part 1 and part 2 reports set out the result of the tender process and seek approval from Cabinet to proceed with the recommended contract award.

For reasons of commercial confidentiality the full details of the tender process are included within a separate part 2 report.

Corporate Plan

The commissioning of AEB funding supports the following plans:

100 Pledges

Pledge 7 indicates continued efforts in encouraging opportunities for older workers, whether they are looking for a change of job or are out of work.

Lot-3 is specifically addressing support for adults, including older workers, to access employment and make progression within work.

Plan for Education

A key feature identified in the Plan for Education is the overall improvement in the education estate and maths and English in particular. We envisage more targeted activity as a result of the procurement.

Family learning programmes would improve parents' abilities to support the education of their children.

Plan for Employment and Skills

The Plan for Employment and Skills (PES) highlights the priority around meeting demand for skills from employers. It supports skills delivery that will enable rapid action and support people into employment. This fits with the concept of obtaining best value from funds that can be delivered locally. It will also make a valuable contribution to the Inclusive Growth flagship and emerging strategy from this. Specifically the procurement will enable support to key objectives from the PES including:

- Additional resource to contribute to the reduction of young adults Not in Education, Employment or Training (NEET)
- The reduction of long term unemployed residents by offering them skills to enter or be nearer to accessing employment.

City wide STEM (Science, Technology, Engineering and Maths) strategy

The Plan will support the growth aspect within the sector by increasing engagement in STEM learning. In particular this will increase to take-up of ICT provision by adults.

Implications for Medium Term Financial Plan and Resource Implications:

Including finance, human, IT and land

Actual contract values to AEB sub-contractors will depend on final allocations received from the ESFA. This may differ be from the illustrative allocation figures currently provided by ESFA.

Funding for AEB is provided by ESFA we are managing this provision through a sub-contract relationship, retaining a management fee for administration of contracts. This covers:

- Quality Assurance, including responsibilities around Ofsted inspections,
- Management Information, including financial and learner data

- Contract Management of the network of providers

A small in-house team will be housed by PCC and a licence for IT software compatible with ESFA systems will be needed.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

- Risk Management

If ESFA policies change, funding for this service is likely to be affected. This is mitigated through annual break clauses within contracts.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

ESFA funding for AEB provides support for vulnerable groups to access education and training.

The specification Improving the Education, Basic Skills and Employability of Vulnerable Groups within the tender is specifically targeted at providing an offer of provision to support adults with barriers to engagement, including those with protected characteristics, engage in learning opportunities. This should encourage and support engagement from these groups, allowing greater integration into local communities and progression towards employment.

The specification Supporting Skills Development in Plymouth's Key Growth Sectors within the tender is specifically targeted at supporting adults improve work related skill. The groups identified for support within the specification include disadvantaged or minority groups, including adults over 50.

Recommendations and Reasons for recommended action:

To award a one year contract, commencing on 1st August 2019 with an option to extend the contract for a further two years in annual increments, for the delivery of Adult Education Services in Plymouth to the successful tenderer(s) identified in the Part 2 report. The tender evaluation process has determined that they have the critical knowledge and experience to provide these services and that considering all evaluation criteria they have offered the 'most economically advantageous tender'.

Alternative options considered and rejected:

1. Do nothing

Existing sub-contracts with external service providers would lapse on 1st August 2019. Plymouth City Council would be in breach of its contract with the ESFA as it would be unable to deliver provision in 2019/20. This would de-stabilise the local market and significantly reduce the community-based learning offer for adults.

2. Extend Existing Contracts

Due to the value of these contracts the procurement of these services is subject to Plymouth Council's Contract Standing Orders which state that any procurement over the threshold value of

£150,000 is to be competitively tendered. These contracts are also subject to the Public Procurement Regulations 2015 and sit above the Light Touch Regime tender threshold of £615,278. We do not have a legal reason to exempt the contracts from these regulations.

3. Return funds to ESFA

This would de-stabilise the adult education market. There is no guarantee ESFA will provide a similar level of funds for the area in future arrangements. Provision could be secured by providers without an in-depth knowledge of the skill demands of the city or of needs of neighbourhoods and localities, or unwilling to deliver against PCC plans. PCC would be unable to direct delivery against priorities. Current community-based provision may not continue, being replaced by provision away from targeted communities.

4. Transfer responsibility to an alternative local provider, e.g. City College Plymouth

This is dependent on ESFA agreement. It is normally only considered where provision is failing due to quality issues or financial difficulties.

Alternative providers may work with PCC and the current network of providers but this cannot be assured. Centralised delivery may result from transfer removing community-based delivery, leaving deprived areas in particular without access to local provision.

5. Bring Service back into LA

This would entail a major investment in securing additional accommodation to delivery AEB courses; plus a complex TUPE exercise for staff previously within the LA.

Published work / information:

N/A

Background papers:

[AEB Contract –Award Briefing-Paper May18 v3](#)

Exempt Information:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Contract-Award-Report_Jun-18	X									
AEB EIA 19-22 Final	X									

Sign off:

Fin	SA18.19.18 6-17.01.19	Leg	MS/31894	Mon Off		HR		Assets		IT		Strat Proc	SA/PSF/493/CP/0119
Originating SMT Member: Judith Harwood													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. BACKGROUND

Plymouth City Council (PCC) holds an annualised budget of c£1.48m from the Education and Skills Funding Agency (ESFA) for delivery of Adult Education (AEB). This is split into grant-funded Community Learning (£800k) and earnings-based Adult Skills (£680k). For 2019/20 ESFA has issued an illustrative allocation of £1.402m, this budget is used in our tender process.

Due to a review of the way the budget is currently delivered and following guidance from the ESFA on how this budget should be administered going forward, PCC is procuring learning activities delivered through this fund for the next year 2019-2020 with the option to extend for a further 2 years in yearly increments.

Applications were sought from training providers who will need to be listed on the UK Register of Learning Providers and who will be able to deliver this fund in accordance with ESFA rules and guidelines, current guidelines are available from the ESFA via the .gov website (<https://www.gov.uk/education/adult-education-funding>).

In particular, PCC has sought providers who would be able to deliver this provision over this time period in the following categories (Lots):

1. Lifelong Learning for All
2. Improving the Education, Basic Skills and Employability of Vulnerable Groups
3. Supporting Skills Development in Plymouth's Key Growth Sectors

2. PROCUREMENT PROCESS

The procurement for these services was run as an Official Journal of the European Union (OJEU) compliant competitive two-stage 'Restricted Procedure' under the 'Light Touch Regime'.

The Restricted Procedure comprises two stages:

1. Selection Stage – Candidates complete a Selection Questionnaire (SQ) to demonstrate their suitability to deliver the required services. For this procurement those candidates that do not reach the published minimum threshold score are deselected. The top 5 scoring candidates for each Lot (where possible) were shortlisted to be invited to tender. Candidates in 6th place and below were deselected.
2. Award Stage – Invitation to tender issued to shortlisted candidates only.

The opportunity was advertised via the electronic tendering site www.supplyingthesouthwest.org.uk (STSW) on the 23/10/18 in accordance with the following timeline:

Activity	Date/Target Date
OJEU and STSW Advert	23/10/2018
SQ return deadline	23/11/2018
Dispatch of ITT	28/11/2018
ITT return deadline	03/01/2019
Notification of successful Tenderer	25/02/2019
Commencement of Regulation 87 standstill period	25/02/2019
Contract Award	08/03/2019
Estimated Service Commencement	01/08/2019

3. PRE TENDER SELECTION CRITERIA

The objective of the selection process was to assess the responses to the SQ and select potential Economic Operators to proceed to the next stage of the procurement.

Section	Title	Type of Question	Weightings (%)
1	Potential Supplier information	Information only	Not evaluated and scored
2	Grounds for Mandatory Exclusion	Pass/fail	
3	Grounds for Discretionary Exclusion	Pass/fail	
4	Economic and Financial Standing	Pass/Fail	
5	Parent Company Details	Pass/Fail	
6	Technical & Professional Ability	Scored	10%
7	Modern Slavery Act Requirements	Pass/Fail	
8	Additional Questions		
8.1	Insurances	Pass/Fail	
8.2	Disputes	Scored	5%
8.3	Health & Safety	Scored and Pass/Fail	3 Scored questions – 10% 3 Pass / Fail questions
8.4	Equality and Diversity	Pass/Fail	
8.5	Quality Management	Pass/Fail	
8.6	Safeguarding	Scored	3 Scored questions – 10% 2 Pass / Fail questions
8.7	Social Values	Scored and Pass/Fail	5%
8.8	Data Protection	Pass/Fail	
8.9	Business Capability	Scored and Pass/Fail	4 Scored questions – 60% 1 Pass / Fail questions.

In the event of the Supplier being awarded a ‘fail’ on any of the above criteria, the remainder of their SQ would not be evaluated and they would be eliminated from the process.

An overall threshold of 74% of the achievable marks was required to determine whether Tenderers meet the minimum requirements. For each lot, only the top 5 scoring providers who pass the minimum threshold score could be invited to tender.

These weightings and the scoring methodology for each section were published in the Selection questionnaire documentation.

A total of 17 SQs were received for these services. 13 SQs met the minimum threshold score of 74% and of those up to 5 top scoring candidates in each lot were invited to tender.

Lot	Description	Number of SQs received	Number of invitations to tender
1	Lifelong Learning for All	5	4
2	Improving the Education, Basic Skills and Employability of Vulnerable Groups	7	5
3	Supporting Skills Development in Plymouth’s Key Growth Sectors	5	4

The names of the Candidates who submitted SQs and those that were invited to tender are contained in the Part 2 report.

Evaluation of self-certified sections on Contract Award

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There are a number of questions in the SQ where candidates are required to self-certify that they have adequate policies, procedures and certifications in place. The self-certified sections in this procurement are Insurances, Health and Safety; Equality and Diversity, Quality Management, Data Protection and Safeguarding. These requested policy and procedure documents will be evaluated on a PASS/FAIL basis against current legislative requirements.

Only the documentation of the successful tenderer(s) will be evaluated at the contract award stage after the Cabinet decision of the contract award has been made. Tenderers will be required to provide copies of the documentation in a timely manner at contract award and before any Agreement is entered into. Tenderers who cannot provide this evidence shall be excluded from the process.

Definition	Criteria	Consequence
Award	Documents fully comply with criteria detailed in SQ.	Contract awarded to successful tenderer
Award subject to	Documents mostly fully comply with criteria detailed in SQ and only minor amendments are required to bring them to full compliance.	Contract awarded to successful tenderer subject to them updating documents to a satisfactory standard before contract commencement
Fail	Documents do not or only partially comply with criteria detailed in SQ and major amendments are required to bring them to full compliance.	Successful bidder will be disqualified from the process. Consideration will be given to approaching the next placed bidder.

4. TENDER EVALUATION CRITERIA

Contract Award Criteria

This stage assesses how the Tenderer proposes to deliver the required service as detailed in the specification.

The Council intends to award the Contract(s) based on the most economically advantageous offer. The Council is not be bound to accept the lowest price of any Tender submitted.

High-level Award Criteria

The high-level award criteria for this procurement are as follows:

Method Statements (Schedule 1)

MS1: Contract Management	For Information Only
MS2: Electronic Trading	For Information Only
MS3: Collaboration, Partnerships and Sub-Contracting	8%
MS4: Introduction and Purpose	5%
MS5a: Service Description – Marketing & Engagement	18%
MS5b: Service Description – Learner Needs	18%
MS6: Networks and Links	5%
MS7: Staff	18%
MS8: Service volumes and Performance Requirements	9%
MS9: Quality Requirements	9%
MS10: Management Information	5%
MS11: Implementation	5%
TOTAL	100%

Pricing Schedule (Schedule 2)

PI: Price

Pass / Fail

Affordability - Tenders exceeding the maximum total values below would be considered unaffordable therefore disqualified.

Lot	Description	Estimated Contract Value per annum	Estimated Total Contract Value (3 years)
1	Lifelong Learning for All	£656,798	£1,970,394
2	Improving the Education, Basic Skills and Employability of Vulnerable Groups	£303,632	£910,896
3	Supporting Skills Development in Plymouth's Key Growth Sectors	£161,304	£483,912

Viability / Sustainability - Tenders deemed to be unsustainable based on the financial breakdown will be disqualified.

The names of the Candidates who submitted tenders and their respective scores are contained in the Part 2 report.

5. FINANCIAL IMPLICATIONS

Funding dependant on ESFA allocation, 20% top slice will be kept by PCC for contract administration and quality assurance. Initial contract for one year, option to extend for 2 periods of 1 year, contract value of years 2 and 3 will be amended to reflect funding allocation.

ESFA allocations are dependent on continued delivery of contract volumes and meeting published success criteria. Contracts will include clauses to reflect ESFA funding rules and regulations, and requirements on sub-contractors to meet performance indicators within contracts.

6. SUMMARY OF EVALUATION

Tenders were submitted on the 3rd January 2019 by 7 suppliers. The number of tenders submitted for each lot was:

Lot	Description	Number of tenders received
1	Lifelong Learning for All	2
2	Improving the Education, Basic Skills and Employability of Vulnerable Groups	3
3	Supporting Skills Development in Plymouth's Key Growth Sectors	4

The names of the Candidates who submitted tenders and the resulting scores from the evaluation process are contained in the Part 2 report

Each lot was evaluated separately by a team of individuals / stakeholders with various skill sets from across the business, in order to ensure both transparency and robustness. The names of the evaluators are contained in the Part 2 report.