

PLYMOUTH CITY COUNCIL

Subject: Award of Contracts
Committee: Audit and Governance
Date: 11 March 2019
Cabinet Member: Councillor Smith.
CMT Member: Giles Perritt (Assistant Chief Executive)
Author: Linda Torney, (Assistant Head of Legal Services)
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Ref: Your ref. LT
Key Decision: No
Part: 1

Purpose of the report:

To make recommendations about whether to adopt a general policy about dealing with announcements about the award of tenders as practice has varied in the past.

Corporate Plan

Having a transparent process about dealing with the announcement of contract award decisions links into our corporate plan values of being fair open and honest about how we act,

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None directly arising from this report.

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

None directly arising from this report.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is asked to consider the approach that should be adopted in relation to the award of contracts in future in light of the issues highlighted in the report and make recommendations to Cabinet about this.

The options appear to be:

(i) – To have a general approach to always announce the name of the successful tenderer at Cabinet in every situation.

(ii) - To have a general approach to announce the name of the successful tenderer at Cabinet in all cases apart from those where an existing tenderer has put in a tender for a follow on contract.

(iii) - To not have a general approach but to consider the merits of announcing the name of the successful tenderer at Cabinet on a case by case basis.

Alternative options considered and rejected:

These are contained in the main recommendation

Published work / information:

None

Background papers:

None

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	djn.18 .19.23 7	Leg	AT /622 25	Mon Off	AT /62 22 5	HR		Assets		IT		Strat Proc	
Originating SMT Member													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

Background

1.0 Cabinet wishes to adopt a general policy about dealing with announcements about the award of tenders as practice has varied in the past.

1.1 The situations when awards of contracts are made fall into three categories:

(i) When a contract is awarded for a new service, there is no existing contractor and the decision does not directly affect any of the Council's workforce.

(ii) When the Council outsources a service and its own workforce will be affected by the outcome of the decision.

(iii) When the Council renews an existing contract where there is an existing contractor and workforce and service that will be affected by the outcome of the decision.

1.2 Major contract awards are usually made by Cabinet. This means that if the name of the successful tenderer is announced in the meeting it will immediately be available to the public on the Council's website.

1.3 In cases of new contracts this should not cause any issues in respect of existing services that are provided by the Council.

1.4 In cases where it is planned to outsource a council service, the Council's workforce will be affected by the decision. In these cases managers will know the date when a decision about the contract award will be made, have the opportunity in advance to discuss the potential impact of the decision to be made and have an opportunity to put in place arrangements to inform their staff of the decision as soon as it is known.

1.5 However different factors come into play when a follow on contract is awarded where a Council service is provided by a contractor. This is particularly the case in situations where that contractor is not successful in their bid to continue to run the service. They may be subject to immediate financial pressures as a result of the decision and will need to be prepared to respond to questions from their staff. Where it is a major contract they are also likely to have to deal with questions from the press. At the same time they need to continue to operate services for Council pending the transfer of the Service to the new provider at a point where staff who do not want to transfer may look for jobs elsewhere or leave. In these situations officers have found it helpful to have an opportunity to inform the contractor of the decision in private before the decision is made public; to allow time to make plans about the continuation of services during the transition period and to give the contractor the opportunity to inform their staff so that they do not become aware of the decision through the press. However this approach is not in keeping with the Councils general approach for decisions to be made in public.

Options for future practice

2.0 The Committee is asked to consider the approach that should be adopted in relation to the award of contracts in future and make recommendations to Cabinet about this.

2.1 The options appear to be:

(i) – To have a general approach to always announce the name of the successful tenderer at Cabinet in every situation.

(ii) - To have a general approach to announce the name of the successful tenderer at Cabinet in all cases apart from those where an existing tenderer has put in a tender for a follow on contract.

(iii) - To not have a general approach but to consider the merits of announcing the name of the successful tenderer at Cabinet on a case by case basis.