

**Report to:** Joint meeting of Cabinet and Council  
Overview & Scrutiny  
Committee

**Date:** 7 February 2008 7 February 2008

**Subject:** Wigan Joint Service Centre PFI Project - Appointment of Preferred Bidder

**Report of:** Chief Executive, Borough Solicitor and Executive Director of Business Support Services

**Contact officer:** Katherine Fairclough 01942 827095  
Kevin Lawson 01942 827026  
David Smith 01942 827035

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**Purpose/summary:** To present the process that has been followed to appoint the Preferred Bidder to undertake the design, construction and servicing of Wigan Joint Service Centre.

**Alternative options considered and reason for selecting the one recommended:** There is no alternative as we are required to follow an agreed process in line with government guidelines on the Private Finance Initiative.

**Recommendation/decision:** That Cabinet approve that the process has been followed and at their subsequent joint meeting with Overview and Scrutiny and Council appoint a Preferred Bidder to undertake the design, construction and servicing of Wigan Joint Service Centre.

**Key Decision:** This report does not involve a key decision.

**Risks/Implications:**

**Financial:** Contained within an approved budget including £67M of PFI credits.

**Staffing:** There will be changes to the way employees work as a result of the development of the JSC. Plans are in place for fully engaging with employees and their representatives.

**Policy:** Customer Relationship Management

Equal Opportunities - has a Diversity Impact Assessment been conducted?

The impact assessment process for the JSC is an ongoing process and has been designed to assess equality and diversity issues against the councils seven social identity model of age, class, gender, disability, race, religion and sexual orientation.

This has resulted in an interim impact assessment. We have considered the designs and plans of both bidders in relation to the physical buildings. We have identified no major concerns at this stage of the impact assessment process.

Wards affected:

All wards will be affected by the project but the JSC building will be located within Wigan Central ward.

**Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?**

Yes

**If yes have the property implications been agreed with the Corporate Property officer?**

Yes

**Does this proposal have significant implications for the Council and the local population?**

Yes - An interim diversity impact assessment has been undertaken and is attached as an appendix to this report .

**Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?**

No

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution?

**Yes**

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget?

**Yes**

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

**No**

\* delete which applicable

**For Cabinet reports only:**

Categorisation of the report:	<b>x</b>
Discussion leading to a decision	
Monitoring	
Sharing for corporate understanding	

Discussion	<b>x</b>
Decision	
Information	

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**Tracking/Process:**

	Consultation	Ward Members	Partners
	Member & Stakeholder Briefing 05.12.07		Partner Briefing 05.12.07
Panel	Overview & Scrutiny	Cabinet	Council
	07.02.2008	07.02.2008	07.2.2008

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972:

Proper Officer Joyce Redfearn

Date 1 February 2008

## **1. Background**

1.1. Elected members will recall that Wigan Council and its partners are in the process of developing a Joint Service Centre (JSC) funded through a £67M Private Finance Initiative (PFI) (minutes 403 refers). This report provides a summary of the final stages of the procurement process over the past year to select a preferred bidder to design, build and service the facility.

Just to recap the JSC will be built on the sites of the existing Children's Library, Municipal Buildings and International Pool, it will have three zones and will provide,

- An Information and Learning Zone with a One Stop Shop for accessing a whole range of public services integrated with a new 'state of the art' library. We refer to this later as the North site.
- A Healthy Living Zone incorporating health and social care services with a new pool and 'dry' leisure facilities. We refer to this later as the South site.
- A Neighbourhood Zone bringing together agencies involved in environmental and community protection work like the Council, Police, Fire and Voluntary Sector. These services will be spread over both sites.

1.2. We are aiming to complete the JSC by December 2010 with services beginning from January 2011.

1.3 PFI bids are highly complex and given our limited experience in this area we have invested in high quality technical, financial and legal advice. PFI bids are also required to follow a prescribed process that includes:

- Pre-qualification – from which 5 applicants were long-listed
- Open Competitive Dialogue and Invitation to Submit Outline Proposals (ISOS) – from which 3 bidders were short-listed
- Invitation to Submit Detailed Proposals (ISDS) – from which 2 bidders were short-listed
- Invitation to Submit Refined Proposals (ISRS) – during which proposals were refined
- Close Dialogue and Final Tenders – from which a preferred bidder is selected.

1.4. Five consortia initially expressed an interest in undertaking the project. This has been reduced via the 'competitive dialogue' process, to two final bidders competing in a final tender bid. These are,

- Access (Hochtief and Morgan Ashurst)
- Community Solutions (Babcock and Brown, Sheppard and Operon)

1.5 Cabinet and Overview & Scrutiny Committee have received previous reports on the JSC and the procurement process to appoint a preferred bidder to design, build and service the facility. (minute 223 refers).

## **2. Evaluation and assessment process**

2.1 This report updates you in detail on the final stages of this process. Throughout the whole 'competitive dialogue' process the bids have been robustly evaluated by a range of participants following a clearly defined set of evaluation criteria and scoring mechanism.

This included a rigorous review of all the documentation, interviews with bidders at each competitive stage by evaluation teams and presentations to wider groups of stakeholders.

**The evaluation teams** were made up of Council officers, representatives from partner agencies and specialist consultants providing technical (for example architectural design, facilities management, conditions surveys), legal and financial advice.

**The broader group of stakeholders** included Council and Partner board members, Elected Members, community and voluntary sector representatives, and employee representatives.

2.2 The criteria and scoring concentrated on overall design, construction and services; how the north and south site buildings will operate for customers and employees - we call this functionality; legal, contractual, and financial matters; overall compliance with our requirements and quality. The scoring is based on a combination of quality and pricing and is weighted. The table below shows this.

### 2.3 Technical and Service Delivery - Quality –

<b>Technical and Service Delivery</b>	<b>weighting</b>	<b>65%</b>
65% is made up as follows		
- functionality	(15%)	
- quality	(15%)	
- impact	(10%)	
- deliverability	(5%)	
- service delivery	(10%)	
- service management	(5%)	
- contract management	(5%)	
Legal and Contractual		<b>15%</b>
Financial		<b>15%</b>
Compliance and overall quality		<b>5%</b>
		<b>100%</b>

### 2.4. Pricing

The pricing element follows the prescribed approach for PFI in which the quality score in the form of the Net Present Value (NPV) of each bid is given a pound per quality point figure. It is from this the best value for money bid is objectively determined.

2.5. In addition to the formal scoring described above we also took feedback from stakeholders throughout the competitive dialogue process. The most recent of this was after the 'Invitation to Submit Refined Solutions' (ISRS) presentations held on 5 December 2007 which involved a range of stakeholders (Council and Partner board members, Elected Members, community and voluntary sector representatives, and employee representatives)

The results of this showed **very good** and **equal support** for **both** schemes.

### **3. Results of the Evaluation of Final Bids**

The results of the final evaluation of bids relates to bidders responses to the Invitation to Submit Refined Solutions (ISRS) and of the Final Tender and this was completed in January 2008 by the evaluation teams<sup>1</sup> and will be reported to the joint meeting of Cabinet and Overview and Scrutiny and Council later today. These results are subject to a separate report that includes commercially sensitive information.

### **4. Conclusion**

4.1 Each of the schemes put forward by the two final bidders score well on both the evaluation matrix and on the feedback from stakeholders. There are pros and cons with both schemes.

4.2 Overall it is the view of the JSC Project Team, Partner organisations and consultant advisors that both schemes provide good quality, workable solutions which will provide Wigan with exceptional facilities. Therefore whichever scheme is selected, Wigan will be the winner.

### **Alternative options considered and the reason for selecting the one recommended**

There is no alternative as we are required to follow an agreed process in line with government guidelines on the Private Finance Initiative.

### **5. Recommendation**

That Cabinet approve that the process has been followed and at their subsequent joint meeting with Overview and Scrutiny and Council appoint a preferred bidder to undertake the design, construction and servicing of Wigan Joint Service Centre.

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<sup>1</sup> **Evaluation teams** made up of Council officers, representatives from partner agencies and specialist consultants (technical, legal and financial).

# Diversity Impact Assessment form

Section: Chief Executives Department
Business Transformation

Policy/Service Area: Customer Services
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Person Completing Form: Katherine Fairclough	Date: 16 January 2008
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Do any of the below groups suffer specific disadvantage (please indicate)

	Yes	No		Yes	No
Race		X	Disability		X
Ethnicity		X	Gender		X
Age		X	Religion		X
Class		X	Sexual Orientation		x

Is there evidence of disadvantage or associated problems?
We identified some small issues that will be addressed in the next stages of the design process and we intend to invite a broader range of potential service users in this. However we did not find evidence of disadvantage.

How was the information collected and/or who have you consulted with?
The Outline Business Case for the JSC was the basis for the original bids and designs. This had been informed by customer consultation. The designs were in consultation through design workshops with a wide range of stakeholder groups and refined by the project evaluation teams.

Action Plan – <i>What specific actions are planned to tackle any disadvantage identified?</i>
Refine the designs of the preferred bidder in partnership with key stakeholder groups. Working with key stakeholders to review and reshape services to be delivered out of JSC.

Is the policy in line with current equality legislation and relevant codes of practice?
Yes

Timescale	JSC will be completed by December 2010. Milestones for review of this impact assessment have been set for September 2008; April 2009; September 2009; April 2010; September 2010.
Responsibility	JSC Project Manager – Carl Taylor
Comments	The assessment was carried out on behalf of the JSC project team by Andrew McCorkle (Equality and

	Diversity Policy Officer) and Steve Peddie (Service Director Customer Transformation). This impact assessment is part of an on going process that will run alongside the physical development of the JSC to ensure it meets our diverse customer requirements.
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**Are the actions specified included in any other documents/plans?**

Departmental Service Plan	
Section/Team Plan	
Other (Specify)	Project plan for the JSC and the draft Customer Transformation programme

Date for next review September 2008
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