



Report to: Overview & Scrutiny Committee – 13th August 2007
Cabinet 23rd August 2007
Council – 5th September 2007

Subject: Building Schools for the Future - Potential Procurement Partnership

Report of: Director of Children and Young People's Services
Director of Legal and Property
Director of Finance and IT

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Purpose / summary: To provide an update on discussions with Salford City Council regarding a joint procurement process for BSF and seek approval for the next stages in the process.

Alternative options considered and reason for selecting the one recommended: Consideration has been given to not pursuing the opportunity for a joint procurement route. It is the view of officers that the potential benefits to be gained from a joint approach to procurement are significant.

Recommendation / decision: Cabinet agree to Wigan entering into a joint procurement process with Salford City Council to procure a joint Local Education Partnership.

Cabinet delegate authority to the Chief Executive to agree the terms of a Memorandum of Understanding with Salford City Council.

Cabinet delegate authority to the Chief Executive in consultation with the Leader and the Director of Finance and IT to agree an apportionment of project costs with Salford City Council.

Cabinet delegate authority to the Chief Executive in consultation with the Directors of Children and Young People's Services, Legal and Property and Finance and IT to approve the necessary OJEU notice, procurement documentation and necessary consultants' appointments.

Cabinet delegate authority to the Chief Executive in consultation with the Leader to approve the long list of bidders (ITPD stage) and the shortlist of bidders (ITCD stage) and the selection of the preferred bidder.

Cabinet request that the Director of Finance and IT develop proposals to fund the development costs as identified in paragraphs 1.4.5 and 1.4.6 of this report, initially for the period up to October 2009.

Cabinet delegate authority to the Director of Children and Young People's Services to finalise details of the Programme Team and undertake the necessary recruitment and selection activities.

Key Decision:

This report involves a key decision within ground 1.

This item is included in the Forward Plan.

Risks / Implications:

Financial:

Detailed within the report.

Staffing:

Detailed within the report.

Policy:

Equal Opportunities - Has a Diversity Impact Assessment been conducted?

A full diversity impact assessment will be completed as part of the procurement process and the development of our BSF proposals.

Wards affected:

Potentially all.

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

Not at this stage but yes once BSF planning and implementation begins.

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

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? **No**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

| | | | |
|-------------------------------------|----------|-------------|----------|
| Categorisation of the report: | x | | x |
| | | | |
| Discussion leading to a decision | x | Discussion | |
| Monitoring | | Decision | |
| Sharing for corporate understanding | | Information | |

Tracking/Process:

| | | | |
|-------|------------------------------|------------------------------|--------------------------------|
| | Consultation | Ward Members | Partners |
| | | | |
| Panel | Overview & Scrutiny | Cabinet | Council |
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There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officers N Jarman S.D. Lowe D. Smith

Date 7th August 2007

1 Background

1.1 Introduction

- 1.1.1 On 14th June 2007 Cabinet approved a recommendation from the Chief Executive that the option of a joint procurement process for Building Schools for the Future (BSF) with Salford City Council be considered to conclude whether this would be beneficial to Wigan.
- 1.1.2 BSF is a central Government £45 billion programme seeking to achieve transformational change in all of England's secondary school estate. The programme is being rolled out in waves. BSF will provide a once in a generation opportunity for us to transform secondary school education in Wigan and will involve a £230 million investment in rebuilding and refurbishing our secondary school provision. An explanation of the BSF process and the stages Local Authorities are required to go through to access the funding and procure a LEP is included at **Appendix 1**.
- 1.1.3 Salford is in Wave 3 and has had its BSF Outline Business Case approved by Government. This means they are about to go to the procurement stage to procure a Local Education Partner (LEP) to help them deliver their BSF programme. Salford are also considering using the LEP to deliver a major housing regeneration programme.
- 1.1.4 A LEP is a company that provides long-term partnering services for a Local Authority so that the aims of BSF can be delivered. It is a joint venture company comprising the Local Authority/ies, Partnerships for Schools (PfS) and a private sector partner.
- 1.1.5 PfS was set up by DfES to manage and deliver the whole national BSF programme. PfS is a non-departmental public body and is a joint venture between DCSF and Partnerships UK.
- Further details of how a LEP would operate are included in **Appendix 2**.
- 1.1.6 Details of the range of potential services to be procured by Salford City Council via the LEP are outlined in the Prior Information Notice published by Salford City Council an extract from which is included as **Appendix 3**. If Wigan agrees to enter the joint procurement process with Salford we will need to reach our own view as to the full range of services we wish to procure via the LEP.
- 1.1.7 Wigan is in Wave 11 of BSF and currently we are not expected to receive funding until 2013. Indicative figures for the value of the Wigan BSF programme are £230 million.
- 1.1.8 In most cases, Local Authorities would develop their BSF proposals first and then seek to procure a LEP to help deliver them. This can result in an 18 month time lag between approval of BSF proposals and the start of implementation.
- 1.1.9 Wigan now has the opportunity to jointly procure a LEP with Salford in advance of developing our own detailed BSF proposals. Indications are that Partnerships for Schools (PfS) are very supportive of a joint approach. The

benefits of this approach were outlined in detail in the Cabinet paper of 14th June 2007 and can be summarised as:

- ◆ Reducing the overall planning timetable and associated costs by 12-18 months.
- ◆ Gaining from the BSF expertise developed in Salford to date.
- ◆ Significant potential savings in the costs associated with developing our own BSF proposals and procuring our own LEP.
- ◆ Potential to get better pricing from potential LEP partners (economies of scale) thus achieving much greater value for money.
- ◆ Potential to secure an earlier entry to the BSF Waves.
- ◆ Potential to use the LEP to help deliver the Primary Capital Programme.

1.1.10 Further discussions have now taken place with officers from Salford to:

- ◆ Consider the possible terms of a Memorandum of Understanding between the two authorities and the potential longer term governance arrangements for the LEP.
- ◆ Understand the procurement process and timetable.
- ◆ Clarify the resource implications for Wigan.

1.2 Memorandum of Understanding

1.2.1 The Memorandum of Understanding will represent a tangible expression of the commitment of the two authorities to work in partnership to jointly procure the delivery vehicle for both BSF schemes and also such other projects as are agreed.

1.2.2 It will, however, be more than just an expression of joint objectives in that the Memorandum will outline the mechanisms that will be adopted to manage the partnership and will determine how the procurement costs will be apportioned between the Councils.

1.2.3 Undoubtedly it is the case that Salford is much further advanced in the procurement process than Wigan and while Salford will, in a number of respects, take a leading role in the process, it is important that Wigan participates fully in the specification of services, the evaluation and delivery process and indeed the decision making process. **Appendix 4** shows an outline of the proposed joint procurement structure. This recognises the need for both authorities to have separate Project Boards to cover each authority's concerns and programmes but it also contains a joint delivery team involving not only the two authorities but PfS, stakeholders and external consultants.

1.2.4 The structure does include provision for a Chief Executive Forum to guide the project from a high level and also agree issues of potential conflict where they arise.

1.2.5 While it is obviously hoped and anticipated that the procurement exercise will be successful and assist in bringing forward funding for Wigan's BSF proposals, it is important that the Memorandum also addresses the potential for either Council to seek to pull out of the arrangement. The proposal is that each authority has the right to effectively break the partnership at each key stage during the procurement process (i.e. at the long-listing, short-listing and preferred bidder stages). The presumption will be that each party will bear its

own abortive costs in such a situation but it may be necessary to include provision for a party to bear a portion of the other Council's costs in certain circumstances (e.g. in the unlikely event that Salford pulled out of the partnership and Wigan was unable to proceed alone).

- 1.2.6 It is important that the Memorandum of Understanding be signed prior to the issue of the OJEU notice, as the document will demonstrate the agreement of both Councils which will be a clear requirement of any prospective bidders.

1.3 Procurement Timetable

1.3.1 The procurement timetable is due to commence very shortly with the first formal stage (publication of the OJEU notice) planned for the beginning of September 2007 and the formal close of the process with appointment of the partner concluding in June 2009. If Wigan wishes to jointly procure a LEP with Salford we must be named in the OJEU notice. This does not preclude Wigan withdrawing from the process at a later stage if we were unable to agree with Salford's evaluation of the potential bidders. Details of the proposed procurement timetable are provided in **Appendix 5**. The procurement process requires significant officer involvement and, whilst we can gain from the Salford staffing resource that is already in place, it is important that we are sufficiently directly involved to ensure that Wigan's needs and priorities are reflected in the procurement process.

1.3.2 It is essential that this Council makes timely decisions in accordance with the tight procurement timetable and it is suggested that decisions to approve the OJEU notice and the procurement documentation be delegated to the Chief Executive in consultation with the Directors of Children and Young People's Services, Legal and Property and Finance and IT and that the approval of the long list of bidders, the short list of bidders and the preferred bidder be delegated to the Chief Executive in consultation with the Leader.

1.4 Resource Implications for Wigan

1.4.1 Government has indicated that they expect Local Authorities to invest around 1.5% of their total BSF programme value in the planning and implementation of BSF. For Wigan this could amount to £3.45 million.

1.4.2 Salford has taken several years to get to this stage of their BSF planning. Wigan has yet to commence detailed BSF planning. Whilst there is no expectation that Wigan will "catch up" with Salford's stage in the BSF planning cycle, we will need to quickly develop our thinking in some key areas of activity to ensure that the procurement process fully reflects our Vision for the future.

1.4.3 In particular, we will need to address the following:

- ◆ Establishing our future vision for transforming education in the borough.
- ◆ Agreeing the range of services we wish to procure via the LEP.
- ◆ Progressing our Secondary School Review to develop clear proposals for future secondary school provision.
- ◆ Developing our BSF Strategy for Change and Outline Business Case and negotiating with government to bring us forward in the BSF waves.

- ◆ Playing a full part in the procurement process both in terms of developing the ITPC and ITCD (tender specification documents) and in the detailed evaluation of bidders' proposals.
 - ◆ Ensure successful delivery of our one school Pathfinder.
- 1.4.4 In order to achieve this we will need two major areas of investment. Firstly, we will need to agree our share of the procurement costs with Salford and secondly we will need to establish a dedicated Programme Team to deliver on the activities outlined in point 1.4.3 above.
- 1.4.5 Initial indications from Salford are that our contribution to the procurement process could be in the order of £522,000 out of a total estimated cost over a two year period of £2,061,050 (25.3%). The details of the proposed apportionment of costs are still under discussion and will be affected by the decision of Salford to either include or exclude a housing PFI project in the procurement proposals. It is suggested that the approval to the apportionment be delegated to the Chief Executive in consultation with the Leader and the Director of Finance and IT.
- 1.4.6 A proposed structure for the Programme Team is being developed. It is proposed that the team be managed by the vacant Assistant Director – Management and Development post whose job description would be adapted accordingly. Total indicative costs for the team are £600,000 per annum. This is in addition to the costs of our contribution to the joint procurement process with Salford.
- 1.4.7 There will clearly be benefit in giving consideration to Wigan sharing the same external legal technical financial and insurance advisors appointed by Salford but it is likely that further specialist advisers will be required. To enable Wigan to keep pace with the procurement process early appointments will be required and it is suggested that these appointments be delegated to the Chief Executive.
- 1.4.8 The normal timescale for development of BFS proposals to Outline Business Case is twelve months. In order to commence this process we would need to first complete our Secondary School Review which we anticipate will be completed by September 2008 (detailed proposals relating to the timetable for this will be submitted to Cabinet in November 2007).
- 1.4.9 If we were to undertake the joint procurement process with Salford as outlined and if we were in parallel to complete our secondary school review followed by the development of our BSF Strategy for Change and Outline Business Case, we could in theory be ready to enter BSF (with our LEP in place) in October 2009 – four years earlier than currently scheduled. This would, of course, be subject to DCSF agreeing to bring us forward to an earlier BSF wave. Local Authorities are to be invited to bid for entry to an earlier BSF wave in autumn 2007 (see letter attached at Appendix 6), a key factor in considering bids will be demonstrable readiness to deliver.

2 Proposals

2.1 It is therefore proposed that:

- 2.1.1 Cabinet agree to Wigan entering into a joint procurement process with Salford City Council to procure a joint LEP.

- 2.1.2 Cabinet delegate authority to the Chief Executive to agree the terms of a Memorandum of Understanding with Salford City Council.
- 2.1.3 Cabinet delegate authority to the Chief Executive in consultation with the Leader and the Director of Finance and IT to agree an apportionment of project costs with Salford City Council.
- 2.1.4 Cabinet delegate authority to the Chief Executive in consultation with the Directors of Children and Young People's Services, Legal and Property and Finance and IT to approve the necessary OJEU notice, procurement documentation and necessary consultants' appointments.
- 2.1.5 Cabinet delegate authority to the Chief Executive in consultation with the Leader to approve the long list of bidders (ITPD stage) and the shortlist of bidders (ITCD stage) and the selection of the preferred bidder.
- 2.1.6 Cabinet request that the Director of Finance and IT develop proposals to fund the development costs as identified in paragraphs 1.4.5 and 1.4.6 of this report, initially for the period up to October 2009.
- 2.1.7 Cabinet delegate authority to the Director of Children and Young People's Services to finalise details of the Programme Team and undertake the necessary recruitment and selection activities.

3 Alternative Options Considered and Reason for the Recommended Option

- 3.1 Consideration has been given to not pursuing the opportunity for a joint procurement route. It is the view of officers that the potential benefits to be gained from a joint approach to procurement are significant.

4 Conclusions

- 4.1 Entering into a joint procurement process with Salford City Council has significant potential benefits for Wigan. These are detailed in paragraph 1.1.9 above. The inclusion of the right to withdraw in the Memorandum of Understanding protects Wigan's interests and ensures we will only proceed if we are sure the preferred bidder is able to fully meet Wigan's needs.
- 4.2 These proposals could result in Wigan schools receiving a massive investment in their development up to four years earlier than planned and result in a significant saving for Wigan Council in managing the investment programme.

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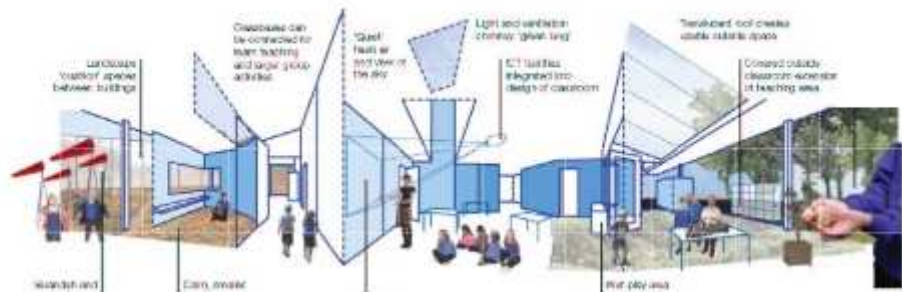
educational vision

partners

other funding

LEPs

exemplar designs






department for
children, schools and families







partnerships for schools

Project process to ensure BSF aims are met

Building Schools for the Future (BSF) will transform the way in which education is delivered by providing 21st-century teaching and learning facilities in schools across England. The programme uses a new procurement approach, benefits from standard project documentation, and is based on best practice throughout.

Use the menu below to find out more about best practice in BSF.

| | |
|---|--------------------|
|  Stage 0 | Preparing for BSF |
|  Stage 1 | Project initiation |
|  Stage 2 | Strategic planning |

| | |
|---|----------------------------------|
|  Stage 3 | Business case development |
|  Stage 4 | Procurement planning |
|  Stage 5 | Procurement |
|  Stage 6 | Contractual close |
|  Stage 7 | Construction |
|  Stage 8 | Operation |

Stage 0 - Preparing for BSF

As soon as a local authority (LA) hears that it has been invited to participate in a BSF Wave, it should start preparing for the project. It is important that time is spent doing this before the LA becomes actively involved in the programme. [4ps](#) (Public Private Partnerships Programme) can provide support and advice on project delivery during this preparation period through its 'Expert Client Programme'. LAs are strongly encouraged to make use of this resource which is funded by DfES

When an LA is due to start work on its BSF project it will be contacted by its allocated Partnerships for Schools (PfS) project director and DfES project adviser. These people will work closely with the LA throughout the project. Initially, they will help to identify the first steps that need to be taken.

The following are some of the things that need to be considered in the early stages..

Consultation

LAs should consult local stakeholders at appropriate times during the project, in line with their general duty to consult and inform. DfES and PfS are not proposing any additional processes, but aim to highlight – and encourage the use of – best practice. A communications plan is an effective mechanism for determining at what stage each stakeholder group should be consulted.

Meeting joint objectives

In order to proceed, projects will need to demonstrate that they are well thought-out and will meet BSF objectives, which have both a local and a national dimension. Part of the role of PfS is to help LAs take full account of the national dimension in your planning.

Team working

Local project teams will need to draw on a wide range of skills, from different sources at different times. You will be required to provide a core team, which will need strong leadership. However, there will be a network of support available to all teams, drawn from your own or national advisers, as well as support that your PfS Project Director and your DfES contact officer can call upon.

In addition, 4ps will continue to offer support and advice, both to individual LAs – through guidance, meetings, seminars and presentations – and through network meetings for all the LAs in a wave. 4ps can also provide guidance and training for schools involved in BSF.

Co-ordination

Delivering BSF requires activity at local and national level to be co-ordinated, for example:

- Approvals are needed at key points in the development of BSF projects. The likely flow of these approval requests needs to be anticipated at a national level to minimise the risk of delay.
- In developing local communication and media plans, there will be a need to be aware of what is planned nationally, and vice versa.

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Stage 1 - Project initiation

Project initiation defines the BSF project and forms the basis for managing and assessing the success of the project. The outcome of this stage is the project initiation document (PID). The PID will allow the project board to ensure the project has a sound basis before making a major commitment to the project. The PID IS a base document against which the project board and project manager can assess progress, change management and on-going viability. It is intended to be a 'live' document that will be updated and reviewed regularly. The PID should be approved by the project board - thus authorising the project team to proceed with the next stage of the project - and by PfS.

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Stage 2 - Strategic planning

All major procurement projects must be supported by a robust analysis of need, cost, risks and expected outcomes. Currently, for any BSF project, the education vision is the starting point of this analysis. This is followed by the strategic business case (SBC).

The local authority (LA) must present an area-wide vision for secondary school education; a vision that is developed and

farsighted enough to drive forward to the completion of the programme. LAs need to submit their education vision to PfS and the DfES for approval before going on to produce their SBC.

The SBC combines the vision for education in an area with strategic asset planning. It co-ordinates the plans and aspirations of all users and providers of secondary education in the area with regards to BSF. The SBC helps to ensure that successive projects put forward by the LA meet the objectives of BSF, are properly scoped and affordable, and are implemented in a phased manner. This strategic planning is an important contributor to achieving value for money. Like the education vision, the SBC needs to be approved by PfS and the DfES.

From wave 4 onwards (January 2007), in order to reduce the length of the pre-procurement stages and to ensure closer integration of education strategies and school building proposals, LAs will have to submit a single document called the "[Strategy for Change](#)", in place of the separate education vision and SBC.

In their Strategy for Change, LAs will be expected to set out their plans for delivering greater diversity of provision, choice and access as set out in the Government's recent White Paper, [Higher Standards, Better Schools for All](#) and the current [Education and Inspections Bill](#)

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Stage 3 - Business case development

The aim of an outline business case (OBC) is to set out in detail the scope, cost, affordability, risks, procurement route and timetable of a project. The OBC draws from the strategic business case or Strategy for Change, which outline the thinking behind the estate strategy and the objectives of the capital investment. Projects are then more fully detailed and costed in the OBC which covers a specific group of schools at a specific point in time.

The OBC is submitted to PfS and the DfES for approval. Projects that include an element of PFI funding also have to be approved by the Treasury-led Project Review Group (PRG). Once these approvals have been achieved the LA can begin procuring a partner to deliver its BSF project.

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Stage 4 - Procurement Planning

The procurement planning stage covers the preparation of the documentation needed to publish a 'notice' (or advertisement) in the Official Journal of the European Union (OJEU) – a requirement for all European contract tenders above a certain value. Procurement planning will often take place in tandem with developing the outline business case (OBC, Stage 3) but the OJEU notice cannot be published until the OBC has been approved.

[documents](#) This will relieve local authorities of much of the burden of developing the documents and ensure that bidders respond in a structured and consistent way throughout the programme. Everyone involved can focus on the fundamentals of each scheme, knowing that underlying processes, terms and conditions are the same in each case.

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Stage 5 -Procurement

Following the publication of an OJEU notice, the local authority (LA) evaluates the expressions of interest it has received for its BSF project. It will produce a longlist of bidders based on a 'pre-qualification questionnaire', designed to establish whether potential bidders have the technical capacity and ability, and economic and financial standing to deliver the project. The longlisted bidders are then invited to submit outline solutions (now known as Invitation to Participate in Dialogue, or ITPD, but formerly called Invitation to Negotiate, or ITN). This is the first stage of a process of 'competitive dialogue' between the LA and bidders

A shortlist, usually of three bidders, is agreed by the LA, based on the evaluation of the outline solutions. These bidders are asked to develop detailed solutions before final tenders are requested by the LA. A final round of fine tuning of the proposed solutions leads to the identification of a preferred bidder with whom the local authority and PfS will form the Local Education Partnership ([LEP](#)) and take forward the first school projects.

At the conclusion of this exercise, the final business case (FBC) is submitted to PfS and DfES. The FBC summarises the history of the project, including any changes from what was approved in the outline business case (Stage 3), and sets out the proposed contractual arrangements. It forms the basis for approval of funding for the project and permission to sign the contract.

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Stage 6 - Contractual close

Once approval has been granted for funding, the local authority and PfS can commit contractually to the formation of the [LEP](#). Standardised contracts have been developed by PfS in order to streamline this process. Once the contract has been signed, construction work can begin to build and refurbish schools.

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Stage 7 - Construction

In order to transform the school estate in line with the aims of BSF, contracts will need to be managed effectively. The local authorities and Partnerships for Schools will need to ensure that costs and timescales are controlled and disruption kept to a minimum. The Local Education Partnership ([LEP](#)) will procure the delivery of



approved projects through a supply chain, which will be benchmarked and periodically market tested to demonstrate value for money. The Work does not stop once schools have been built and are in use. Outcomes will be assessed against the planned objectives for the project, through mechanisms such as 'post occupancy evaluation'. This will gauge satisfaction with both the buildings and services – such as catering, cleaning and maintenance – delivered through BSF. By assessing actual outcomes from BSF projects, both best practice and lessons learned can be fed back into the programme for future projects. will be responsible for managing the interfaces between various supply chain members so that an integrated service (including both accommodation and ICT provision) is provided to the local authority and schools.

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Stage 8 - Operation

Work does not stop once schools have been built and are in use. Outcomes will be assessed against the planned objectives for the project, through mechanisms such as 'post occupancy evaluation'. This will gauge satisfaction with both the buildings and services – such as catering, cleaning and maintenance – delivered through BSF. By assessing actual outcomes from BSF projects, both best practice and lessons learned can be fed back into the programme for future projects.

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What is a LEP?

The LEP is a company that will provide long-term partnering services for the Local Authority so that the aims of BSF can be delivered. It is a joint venture company comprising the Local Authority, PFS and a private sector partner.

The Local Authority has a contract with the LEP called the Strategic Partnering Agreement, which gives exclusive rights to the LEP to deliver projects for a fixed period, likely to be ten years. The Local Authority, in its role as client and commissioner, will formally consult stakeholders (including schools) through the Strategic Partnering Board.

Why have a LEP?

BSF aims to establish strategic local investment programmes to support educational transformation through capital investment in school buildings and ICT. The government wants to harness the best of both the public and private sectors to deliver this outcome. Local Education Partnerships:

- ◆ Reduce the number of competitive procurements that have to be carried out and streamline the procurement process;
- ◆ Involve a strategic partner to deliver the long-term programme;
- ◆ Group schools together into large, high value packages;
- ◆ Optimise impact on educational outcomes by integrating building design and ICT;
- ◆ Use both design and build and PFI contracts; and
- ◆ May deliver more than one phase of work, with several years between the different Waves of BSF funding.

In addition, LEPs include only a small number of “representative” schools in the initial competitive procurement process to speed up the initial procurement and save public and private sector bid costs. Detailed proposals for the remaining schools are left until the contract has been signed with the private sector partner.

Overall, the benefits are: better design quality, significant cost efficiencies, shorter timescales and improved educational outcomes. Some Local Authorities are also recognising the potential of the LEP in terms of procuring wider services than those just related to BSF. These include primary schools, health care and wider regeneration strategies.

What does a LEP do?

A LEP will work to the Local Authority’s requirements, which will have been agreed with the schools involved. The starting point will be the Strategy for Change (SfC), updated through the Strategic Partnering Board (SPB). After the initial set up period for a BSF scheme, the LEP itself will provide an input into the SfC and SPB.

A LEP has exclusive rights for ten years to develop proposals for and deliver the design and build of BSF secondary schools in a Local Authority’s area, with the potential for this to be extended for a further five years. The LEP will also usually provide ICT, maintenance and other premises related services to some or all of these schools on a long-term basis.

As noted above, the LEP may also have the right to undertake other types of work if the Local Authority builds this option in at the OJEU stage. This could include delivering primary schools, health care and wider regeneration services.

A LEP will act as the single point of contact for the procurement, delivery and integration of all services required. It will organise a supply chain comprising the necessary skills and experience e.g. design teams, builders, ICT providers, facilities management companies.

The private sector brings commitment to partnership, continuous improvement, development capital and supply chain management. In return, the public sector offers to the LEP a long-term programme of investment, exclusivity, repeat business and a role in project development.

Who is in the LEP?

Each of the three partners will nominate directors to the LEP Board. Because a LEP is effectively a private sector-led organisation, the Private Sector Partner (PSP) will have four members and the Local Authority and PfS one each. The directors will have to deal carefully with any potential conflicts of interest, and both the Local Authority and PfS have certain minority rights in the conduct of business.

As a limited liability company, the LEP issues share capital and has a constitution and structure appropriate to such a company. The PSP owns 80% of the shares in the LEP and the Local Authority and PfS own 10% each.

What does the Strategic Partnering Board do?

The Strategic Partnering Board (SPB) is established to ensure that a number of important stakeholders have some influence over the operation of the LEP in their area. School representation is key to this. Members of the SPB are:

- ◆ One representative nominated by the Local Authority;
- ◆ One representative agreed by the Board of Directors of the LEP;
- ◆ One non-executive, to be the independent non-voting chairman of the SPB, appointed by agreement of the parties; and
- ◆ Other representatives of key delivery partners within the local secondary education community and any other co-opted persons the Local Authority may nominate, in a non-voting capacity. This category is where schools can be represented by governors or headteachers.

The role of the SPB is to:

- ◆ Act as the primary mechanism for managing the LEP's performance, based on reports provided by the LEP;
- ◆ Provide a forum for the open exchange of ideas, enabling the Local Authority and the LEP to discuss forthcoming projects and service delivery requirements;
- ◆ Give guidance on and approve which new projects should be progressed, by whom and on what basis;
- ◆ Should it wish to do so, make representations to the Local Authority as to the identity of the Local Authority's representative on the LEP Board of Directors. The role and membership of this body may need to be developed over time to ensure that schools have adequate influence over the ongoing delivery of BSF in their area.

In some areas, bodies already exist that could perform the functions of the SPB.

Can the LEP provide more than secondary school facilities and services?

Primary school works and other services (e.g. health care) can also be provided by the LEP as long as they have been included in the original OJEU notice.

SECTION II.B: OBJECT OF THE CONTRACT (SUPPLIES OR SERVICES)**II.1) DESCRIPTION****II.1.1) TITLE ATTRIBUTED TO THE CONTRACT BY THE CONTRACTING AUTHORITY**

Salford and Wigan - BSF and housing delivery partnership

II.2) TYPE OF CONTRACT AND PLACE OF DELIVERY OR OF PERFORMANCE*(Choose one category only – supplies or services – which corresponds most to the specific object of your contract or purchase(s))*Supplies Services Service category: No 11Main place of performance or of delivery: Greater Manchester NUTS code UKD3**II.3) SHORT DESCRIPTION OF NATURE AND QUANTITY OR VALUE OF SUPPLIES OR SERVICES** *(in each of the service categories)**The contracting authorities intend to seek an innovative private sector partner or partners to participate and invest in a new Public Private Partnership Vehicle (a "Local Education Partnership" or "LEP") to be established jointly with some or all of the contracting authorities. The LEP will provide (or arrange for the provision of) "Partnering Services", which will include (but not be limited to) the development of a strategic investment programme for education and, potentially, housing and leisure facilities ("Relevant Facilities").**These Partnering Services will also comprise the following:*

- (a) strategy advisory services;*
- (b) programme management services;*
- (c) project development services;*
- (d) procurement consultancy services; and*
- (e) procurement and delivery or management of all services required to deliver the strategic investment programme for the Relevant Facilities (including through the provision, integration and management of supply chain arrangements). It is anticipated that such services may include:*
 - (i) architectural services;*
 - (ii) engineering services;*
 - (iii) constructions services;*
 - (iv) technical services;*
 - (v) building services;*
 - (vi) hard facilities management services;*
 - (vii) soft facilities management services;*
 - (viii) information communication and technology ("ICT") services;*
 - (ix) educational support services;*
 - (x) education programme development services; and*
 - (xi) educational strategy services,*
 - (xii) partnering services*

*for a minimum period of 10 years (but with an option for the contracting authorities to extend the period by a further five years).**The LEP may take on a wider role in providing professional development activity for ICT and transformational learning initiatives, including the whole of the City of Salford's secondary school estate. The contracting authorities will require the provision of ICT services and equipment to non-BSF secondary schools, and will seek to provide an Interim ICT Managed Service for all Salford's secondary schools from the beginning of the contract and thereafter potentially for Wigan's secondary schools. The contracting authorities may require the incorporation of Management Information System functionality within their Learning Platform provision. An extension of the ICT Managed Service to Salford's and potentially Wigan's primary schools on an individual school by school basis is also likely to be required. Finally, the LEP may have a wider role in the delivery of the Primary Capital Programme for the contracting authorities.*

The Relevant Facilities, which may be a mixture of new build and refurbished facilities, will be delivered under the Private Finance Initiative (PFI) and/or design and build arrangements, and will be the subject of a contract in the region of 25 years. This may include the delivery of the Relevant Facilities through separate SPVs established by the LEP. Where an SPV is established, the shareholders in such SPV may include the LEP, third party equity providers and supply chain members.

The contracting authorities are likely to include 2 sample school schemes within phase 1a, which include Walkden High (PFI) and Irlam & Cadishead (D&B refurbishment). Phase 1b (the provision of Hope Academy) will be introduced at Preferred Bidder stage, or later following completion of the Strategic Partnering Agreement.

The contracting authorities may contract directly with the LEP or, where an SPV is established, with the SPV.

It is expected that the LEP may have exclusivity (on terms set out in the contract documentation) for Salford City Council's secondary school estate; it will also have the opportunity (again, subject to the terms of the relevant contract documentation) to deliver Wigan Borough Council's BSF requirements in respect of that Council's secondary schools estate. It is currently anticipated that this will be facilitated through the new project procedure.

The LEP may also be required to provide for, or arrange for the provision (through supply chain arrangements) of, the management and/or integration of the Partnering Services, design and build and construction contracts, facilities management services, support services and ICT services (this list is not exhaustive) where the contracting authorities' existing arrangements are either transferred or expire.

Salford City Council and Wigan Borough Council may contract with the LEP to deliver other local authority building requirements in its administrative area in respect of leisure services or other which may be co-located on school and community sites.

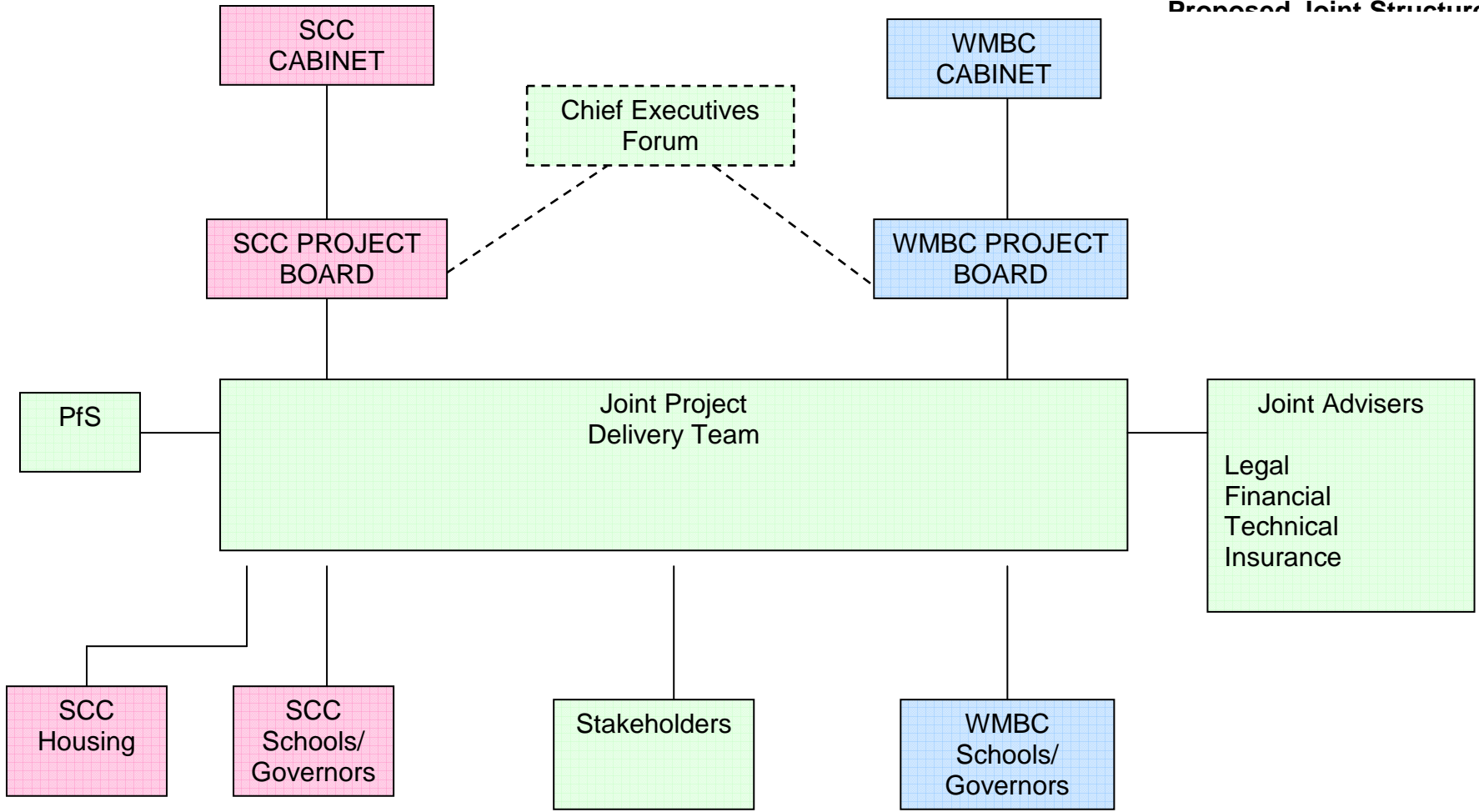
The LEP may also have the opportunity to put forward proposals in respect of Salford City Council's social housing PFI scheme as a "new project" under the strategic partnership agreement with Salford City Council, subject to satisfying Salford City Council in respect of VFM under the terms of the contract documentation. Salford City Council was successful in gaining a place on the fifth HRA PFI bidding round, being awarded just over £100m. In outline it is expected that the scheme, 'Creating a New Pendleton', will cover 2,110 units, approximately half of these being high rise living accommodation and that the scheme has an emphasis on retaining and improving the area's housing, with some targeted clearance, to address underlying issues of crime and poor environment. 1,255 units will be extensively refurbished with some remodelling to improve property design, security and defensible space. Targeted clearance through PFI will also facilitate the construction of over 630 new homes, through a developer agreement that is integral to the PFI contract. The Registered Social Landlord partner will be required to provide approx 230 new units of affordable housing. Whilst not forming part of the ongoing output specification for management and maintenance, the SPV would be contractually bound to deliver these in line with the overall contract. The remaining 400 units will be provided for outright sale. It is anticipated that the LEP would provide the capacity to deliver construction and design services, and that the LEP and Salford City Council would subsequently procure other partners to deliver social housing management services.

If known, estimated cost excluding VAT (give figures only): _____ Currency: _____
 or range: between _____ and _____ Currency: _____

Division into lots (for information about lots, use Annex B as many times as there are lots) **yes** **no**

II.4) COMMON PROCUREMENT VOCABULARY (CPV)

| | Main vocabulary | Supplementary vocabulary (if applicable) |
|-----------------------------|------------------------|--|
| Main object | 74140000 | [enter any supplementary codes by using the last 4-digits of the relevant CPV sub-codes] |
| Additional object(s) | 45000000 | [enter any supplementary codes by using the last 4-digits of the relevant CPV sub-codes] |
| | 45111000 | |
| | 45210000 | |
| | 45211000 | |
| | 45211100 | |
| | 45211200 | |
| | 45211300 | |
| | 45214000 | |



Pre Qualification StageSubsequent Stages

| Stage | Actual or Planned Date |
|---|---------------------------------------|
| PRG meeting | Monday 11 June 2007 |
| Information Open Day | Tuesday 12 July 2007 |
| OJEU Notice Published | Monday 3 September 2007 |
| Issue Memorandum of Information and Pre-Qualification Questionnaire | Monday 3 September 2007 |
| Return of PQQ | Monday 15 October 2007 |
| Long List Confirmed | Monday 5 November 2007 |
| Stage | Actual or Planned Date |
| Issue ITPD (Stage 1 of the Dialogue) | Monday 5 November 2007 |
| Return of ITPD (Stage 1) responses | Monday 17 December 2007 |
| Presentations | Wednesday/Thursday 16/17 January 2008 |
| Short List confirmed | Friday 25 January 2008 |
| Issue ITCD (Stage 2 of the Dialogue) | Monday 28 January 2008 |
| Receipt of Initial Bids | Friday 30 May 2008 |
| Issue Close of Dialogue letter | Friday 31 October 2008 |
| Issue of ITSFB | Friday 31 October 2008 |
| Receipt of Final Tenders | Friday 28 November 2008 |
| Complete ITSFB clarifications and evaluations | Friday 23 January 2009 |
| Appointment of Preferred Bidder | Friday 30 January 2009 |
| Alcatel Standstill begins | Monday 2 February 2009 |
| Contract award | Friday 5 June 2009 |
| Contract commencement | Monday 8 June 2009 |



Jim Knight MP
Minister of State

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tel: 0870 0012345 dfes.ministers@dfes.gsi.gov.uk

Lord Smith of Leigh
Wigan Metropolitan Borough Council
Town Hall
Library Street
WIGAN
Lancashire
WN1 1YN

3rd July 2007

Dear Peter

Thank you for your letter of 15 June 2007 to Andrew Adonis regarding Wigan's Building Schools for the Future project. I am replying as the Minister responsible for BSF.

The Department for Children, Schools and Families (DCSF) is pleased that Wigan is exploring a joint procurement route with Salford. We are always looking to promote efficiencies that generate greater value for money for Local Authorities (LA).

A range of factors are taken into account when assessing a Local Authorities readiness to deliver submission. This includes development of a realistic, deliverable and affordable estate strategy to deliver transformation in education.

Later this year, we will be consulting local authorities on the management of waves seven to fifteen of the Building Schools for the Future programme. This will give all authorities with projects in these waves the opportunity to revise expressions of interest for inclusion in the programme.

Yours ever

A handwritten signature in blue ink, appearing to be 'Jim Knight'.

Jim Knight MP