

APPENDIX 1 – Option Analysis

Option	Advantages	Disadvantages
1 – In-house provision, including substantial insourcing	<ul style="list-style-type: none"> • Direct control over resources and priorities 	<ul style="list-style-type: none"> • Inflexible resource levels with costs incurred even when workload reduces • Recruitment difficulties with specialist staff • Doesn't fit with Strategic Commissioning Council model
2 – Tender each project	<ul style="list-style-type: none"> • Greater market choice • Ultimate competition achieved with every project open to the entire market. 	<ul style="list-style-type: none"> • Time delays and resources required to advertise and procure each project would be unacceptable. On the rare occasion where EU procurement rules apply it could take 3 – 6 months to complete for each project, adding significant cost and delay. • Non-compliance with Contract rules and EU regulations regarding sub-division of similar work and aggregated spend. • Provides no ongoing relationship, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice
3 – CEC Framework	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements • Tailored to suit the requirements of the Council's Alternative Service Delivery Vehicles • Ability to benchmark performance, develop ongoing relationships, build specific loyalty to CEC within a clear mechanism for continuous improvement • Maintains competitive tension amongst Framework consultants • Allows the ability to directly appoint in certain circumstances • Of interest to regional companies 	<ul style="list-style-type: none"> • Costs and resources associated with bespoke procurement of CEC framework • Need to have sufficient throughput to maintain the interests of consultants
4 – access other frameworks/ contracts	<ul style="list-style-type: none"> • Maintains competitive tension amongst framework consultants • Allows ability to directly appoint in certain circumstances • Potential for reduced costs by avoiding costly procurement • 	<ul style="list-style-type: none"> • Few frameworks exist that provide all services required and that CEC can easily access (e.g., NWCH - government GPS framework not currently available) • Framework consultant loyalty can be divided or skewed towards the "host" authority • Less chance than option 3 to build continuous improvement • Consultants more likely to be large national companies

<p>5 – single service provider</p>	<ul style="list-style-type: none"> • A single point of contact • No delays in appointing at the earliest opportunity for each project • Ultimate opportunity to build partnership working with ongoing relationships and shared objectives 	<ul style="list-style-type: none"> • Would need to attract the interest of large multi-disciplinary consultants/consortia able to provide the full range of services • Need to have sufficient throughput to maintain the interest of consultants, particularly if they are a national concern without a local client base • Difficult to address complacency by the single provider when competitive tension is not present during the life of the contract
<p>6 – strategic partner JV for the full range of asset management services</p>	<ul style="list-style-type: none"> • Could provide a catalyst for wider outsourcing of Council asset management functions. • A neighbouring authority (Stockport Metropolitan Borough Council) has recently undertaken this route and there may be the ability for CEC to utilise that JV contract (needs further exploration) for a range of asset management support functions. Note: CEC are named in the new Stockport Strategic Property Partnership, but this is currently in mobilisation phase and not fully up and running 	<ul style="list-style-type: none"> • Long lead-in time including the requirement for a fundamental Service Review, staff consultation and subsequent OJEU Procurement • Similar transformational projects have required significant consultant support costing in the region of £500k • Usually undertaken as part of a large outsourcing initiative. CEC capital delivery capability is largely already outsourced – hence the requirement for this procurement.