

APPENDIX 3 – OPTIONS APPRAISAL

Option	Advantages	Disadvantages
<p>Option 1 Maintain the status quo and procure each service area separately.</p>	<ul style="list-style-type: none"> • Direct control over resources and priorities for services that remain in-house • Greater market choice • Ultimate competition achieved for every service area. 	<ul style="list-style-type: none"> • Significant requirement for contract management and administration support • Provides no ongoing relationship across FM functions, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice • Resources required to advertise and procure each service area • Inconsistency of approach • Fragmentation of provision increases the risk of gaps or duplication in service
<p>Option 2 Increase the number of suppliers by putting in place a framework with multiple suppliers on the various lots to give SMEs the opportunity of tendering</p>	<ul style="list-style-type: none"> • Direct control over resources and priorities for services that remain in-house • Greater market choice • Ultimate competition achieved for every service area. • Reduced contract management requirement • Opportunity to procure through local SME's 	<ul style="list-style-type: none"> • Significant requirement for contract management and administration support • Provides little ongoing relationship, so difficult to develop a partnership approach with continuous improvement in line with Government Best Practice • Resources required to advertise and procure each work package • Some inconsistency of approach
<p>Option 3 Creation and procurement of integrated/budled 'work packages' where there are synergies</p>	<ul style="list-style-type: none"> • Direct control over resources and priorities for services that remain in-house • Greater market choice • Ultimate competition achieved for every service area. • Reduced contract management requirement 	<ul style="list-style-type: none"> • Reduced, but still significant requirement for contract management and administration support • Provides little ongoing relationship, so difficult to develop a partnership approach with continuous improvement in line with Government Best Practice • Resources required to advertise and procure each work package • Some inconsistency of approach
<p>Option 4 Creation of a wholly owned company, staff mutual etc</p>	<ul style="list-style-type: none"> • Lack of competitive tension • Ability to offer services to other Local Authorities, Town and Parish Council, Schools etc to create an income. • Control over companies owned by the Council with any surpluses being recycled 	<ul style="list-style-type: none"> • Increased requirement for administration support • Resources required to advertise and procure each service area • Substantial set up time and cost • Potential incentive to increase in-house staffing within the WOC. to increase company turn-over
<p>Option 5 Single service provider, via own procurement (Total Facilities Management)</p>	<ul style="list-style-type: none"> • A single point of contact • No delays in appointing at the earliest opportunity for each service • 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 • Difficult to address complacency by the single provider when competitive tension is not present during the life of the contract • Significant procurement costs
<p>Option 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 	<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.

	<p>named in the new Stockport Strategic Property Partnership.</p>	
<p>Option 7 Access other frameworks/ contracts via mini-competition</p>	<ul style="list-style-type: none"> • Maintains competitive tension amongst framework service providers • Allows ability to directly appoint in certain circumstances • Potential for reduced costs by avoiding costly procurement 	<ul style="list-style-type: none"> • Whilst frameworks exist that provide all services required and that CEC can easily access (e.g., government GPS framework, Stockport Strategic Property Partnership) timescales may be a risk • Framework consultant loyalty can be divided or skewed towards the “host” authority • Less chance than option 5 to build continuous improvement