

APPENDIX 2 – Option Analysis

Option	Advantages	Disadvantages
1 – In-house provision, including substantial insourcing	<ul style="list-style-type: none"> • Direct control over resources and priorities. • Familiarity and greater understanding of CEC processes, values and ways of working. • Same teams working together, sharing lessons learned into future projects. 	<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 and resources required to procure a contractor for each project would be cost and programme prohibitive. • Potential 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. • Limited transparency where contractors are repeatedly used.
3 – CEC Framework	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements, values and Government best practice etc. • 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 contractors. • Allows the ability to directly appoint in certain circumstances speeding up the procurement process. • Of interest to regional companies. 	<ul style="list-style-type: none"> • Costs and resources associated with bespoke procurement of CEC framework (estimated £43k or 0.32% of Framework contracts value). • Need to have sufficient throughput to maintain the interests of contractors. • The appetite to bid may be reduced as there is no guarantee of work.
4 – External Frameworks (CIF Framework, DfE Framework, LHC, PAGABO, PNW lite, SCAPE, STAR etc.)	<ul style="list-style-type: none"> • Maintains competitive tension amongst framework contractors (where more than one contractor). • Allows ability to directly appoint in certain circumstances speeding up the procurement process. • Potential for reduced costs by avoiding costly one off procurements. 	<ul style="list-style-type: none"> • Frameworks not tailored to CEC operational requirements. • Framework contractor loyalty can be divided or skewed towards the "host" authority. • There is a fee to access external frameworks albeit the charge may be hidden in the contractors overheads charge. • Contractors tend to be large national companies. • Frameworks operate differently and could introduce consistency issues.

5 – Single Service provider	<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"> • May attract the interest of national contractors with consequently higher preliminaries and overhead values. • Need to have sufficient throughput to maintain the interest of the contractor. • Volume of contracts of a short period could create capacity issues. • Difficult to address complacency by the single provider when competitive tension is not present during the life of the contract.
6 – Programme of work through a higher value Framework	<ul style="list-style-type: none"> • A single point of contact. • No delays in appointing at the earliest opportunity for each project. • Good opportunity to build partnership working with ongoing relationships and shared objectives. • Opportunity to include competitive tension at the end of each programme of work. 	<ul style="list-style-type: none"> • Difficult to address complacency by the single provider when competitive tension is not present during the programme of works. • Difficulty in getting departments to agree a programme of works at the outset. • Will not provide for one- off projects.

A RAG rating assessment follows below:-

Risk Analysis of Procurement Options

Assessment Criteria for RAG Scoring			
RAG Score	Quality	Time	Cost
Green	Alignment with CEC's requirements and values. Opportunity for continuous improvement. Same teams on similar projects.	Able to appoint contractor very quickly.	Competition between contractors. Size of contractor is appropriate for scheme values. Minimal costs to procure.
Amber	Some alignment with CEC's requirements and values. Some opportunity for continuous improvement. Similar teams on similar projects.	Able to appoint contractor quickly.	Limited competition between contractors. Size of Contractor less appropriate for scheme values. Some costs to procure.
Red	Limited alignment with CEC's requirements and values. Limited opportunity for continuous improvement. New teams on each project.	Contractor appointment requires lengthy tender process.	No competition between contractors. Size of contractor not appropriate for scheme values. Cost to procure extensive.

The assessments of each of the identified procurement options are detailed in the following tables:

Risk Profile			
Procurement Option 1	Quality	Time	Cost
In-house provision	<p>Direct control over resources and priorities.</p> <p>Familiarity and greater understanding of CEC processes, values and ways of working.</p> <p>Same teams working together, sharing lessons learned into future projects.</p> <p>Recruitment difficulties with specialist staff.</p> <p>Doesn't fit with Strategic Commissioning Council model.</p>	Able to appoint very quickly.	Inflexible resource levels with costs incurred even when workload reduces.
	Amber	Green	Red
Overall RAG Assessment = Amber			

Risk Profile			
Procurement Option 2	Quality	Time	Cost
Tender each project	<p>Greater market choice.</p> <p>Potential non-compliance with Contract rules and EU regulations regarding sub-division of similar work and aggregated spend.</p> <p>Provides no ongoing relationship, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice.</p> <p>Limited transparency where contractors are repeatedly used.</p>	Time and resources required to procure a contractor for each project would be cost and programme prohibitive.	Ultimate competition achieved with every project open to the entire market.
	Green	Red	Green
Overall RAG Assessment = Amber			

	Risk Profile		
Procurement Option 3	Quality	Time	Cost
CEC Framework	<p>Tailored to suit CEC's particular requirements, values and Government best practice etc.</p> <p>Tailored to suit the requirements of the Council's Alternative Service Delivery Vehicles.</p> <p>Ability to benchmark performance, develop ongoing relationships, build specific loyalty to CEC within a clear mechanism for continuous improvement.</p>	Allows the ability to directly appoint in certain circumstances speeding up the procurement process.	<p>Costs and resources associated with bespoke procurement of CEC framework (estimated £43k or 0.32% of Framework contracts value).</p> <p>Need to have sufficient throughput to maintain the interests of contractors.</p> <p>The appetite to bid may be reduced as there is no guarantee of work.</p> <p>Maintains competitive tension amongst Framework contractors.</p> <p>Of interest to regional companies.</p>
	Green	Green	Amber
Overall RAG Assessment = Green			

	Risk Profile		
Procurement Option 4	Quality	Time	Cost
External Frameworks	<p>Frameworks not tailored to CEC operational requirements.</p> <p>Framework contractor loyalty can be divided or skewed towards the "host" authority.</p> <p>Frameworks operate differently and could introduce consistency issues.</p>	Allows ability to directly appoint in certain circumstances speeding up the procurement process.	<p>Maintains competitive tension amongst framework contractors (where more than one contractor).</p> <p>Potential for reduced costs by avoiding costly one off procurements.</p> <p>There is a fee to access external frameworks albeit the charge may be hidden in the contractors overheads charge.</p> <p>Contractors tend to be large national companies.</p>
	Amber	Green	Amber
Overall RAG Assessment = Amber			

	Risk Profile		
Procurement Option 5	Quality	Time	Cost
Single service provider	<p>A single point of contact.</p> <p>Ultimate opportunity to build partnership working with ongoing relationships and shared objectives.</p> <p>Volume of contracts of a short period could create capacity issues.</p>	No delays in appointing at the earliest opportunity for each project.	<p>May attract the interest of national contractors with consequently higher preliminaries and overhead values.</p> <p>Need to have sufficient throughput to maintain the interest of the contractor.</p> <p>Difficult to address complacency by the single provider when competitive tension is not present during the life of the contract.</p>
	Amber	Green	Amber
Overall RAG Assessment = Amber			

	Risk Profile		
Procurement Option 6	Quality	Time	Cost
Programme of works	<p>A single point of contact.</p> <p>Good opportunity to build partnership working with ongoing relationships and shared objectives.</p> <p>Difficulty in getting departments to agree a programme of works at the outset.</p> <p>Will not provide for one off projects.</p>	No delays in appointing at the earliest opportunity for each project.	<p>Opportunity to include competitive tension at the end of each programme of work.</p> <p>Difficult to address complacency by the single provider when competitive tension is not present during the programme of works.</p>
	Amber	Green	Amber
Overall RAG Assessment = Amber			