

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"> • Data protection regulations and safeguarding responsibilities prevent open advertising of each project • Time delays and resources required to advertise and procure each project would be unacceptable adding significant cost and delay • Provides no ongoing relationship, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice
3 – CEC Framework with multiple Lots for a range of building services	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements • Opportunity to shape the Key Performance Indicators to achieve Outcomes in line with the Corporate Plan and deliver social value • 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 	<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 contractors • The appetite to bid may be reduced as there is no guarantee of work • The appetite amongst micro and small enterprises may be limited due to the procurement process • The nature of the building sector can result in the loss of businesses from the Framework, resulting in the need for new procurement exercises to recruit replacement contractors
4 – CEC Framework with a Management Contractor who develops relationships with micro, small and medium businesses	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements • A single point of contact • Opportunity to shape the Key Performance Indicators to achieve Outcomes in line with the Corporate Plan and deliver social value • Opportunities for micro, small and medium enterprises • Ability to benchmark performance, develop ongoing relationships, build specific loyalty to CEC within a clear mechanism for continuous improvement • Provides flexibility to manage 	<ul style="list-style-type: none"> • Costs and resources associated with bespoke procurement of CEC framework • The appetite to bid may be reduced as there is no guarantee of work • The Council will not have a direct relationship with the end contractor, although development of a partnership approach with the Management contractor could overcome this

	<p>recruitment of businesses according to peaks and troughs of demand and the need for one-off specialist services</p> <ul style="list-style-type: none"> Relationships with the end contractors are managed by the provider 	
5 – External Frameworks (ESPO, YPO, Fusion 21, NHC, 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 Potential for reduced costs by avoiding costly procurement 	<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 Limited opportunity to build continuous improvement Contractors tend to be large national companies Frameworks operate differently and could introduce consistency issues
6 – 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 values Need to have sufficient throughput to maintain the interest of the contractor In the event of business continuity issues, would need to carry out a full procurement process to replace a single service provider, hindering delivery of our service Difficulty to address complacency by the single provider when competitive tension is not present during the life of the contract Provider loyalty may be skewed towards larger contracts with other customers, reducing their commitment to our contract
7 – Utilisation of the Assets Low Value Construction Services framework	<ul style="list-style-type: none"> Established framework 	<ul style="list-style-type: none"> Differences between commercial and residential projects cannot easily be bridged Not tailored to suit the needs of Strategic Housing projects Would need to adapt requirements to accommodate the safeguarding requirements necessary for Strategic Housing projects The combined value of the Assets Framework and the additional Strategic Housing requirements would exceed the approved value and reduce the term of the Framework

<p>8 – CEC Dynamic Purchasing System</p>	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements • Allows a longer period for the procurement system to run than is permitted with a traditional Framework • Provides flexibility to recruit and appoint contractors on an ongoing basis, which assists with meeting market demands • Opportunities to appoint micro, small and medium sized enterprises 	<ul style="list-style-type: none"> • With a large number of economic operators and no limits to the number of contractors who can apply throughout the lifetime of the system, there would be a significant impact on resources in evaluating applications and inviting all to tender for each mini-competition • The system is more suited to 'off the shelf' works rather than bespoke requirements • Regulations stipulate that the system should be a fully electronic procurement tool so consideration would need to be given to whether the Chest portal is suitably set up to run the system as all procurement documentation needs to remain "live" and available for the duration of the system
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