

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by the Director of Education and Cultural Services**

**Council: 28 February 2007**

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**Subject: Update on the schools' PPP project**

### **1. Purpose**

- 1.1** To provide Elected Members with a report on the decision to proceed to a Best and Final Offer (BaFO) phase for the West Dunbartonshire Schools' PPP project.

### **2. Background**

- 2.1** As previously approved by the Council's Schools Procurement Committee, the following 3 bidders were shortlisted for the Invitation to Negotiate (ITN) stage of the project: BAM PPP; Transform Schools (Balfour Beatty); and West Dunbartonshire Schools Partnership (Amey/Carillion). In addition, an in-house bid was submitted by the Department of Housing Regeneration and Environmental Services for Cleaning and Grounds Maintenance elements of the Facilities Management (FM) aspect of the project.
- 2.2** All three bidders submitted bids by the submission date of 26 October 2006.
- 2.3** Following separate evaluations by the Council's PPP Project Team and by its three external advisers, a full evaluation meeting involving the Project Team and its advisers was held on the afternoon of Tuesday 19 December 2006. At this meeting, there was unanimous agreement that a Preferred Bidder should not be named at this stage but rather that an invitation to submit a Best and Final Offer (BaFO) should be issued to all three bidders.
- 2.4** The decision to issue a BaFO was ratified by the PPP Project Board at its meeting on 22 December 2006.

### **3. Main Issues**

#### Financial Evaluation

- 3.1** The project's in-house finance officer and its external financial advisers (Caledonian Economics) were agreed that all three bids are compliant,

affordable and represent value for money when assessed against the Public Sector Comparator.

- 3.2** They were also in agreement that, judged purely on financial criteria, the 3 bids were too close to call and there was no clear winner.

#### Legal Evaluation

- 3.3** The project's in-house legal officer and its external legal advisers (Shepherd and Wedderburn) were agreed that all three bids were compliant, although further clarifications were required from all bidders.

#### Technical Evaluation

- 3.4** The project's in-house technical officer and its external technical advisers (Turner and Townsend) were agreed that all three bids were strong in terms of the following evaluation criteria:
- Project Management;
  - Quality Assurance and Control Procedures;
  - Construction Method Statement.
- 3.5** However, they were also agreed that a number of questions remained to be addressed by all three bidders (albeit different questions for each of the three parties involved).
- 3.6** It was the unanimous view of the extended project team at its meeting on Tuesday 19 December 2006 (a view ratified unanimously by the Project Board on Friday 22 December 2006) that:
- notwithstanding the general high quality of all 3 bids, each bidder required to provide further technical clarifications on a number of points of detail, including several issues relating to facilities management;
  - judged on technical criteria, it would not be possible to name a Preferred Bidder at this stage;
  - on purely technical grounds, it was clear that a BaFO phase should be included in the project.

#### Educational Evaluation

- 3.7** The extended project team also agreed that all 3 bidders complied with the educational brief, although they had varying strengths and weaknesses. This view was also ratified by the Project Board.

#### **4. Personnel Issues**

- 4.1** Personnel implications of the PPP Project have been reported previously to Council and these remain unchanged.

#### **5. Financial Implications**

- 5.1** It is now the Council's aim to reach Financial Close by the end of September 2007. Since all bidders had been asked to hold their prices until well after this date, the direct financial implications of the decision to proceed to a BaFO phase are minimal, although the financial details of the three revised bids remain to be seen.

#### **6. Risk Analysis**

- 6.1** The Project Team and the Council's Advisers considered all options and arrived at the conclusion that the issuing of a BaFO represented the best opportunity to secure value for money for the Council.

#### **7. Conclusions**

- 7.1** It was the unanimous view of the Project Team, of the Council's Technical, Legal and Financial Advisers and of the PPP Project Board that the Council was not in a position to nominate a Preferred Bidder in December 2006, despite the generally high quality of all three bids.
- 7.2** It was also agreed that all three bids contained significant and differing strengths and it was therefore not possible to eliminate any of the bidders at this stage.
- 7.3** It was also unanimously agreed that a number of important clarifications and revisions were required from all three bidders before a Preferred Bidder could be named and it was therefore decided that a BaFO be issued to all three bidders with a submission deadline of 16 February 2007 (subsequently revised for practical reasons to 23 February 2007).
- 7.4** It was agreed that the BaFO would be in the form of some general observations and requests for clarification from all bidders together with specific, targeted requests to each bidder based on the details of their original submissions.

#### **8. Recommendations**

- 8.1** Council is asked to note the decision of the Project Team, Council Advisers and PPP Project Board to proceed to issue a BaFO invitation to all three bidders with a submission deadline of 23 February 2007.

- 8.2** Council is asked to note that a further progress report will be provided to the next meeting of Council and that the recommendation for the naming of a Preferred Bidder will be presented to a future Council meeting for consideration and ratification.



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Liz McGinlay  
Director of Education and Cultural Services

**Person to Contact:** Terry Lanagan, Head of Service, Schools Estate Unit,  
Braidfield High School, Queen Mary Avenue,  
Clydebank G81 2LR. Tel: 0141 952 5140.  
E-mail [terry.lanagan@west-dunbarton.gov.uk](mailto:terry.lanagan@west-dunbarton.gov.uk)

**Background Papers:** Minutes of meeting of the Schools Procurement  
Committee held on 17 May 2006

**Wards Affected:** All wards.