

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Tendering Committee: 20 April 2011

Subject: Securitisation of Assets

1. Purpose

- 1.1 To advise the Tendering Committee of the results of the Tender for Consultancy for the future stages of Asset Securitisation project up to placement of the funding package and the establishment and going live of the proposed LLP.

2. Background

- 2.1 On 27 October 2010 Council agreed the Corporate Asset Management Strategy. The Strategy's Action Plan included the undertaking of a feasibility study to establish whether securitisation of the non operational estates rental income was feasible and how much capital it might generate, with a target date of 31 January 2011.
- 2.2 Tendering Committee on the 10th November 2010 approved the appointment of Ernst and Young to develop a feasibility study, and assuming the project was considered viable, a business case. It also agreed that if the project proceeded to business case, a tendering process would take place for advisers to take the project through to implementation.
- 2.3 At the meeting of Council on 26th January 2011, Council agreed that the project should proceed and that advisers prepare a detailed business case for the project, and accordingly it is necessary to appoint advisers to take the project forward.

3. Main Issues

- 3.1 It was determined that the Buying Solutions Multi Disciplinary Consultancy Framework Agreement (formerly Catalist Framework Agreement) should be used, and a tender exercise was commenced on 15th February 2011
- 3.2 Tenders were received from two of the bidders on the Framework – Ernst & Young LLP and Serco Consulting by the deadline for receipt of bids on 7th March 2011

- 3.3 The award criteria were those provided for within the Framework Agreement for further competitions, namely, Quality (divided into Methodology / Project Plan and Staff Assigned) accounting for 80% of available marks, and Cost accounting for 20 %.
- 3.4 The Council's Evaluation Team comprised the Head of Finance and ICT, the Head of Regeneration and Economic Development and the Manager of Legal Services, supported by the Corporate Procurement Team Leader.
- 3.5 Clarifications were sought in writing and at meetings attended by the bid teams and the Council's Evaluation team prior to the commencement of scoring.
- 3.6 Following upon the evaluation of the bids, the scoring was as noted in Table 1.

Table 1	
Bidder	Total Score
Ernst & Young LLP	90.02
Serco Consulting	98.08

4. People Implications

- 4.1 There are no staffing or people implications in respect of the appointment of the advisers for this project. Any future decisions regarding employees will be the subject of a future report to the Council.

5. Financial Implications

- 5.1 The bid cost for services to be provided up to and including the funding contest and the establishment / operation of the LLP is £179,703.00 and this can be accommodated within the Modernisation Fund.

6. Risk Analysis

- 6.1 The use of the Buying Solutions Framework ensures a high level of competency within the bidders, and the evaluation process has adhered to the award criteria and best practice.
- 6.2 As the project proceeds to implementation, the risk position will be repeatedly assessed and evaluated along with financial and service delivery assumptions as the project progresses.

7. Equalities, Health & Human Rights Impact Assessment (EIA)

- 7.1 Having completed an initial screening there appear to be no significant equalities issues associated with the appointment of the adviser for this stage of the project.

8. Conclusions and Recommendations

- 8.1 Council having agreed to proceed to the development of Full Business Case and the possible subsequent funding contest and establishment of an LLP for the securitisation project, Tendering Committee is asked to agree the appointment of Serco Consulting as advisers under the Buying Solutions MultiDisciplinary Consultancy Framework to support the Council in taking the project forward.

Joyce White
Executive Director of Corporate Services

Person to Contact: Alan Douglas, Manager of Legal Services, Council Offices, Garshake Road, Dumbarton, G82 3PU.
Telephone 01389 737800
e-mail: andrew.fraser@west-dunbarton.gov.uk

Appendices: None

Background Papers: 1) Report to Tendering Committee - 10th November 2010
2) Report to Council - 26th January 2011

Wards Affected: All