



DERBY CITY COUNCIL

DRAFT

**COUNCIL CABINET
24 FEBRUARY 2004**

ITEM 9

Report of the Director of Corporate Services on behalf of the Project Board

Derby Grouped Schools PFI – Evaluation of Bids and Shortlisting of Bidders

RECOMMENDATION

- 1.1 That at the meeting to be held on 24 February, Council Cabinet consider the recommendation of the Project Board to reduce the shortlisted bidders for the Project from three, to two.

REASONS FOR RECOMMENDATION

- 2.1 The Council's interests are best served through appointing the consortium to design, build, finance and operate the schools in the Project – the Preferred Bidder – as soon as practicable.
- 2.2 Prior to moving towards that stage, it is recommended to reduce the number of shortlisted bidders from three to two, in order to increase the competitive tension between those remaining two bidders, and thus assist in securing the most advantageous overall deal for the Council.
- 2.3 The recommendation of the Project Board and the supporting information will follow in an addendum to this report.

SUPPORTING INFORMATION

- 3.1 At its meeting on 11 July 2003, the Project Board approved a shortlist of three bidders for the Grouped Schools PFI Project.
- 3.2 Accordingly, the Invitation to Negotiate (ITN) was issued to each of the three bidders on 15 September 2003, and bids were received from all three by the closing date of Friday 12 December 2003.
- 3.3 The Project Team, which includes the Council's external advisers, in conjunction with the Project Board, has been engaged in analysing and evaluating the bids since late December of last year. The evaluation exercise is progressing well, and is in accordance with the overall Project Plan and Timetable, but although a picture of the bidders position is now beginning to emerge through the evaluation and bid clarification processes, there remain some elements of the bidders proposals that require further consideration before a confident recommendation can be made to the Board, and subsequently Council Cabinet.

- 3.4 Those elements continue to form part of the bid clarification process, and in that respect will inform the recommendation to the Board and Council Cabinet, if resolved before those meetings.
- 3.5 It is anticipated that subject to the outcome of the Cabinet meeting to be held on 24 February 2004, a report on the overall procurement process will be presented to Cabinet on 16 March, with a further report containing a recommendation on the Council's Preferred Bidder to the meetings of Cabinet on 6 or 27 April.

OTHER OPTIONS CONSIDERED

- 4.1 To retain the three shortlisted bidders until a future point in the evaluation process is reached.
- 4.2 To extend the overall Project Plan and Timetable to accommodate the extension of time involved implementing the option in 4.1.

For more information contact:	Mike Melliush Tel 01332 255533 e-mail mike.melliush@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 None arising directly from this report. The financial implications of reducing the shortlist from three to two bidders, will be set out in the further report referred to in paragraph 1.2.

Legal

- 2.1 None arising directly from this report. The legal implications of reducing the shortlist from three to two bidders, will be set out in the further report referred to in paragraph 1.2.

Personnel

- 3.1 None arising directly from this report.

Corporate Themes and Priorities

- 4.1 The Project accords with the Council's key theme of **success through learning**.
- 4.2 New schools accord with the Council's key theme of a **sustainable environment**. The Project also satisfies the Council's priorities of **improving children and young peoples prospects, improving life chances for disadvantaged people and communities** and **improving the physical environment of our city and streets**.