

3 Appendix 5 OPTIONS CONSIDERED AND REJECTED

The following options were considered and rejected for this procurement:

Option Summary	Pros	Cons
Do Nothing	<ul style="list-style-type: none"> • Saves costs of running the service. • Reduced Council management input. 	<ul style="list-style-type: none"> • Unable to fulfil statutory duty to provide Council Housing. • Health and safety issues with damage to property and people. • Legal costs resulting from the damage caused to property and people.
In-Sourcing of the entire responsive repairs and gas servicing contract (Not Recommended)	<ul style="list-style-type: none"> • Council retains direct ownership and control • Mitigated risk of contractor insolvency (only applies to sub-contractors) • No procurement necessary as staff directly appointed. • Short communication channels as all in-house • Potential for greater community spirit/ tenant relationship • Effective and consistent branding due to self-ownership • No profit paid to third party 	<ul style="list-style-type: none"> • Substantial set up costs of staff, space, vehicles, infrastructure etc. • Fixed costs which are difficult to flex with changed circumstances and work content • Harder to exercise control (?) as all in-house • No contractual separation means responsibilities can become blurred • Large organisation that needs effective ongoing management, which is difficult to consistently achieve • Reduced imperative to innovate • Reduced focus on creating and delivering best value • Commercial management imperative removed • Rectification of failures a cost
Open Procedure (Not Recommended)	<ul style="list-style-type: none"> • Quick route to market • Most suitable for a single contractor delivering a similar scope to the current Contract 	<ul style="list-style-type: none"> • If works are packaged up into smaller contracts it may be less attractive to some Contractors • Potential to receive high volume of bids adding in time and cost • Does not allow refinement/changes once tenders submitted (versus CPN)
Procure via a compliant framework (Not Recommended)	<ul style="list-style-type: none"> • Quickest route to market than open procurement whilst still ensuring competitive element. 	<ul style="list-style-type: none"> • Limited pool of contractors on framework may reduce competition and exclude local organisations not on the

	<ul style="list-style-type: none"> • Standardised framework contract and documentation that can be used which speeds up the procurement process and reduces costs • Experience of monitoring and managing external contractors is already retained within the Council. • Using a compliant framework is permitted under PCR 2015. This would reduce the risk of challenge. • This would be a PCR compliant route and is unlikely to be challenged. 	<p>framework. On review of frameworks there was no framework identified that included an optimum list of contractors, therefore some potentially suppliers would be excluded from the process.</p> <ul style="list-style-type: none"> • Limits the ability to incorporate bespoke Council requirements, or if large bespoke requirements are incorporated negates the time advantage of using the framework. • Management styles and philosophies may differ from Council's view. • There is a fee that needs to be paid to the framework operator that this length and value of contract would be material over the life of the contract.
Restricted (Not Recommended Option for Repairs)	<ul style="list-style-type: none"> • Likely to be preferred by suppliers and generate more interest. • Allows for changes to the contract structure and design from the present • Allows councils resources to be spread across a longer timescale • Strong supplier preference for this approach came out of the soft market testing for the Gas Services. 	<ul style="list-style-type: none"> • Excluding bidders at shortlisting stage potentially reduces amount of competition • Does not allow refinement/changes once tenders submitted (versus CPN)
Competitive Procedure with Negotiation (CPN) (Not Recommended for Gas Services)	<ul style="list-style-type: none"> • The most flexible process allowing for supplier innovations and negotiation • Enables contract structure and related document to be refined and should result in better outcomes • Strong supplier preference for this approach came out of the soft market testing for the responsive repairs element. 	<ul style="list-style-type: none"> • Process takes longer and is most risky on timings, currently 3 weeks of float in timeline • Assumed a light touch CPN so may not gain full benefit of the process • Highest complexity leading to increased advisor and legal costs