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**Report to the Director of Children and Families**

**Report of Commissioning Manager**

**Date: 19<sup>th</sup> February 2019**

**Subject: Waiver of Contract Procedure Rules 9 .1 and 9.2 to award a contract to Mondale IT Solutions Ltd (Mondale Events) for delivery of effective conference and event management services on behalf of Children and Families traded services.**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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**Summary of main issues**

1. Children and Families traded services wish to award a contract to Mondale IT Solutions Ltd (Mondale Events) for delivery of effective conference and event management services on behalf of Children and Families traded services.
2. CPR 9.1 requires competition for procurements over £100K and CPR 9.2 requires at least four written tenders. Approval is needed to waive CPRs 9.1 and 9.2 which would allow the continued use of Mondale IT Solutions Ltd (Mondale Events) and allow the time necessary for further service development, a reassessment of options and the completion of a tender exercise.
3. The contract will be for four years; from 1<sup>st</sup> September 2019 to 31<sup>st</sup> August 2023. Events will be called off according to need so the contract value will vary. The maximum value will be £45k per annum, the cost of which will be fully recovered through traded income from schools and academies.

## Recommendations

- 1 The Director of Children and Families is recommended to note the content of this report and approve the waiver of CPR 9.1 and 9.2, using the authority set out in CPR 1.3, to enter into a new contract with Mondale IT Solutions Ltd (Mondale Events) for delivery of effective conference and event management services on behalf of Children and Families traded services. The contract will be for four years; it shall commence on 1<sup>st</sup> September 2019 and will run until 31<sup>st</sup> August 2023. The contract will be a call off contract with a maximum contract value of £45k per annum (total value of £180,000 over four years), the cost of which will be fully recovered through traded income from schools and academies.

## **1 Purpose of this report**

The proposed approach set out in this report seeks to ensure compliance in respect of waiving CPRs and seek approval for the award of a contract to Mondale IT Solutions Ltd (Mondale Events) for the delivery of effective conference and event management services on behalf of Children and Families traded services.

## **2 Background information**

- 2.1 Children and Families traded services deliver a wide range of training events and conferences to schools on a traded basis.
- 2.2 An informal arrangement has been in place with Mondale Events for many years whereby they book the venue, provide refreshments, advertise events, provide an online booking facility for schools and manage the event on the day. Mondale Events organise trade fairs at the events for external organisations to exhibit their products for schools to purchase, which lowers the price charged to the Council.
- 2.3 In August 2015 a formal contract arrangement was put in place with Mondale Events to clarify expectations and responsibilities and so help ensure value for money. The contract was reviewed in 2016 and it was deemed appropriate to test the market to ensure value for money would be maintained for the longer-term.
- 2.4 A market sounding exercise was completed in June 2017. Four submissions were received in total. The exercise indicated that the market was extremely limited, there was a lack of understanding regarding the directorate's event management requirements and no other provider that responded was able to match the costs of the current provider. Mondale Events presented the strongest submission, presenting the most cost effective proposal to support Children and Families services to deliver effective and professional large conferences and events. Mondale Events have significant intelligence of the local market and an excellent relationship with Council officers, offering a flexible, responsive and reliable service.
- 2.5 An options appraisal based on the market sounding exercise identified the preferred option to extend the contract with Mondale Events until 31<sup>st</sup> August 2019 and to work in partnership with the provider to further develop the service to ensure it matches the exact needs of the directorate. Significant progress has been made in developing the service, including in relation to more effective use of social media.
- 2.6 The preferred option is now to offer a longer-term contract to enable this development to continue, offer greater financial security to Mondale Events and achieve better value for money.

## **3 Main issues**

### **3.1 Reason for Contracts Procedure Rules Waiver**

- 3.1.1 This report proposes the direct award of a contract to the current provider, Mondale Events for the delivery of effective conference and event management services on behalf of Children and Families traded services. Mondale Events have a long standing relationship with Children and Families and have delivered an excellent service over a number of years; with the last three years being via a formal contract arrangement. Robust contract monitoring has been put in place ensuring the contract continues to deliver a flexible and responsive service that meets the needs of all stakeholders.
- 3.1.2 There is currently no capacity to deliver event management for traded services to schools in house.

- 3.1.3 Mondale Events are an experienced supplier of quality exhibitions, conferences and events throughout the UK. They have a wide range of experience in organizing events that are run in association with a number of Local Authorities for school and setting staff. This ensures a quality and professional experience for schools, which is crucial for the continued business development of traded services to schools within the context of a competitive marketplace.
- 3.1.4 The current contract with Mondale Events provides savings to the Council in 'delegate day rates' at Leeds venues as Mondale Events are able to negotiate the rates for all the events they hold at these establishments. These preferential rates significantly reduce the cost to the Council of delivering these large events that would not be available to Council officers.
- 3.1.5 The delegate day rate is also offset by the income raised through exhibitors attending the event, thus presenting further savings to Children and Families. Mondale Events have UK wide contacts with potential event exhibitors and work closely with LCC staff to ensure a bespoke group of relevant suppliers exhibit on the day. Children and Families staff do not have the contacts or the capacity to be able to organize exhibitions of this nature and hence, secure this income in-house.
- 3.1.6 Traded services charge schools to attend events; the charge to schools fully recovers the amount paid to Mondale under this contract.
- 3.1.7 In response to the need raised by Children and Families for occasional use of prestigious venues i.e. The Royal Armouries, Mondale Events have negotiated a rate for these events. Due to the increased costs of these venues Mondale require payment in advance. Mondale will invoice as per the payment terms of the venue and will request payment prior to the event, typically 30-50% on booking and the balance two weeks prior to the event.
- 3.1.8 A four year contract allows Children and Families to benefit from reduced rates payable to Mondale. Mondale have agreed to maintain their current rates for the full four years, helping to ensure continued value for money. During this time, further development work will be undertaken before the contract is subjected to competition.
- 3.1.9 A four year contract is also proposed because the lead in time for any procurement is longer than normal for this type of provision as many events are planned 12 months in advance. Awarding short-term contracts of two years or less has proven difficult to manage for both the provider and the Council and this has impacted in the ability to develop the service.

## **3.2 Consequences if the proposed action is not approved**

- 3.2.1 If a contract is not awarded to Mondale Events the likely outcomes are:
- There is likely to be a reduction in the number of events that Children and Families has the capacity to organize which would result in a loss of income (from schools) Reductions in the number of conferences would impact directly on the ability of the directorate to deliver and share key messages and outstanding practice as part of the 3As (Attendance, Attainment and Achievement) strategy.
  - Risk of reputational damage due to reduction in professional conference experience for delegates, from booking and enquiring about the event to the smooth organization of logistics on the day.

## **3.3 Advertising**

3.3.1 This contract opportunity has not been advertised for the reasons outlined in this report.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Consultation has taken place with Mondale Events to identify that they are able to deliver the service required.

4.1.2 Consultation has taken place with Children and Families Service Leads to understand their need for this service.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1. The equality, diversity, cohesion and integration screening form is attached as Appendix 1. This form identifies that an impact assessment is not required in this case.

### **4.3 Council Policies and Best Council Plan**

4.3.1. This project contributes to the Children and Young People's Plan outcome to ensure that all children and young people do well at all levels of learning and have the skills for life.

4.3.2. Providing high quality and effective training that addresses the identified school improvement priorities of Leeds schools will raise standards of teaching and learning and hence, improve outcomes for students.

### **4.4 Resources and Value for Money**

4.4.1 The contract will be a call off contract for four years, with a total budget of £45k per annum. Mondale Events have agreed to maintain their current charges for the full four years.

4.4.2 A range of event options has been negotiated with Mondale that:

- achieve savings on the rates in the existing contract.
- include options to support a wider range of events including; smaller events, events at prestigious venues i.e. the Royal Armouries, and events where the council have secured a free venue.

4.4.2 The budget provision for this contract is held within individual service teams traded accounts with an expectation that the cost is fully recovered through delegate charges to schools and academies.

4.4.3 As the contract is a call off contract, the contract value is indicative. Chargeable events to schools is still a growing market so the value has been calculated to allow sufficient expansion; without the need to vary the contract.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 As a Significant Operational Decision this decision is not subject to Call-In but will be published on the register of decisions.

4.5.3 Giving the work to this provider without competition could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that Contracts Procedure Rules suggests that contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In giving the work to this provider without competition there is a potential risk of challenge from other providers who have not been given the chance to tender for this opportunity.

- 4.5.4 Although there is no over-riding legal obstacle preventing the waiver of CPRs 9.1 and 9.2 using the authority set out in CPR 1.3, by awarding a direct contract to Mondale IT Solutions Ltd (Mondale Events) without seeking competition, the contents of this report should be noted when making the final decision; the Deputy Director of Children and Families, Learning should be satisfied that the course of action chosen represents Best Value for the Council.

## **4.6 Risk Management**

- 4.6.1. Awarding this contract without competition presents a risk of challenge from providers who have not had the opportunity to bid. However, this risk is mitigated by the limited market capacity and interest as demonstrated in the previous soft market test. The service required by traded services has evolved and is very specific to the needs of the Council. Excellent rates have been negotiated with the current provider that could not be matched in the previous soft market sounding exercise. This service will be subjected to competition prior to the end of this new contract to test whether the market has developed or changed.
- 4.6.2. There is an associated risk involved in paying in advance in respect of prestigious events as outlined in paragraph 3.16. Approval has been obtained from Finance for this in line with Financial Regulation 13.

## **5 Conclusions**

- 5.1 This report proposes the award of a four year contract to the current provider, Mondale IT Solutions Ltd (Mondale Events) to deliver an effective training and conference service for Children and Families where we believe the benefits outweigh any risks. A four year contract will enable further development of the service and preparations to undertake a competitive tender exercise. Events are planned 12 months in advance so the lead in time for tender is greater than normal.

## **6 Recommendations**

- 6.1 The Director of Children and Families is recommended to note the content of this report and approve the waiver of CPR 9.1 and 9.2, using the authority set out in CPR 1.3, to enter into a new contract with Mondale IT Solutions Ltd (Mondale Events) for delivery of effective conference and event management services on behalf of Children and Families traded services. The contract will be for four years; it shall commence on 1<sup>st</sup> September 2019 and will run until 31<sup>st</sup> August 2023. The contract will be a call off contract with a maximum contract value of £45k per annum (total value of £180,000 over four years), the cost of which will be fully recovered through traded income from schools and academies.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.