

Essex County Council Communications & Marketing Framework: Decision to authorise a competitive tender process

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Report title: Essex County Council Communications & Marketing Framework: Decision to authorise a competitive tender process	
Report to: Margaret Lee, Executive Director	
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Date: 12 August 2020	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

1.1 To seek approval to commence a competitive tender process to procure suppliers to provide Essex County Council with Communications & Marketing services on a framework agreement for a period of up to four years.

2. Recommendations

2.1 Agree to procure a multi-supplier framework agreement for Communications and Marketing services for a period of 2+1+1 years in accordance with the Public Contracts Regulations 2015 using the restricted procedure and evaluation criteria based on 70% quality and 30% price for the following lots:

- Lot 1: Digital Services;
- Lot 2: PR services;
- Lot 3: Video;
- Lot 4: Photography;
- Lot 5: Design Services;
- Lot 6: Media Planning & Buying.

2.2 Authorise the Director, Strategy, Insight and Engagement to award the Framework contract following successful completion of the procurement process.

3. Summary of issue

3.1 ECC has a duty to communicate effectively to its residents, communities and businesses. To support ECC officers to do this effectively, specialist services are commissioned by individual procurements to deliver activity on a case by case basis. For example, media buyers are used to purchasing advertising space in print or outdoor sites to promote activity.

3.2 There are currently very few established contracts in place for communications and marketing suppliers to work with ECC and create or run campaigns and other activity. ECC currently carries out Request for Quotations (RFQ) for specific requirements as and when needed. This practice may not provide best value for money as competition may be limited. It is resource intensive to run a full RFQ for each requirement and may delay the commissioning of work when time is of the essence. The framework will allow for a streamlined call off process which is simpler for both the buyer and the market. A framework of suppliers will ensure quality standards across activities are being delivered throughout the organisation as suppliers will have all met required quality standards.

3.3 Together with colleagues in procurement, the ECC Corporate Communications and Marketing Managers have reviewed other frameworks within the marketplace. However, the frameworks available do not cover the entire scope of ECC's requirements, and one would be subject to separate call off requirements. The existing frameworks in the marketplace offer ECC less choice of suppliers per lot of service. They include larger Communications and Marketing agencies, working on higher levels of spend per activity. The existing frameworks also do not include our local, small and medium enterprises. By setting up our own framework we will be able to ensure local suppliers have the opportunity to bid for inclusion on the framework.

3.4 ECC officers requiring external communications and marketing services will be required to use the suppliers listed on the framework in the first instance. It is anticipated that the majority of ECC's communications and marketing requirements will be met via the framework, if ECC's specialist requirement cannot be met within the framework, ECC will go outside the framework.

3.5 Taking a framework approach allows ECC the flexibility of having a variety of prequalified service providers to meet our requirements.

3.6 The framework will consist of 5-8 suppliers per lot.

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3.7 The services in the proposed framework are split into six lots and include:

- Digital Services
- PR services
- Video
- Photography
- Design Services
- Media Planning & Buying.

3.8 The services on the framework are those being used on a regular basis and/or where demand is expected to increase. The framework will ensure a simpler way to commission suppliers quickly and competitively for ends users' requirements within ECC.

3.9 The framework will enable us to meet the requirements of the Public Contract Regulations 2015 as well as ECCs own Procurement Policy. Once established, the framework will enable a swift and flexible approach to using suppliers to support delivery of communications activity and assist in adhering to Brand guidance and content standards.

3.10 Suppliers will provide credentials and experience and also be required to answer scenario-based questions based on the requirements of each lot.

3.11 The tender will be evaluated 30/70 between price/quality split. Call off from the framework will be evaluated on a 50/50 Price/quality split. More emphasis is being placed on quality for the evaluation of the framework as prices will not be fixed at the outset. Suppliers will be asked to provide rates for services however this will not provide price assurance as suppliers will need to factor how long projects will take to deliver in the calloffs that follow. A 50/50 split has been selected for the call off to increase the emphasis on price at this stage. 50% will still be attributed to quality to take account of the need for suppliers to help develop specifications and provide innovation. As such it will not always be desirable for the lowest price bid to win. To gain a place on the framework bidders will respond to general service questions and scenario- based questions relevant to each of the lots that they choose to bid on, to ensure they are appropriately experienced in the service/s they are bidding for.

3.12 The length of the framework is two plus one plus one years, this reflects the frequency of movements in the market and advances in communications and marketing approaches and techniques which will require us to review providers on the framework.

3.13 Individual work will be awarded to suppliers via direct award or mini competitions, as per the below:

Lot	Direct Award	Mini Competition
Video	Up to £1,500	£1,501+
Photography	Up to £1,000	£1,001+
PR Services	N/A	All values
Design Services	For a single item	More than one item

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Digital services	Pay per click requirements	Anything else
Media Planning	Up to £5,000	£5,001+

3.14 To call-off a contract under the framework, ECC will undertake mini competitions for the relevant lot. ECC will invite the suppliers within the applicable LOT to provide a proposal and quote for carrying out the work specified. Mini-competitions will be agreed by the Communications & Marketing team or Communications & Marketing leads in service areas, to ensure the relevance of the commission and that outcomes are based on the ECC principles, in line with the wider communications and marketing requirements.

3.15 Awarding an ECC-managed framework allows all end users a choice of suppliers from the marketplace to consider for different services. ECC moved to a devolved communications and Marketing model in 2018 and spend levels for communications and marketing services have increased within service areas. The framework will enable a varied supply chain and will continue to offer value for money services from both the mini competition and direct awards process

3.16 The framework closely aligns to our fourth strategic aim “Transform the council to achieve more for less” as it will focus on enabling our people to commission specialist support in areas we are not skilled or additional capacity to allow flex within our permanent teams. Currently ECC uses a mix of providers to deliver these services, with a number of these being local Small to Medium Enterprises (SMEs)

3.17 ECC Procurement and Communications and Marketing Teams hosted an early market engagement event with suppliers in 2017. The event included a presentation on the intention to build a framework and an opportunity for individual one to one sessions for suppliers to share their thoughts and considerations. Since then communication has continued on a regular basis via e-mail.

3.18 Two general risks exist that need to be mitigated. First, that the response from the market is weak and ECC does not realise sufficient choice of suppliers in some of the lots. To mitigate this, Procurement have collated a list of current and potential suppliers across all lots, to whom the procurement opportunity will be proactively marketed following advertisement of the opportunity through OJEU. Second, that the management of the contract will put a strain on the Communications & Marketing Team as this is a new requirement. To mitigate this the Communications & Marketing Management Team will allocate resource to manage the supplier contracts from within the department, covering onboarding through to regular contract review meetings (to be stipulated), as well as general contract management.

3.19 An additional risk, propagated by the current situation and the impact of COVID-19 on the industry, needs to be considered. A number of SMEs will have furloughed staff to improve their sustainability, thereby reducing their resource and ability/speed to apply. To

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mitigate this we will ensure the procurement process is pursued at an optimum time and also that we allow a longer response time.

4. Options

4.1 Option 1 (Recommended): Procure a Communications and Marketing framework with six lots and between five and eight suppliers awarded onto each lot. Suppliers will be

awarded work based on spend levels, in some cases through a direct award and others through mini competitions, with guidance provided by the Communications and Marketing Team via a standardised and transparent process. The benefits of this approach are: ECC has access to a number of suppliers in the market providing choice and selection during the contract term; ease without resource intensive, individual procurement processes; ease for the supplier to only need to bid once for inclusion on the framework; quality standards will be met when using suppliers who will be required to work to ECC brand guidelines;. A consideration of this approach is the additional requirement of contract management provided by the Communications & Marketing Team, however process mapping will be completed to meet this requirement within current resourcing levels

4.2 Option 2: A Communications & Marketing framework is procured, with a single supplier appointed for each lot. Benefits of this approach would be a less resource intensive initial procurement and ongoing contract management approach. However, there would also be no choice of provision and no consideration of the different projects and audiences the Authority needs to communicate with. In addition this approach would not support our Local SMEs and encourage development of the market. It is also possible that a contract with a single supplier per lot would lead to users of the contract continuing to use their own suppliers, despite the mandated approach.

4.3 Option 3: Crown Commercial Services (CCS) Framework call-off (RM3796) contract/s. The CCS has an 11 lot framework that covers different marketing services. If ECC were to use the framework there would have to be multiple call off procurements against the different lots to meet ECC's needs over the next few years. This would require regular support from Procurement to procure and implement and would not provide a streamlined, time efficient approach. Having researched and spoken to some of the suppliers on the CCS framework, this option is not recommended as suppliers tend to be larger, London- based suppliers of services and require larger project spends for the work to be viable.

There will also be no opportunity for local SMEs with this option.

4.4 Option 4: Set up a Dynamic Purchasing system for Communications and marketing. This would be a completely electronic 2 stage process for awarding individual projects carried out through an online system. Suppliers would be asked to complete a Pre-Qualification Questionnaire which is passed for them to be admitted to the DPS. Stage 2 is where all suppliers on the DPS to bid for a specific project. The benefits of a DPS

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include the ability to add new suppliers at any time during its existence and the relative speed of which it can be set up. However, a DPS will require assigned resource to manage new supplier onboarding throughout the process which is not available to Communications and Marketing team.

4.5 Option 5: Do Nothing. We can continue as we are, carrying out Request for Quotations as and when there is a requirement within Corporate Communications and Marketing and across the services. This will then not tie the Authority to any contracts. This is not a recommended option as it is more likely to lead to a breach in procurement rules as individuals continue to commission the same providers without consideration of the aggregated spend levels. It is also very resource intensive and causes delay in marketing and communications services and projects being delivered on-time and to the standards required by ECC, due to the process involved. There is no relationship with the suppliers to ensure that ECC's branding and objectives are delivered within the service requirements, which is an identified risk with the current devolved operating model.

5. Issues for consideration

5.1 Financial implications

Expenditure on the activities that are covered by the framework is approximately £450,000 per annum (based on average spend over the last three years).

It is not anticipated that the commencement of the tender process to procure suppliers for the Communications and Marketing framework will result in any additional pressure on the Council's finances.

There is the potential that the introduction of the mini competitions may provide additional value for money and some cost savings – but this cannot be quantified.

It is not currently known whether expenditure will continue at either the same level or on the same types of activities given the impact of COVID-19.

5.2 Legal implications *(this is MANDATORY for a Cabinet Member Decision or Cabinet decision)*

(Set out any legal implications or statutory provisions relevant. Does this have Monitoring Officer approval if needed?)

To be completed by Legal

The Framework will be procured and operated in accordance with the Public Contract Regulations 2015 and ECC's policies and procedures.

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I approve the above recommendations set out above for the reasons set out in the report.	Date
Margaret Lee, Executive Director, Corporate and Customer Services	12 August

In consultation with:

Role	Date
Councillor David Finch, Leader	19 August
Peter Shakespear Head of Finance (Corporate & Strategic Partnerships) on behalf of Executive Director for Finance and Technology (S151 Officer). Nicole Wood	13 August