

Meeting with Keri Denton and Iain Perkins on Procurement of New Contractor to replace Gigaclear

Questions Discussed:

1. Lessons learned from failure of the last contract
2. How these would be incorporated into the new procurement exercise
3. The guidance and specification to be set out in the contract at bidding stage e.g. on channelling wayleaves and poles
4. How the contractor would establish a clear framework control of and monitoring of sub-contractors and the supply chain
5. The procurement method and process and timescale
6. The evaluation process
7. The budget and effect on DCC client side

Part of the problem with Gigaclear (as has been set out in previous Member briefings) were:

No proper management from them locally. They clearly didn't understand local conditions and challenges as they tried to manage the contract from Oxford.

They were impacted by the fall of Carillion.

Their management of their sub-contractors including oversight of quality

Keri confirmed that evidencing and testing subcontractor arrangements, roles and responsibilities will be strengthened for the future procurement

Gigaclear did demonstrate that they had delivered projects like this previously during the application stage. Government had seen that too, so this was tested previously, and they seemed to be a suitable supplier.

They provided a site visit of their trenching and that seemed to be in good order. Gigaclear didn't appreciate that many of our lanes didn't have the space for trenching in the way they wanted to deliver it, having only completed a desk-top design at the bid stage.

It should be noted that the procurement process doesn't allow a full blown, walked and assessed inspection of all deployment plans, at bid stage. It is expected that a modelled solution is submitted, with clear assumptions which are tested in the evaluation of all bids. Once appointed the provider will have to submit a detailed build plan and ground surveys. More of the subsidy will be offered in the new procurement for this part of the design and build process and while the planning stages may take longer it should de-risk the build stage

Testing what future bidders say they can do is essential. We will require a clear setting out of roles between the supplier and its sub-contractors – responsibilities, accountabilities controls and information.

The new awardee(s) will have to tell us who their key personnel are more clearly once appointed with more detail be provided on resources for securing wayleaves, liaison with Highways and communities. This is an area that can be approved upon and a key lesson learned from the Gigaclear situation.

Scoring / evaluation

Consideration of apportioning scores in the evaluation strategy for the new procurement has been done. The priority on implementation to score well on deliverability as a higher value is has been considered. A model was developed to test the balance of scores across all the criteria under Cost and Quality, working to the parameters set down by Government and has been used to inform the evaluation strategy being used for the new procurement

A data room has been used in previous procurements which contains documents and an information suite is was updated and has been made available to new bidders. This include relevant Standards for roads, community information, etc. Bidders will be required to refer to this in developing their proposals and will be tested by CDS in the procurement process. Suppliers are required to complete their own due diligence exercise on the data provided.

Competitive procedure with negotiation is the chosen procurement route for the new procurement and allows greater engagement with contractors before the final bid is submitted. We have considered the initial bids received so far, looking for weaknesses, clarifications and areas to strengthen. We have run a series of negotiation sessions with each bidder and provided feedback and debated options for optimisation of their proposals. This has completed and we have issued an invitation for final tenders, with the deadline of 25th August. On receipt of bids the evaluation and moderation process will begin.

CDS spoke to about 26 potential suppliers including national providers, alternative networks providers, companies who build and maintain networks, and companies who operate networks.

It is possible to award all the contracts to one supplier or several.

Procurement Process and timescales –

The data room will be open by middle of February. We will publish a selection questionnaire (formerly known as Pre-Qualification Questionnaire) and companies have 30 days to apply. We then do a check of their financial and technical track record of the company looing back. When the evaluation is done eligible tenderers continue with the process and are invited to tender. This stage has completed

Then they have 3 months to submit an Initial Tender response. There will be a review of bids and then negotiation. Then they get chance to optimise their bid before a full and final Invitation to Tender is launched. The Selection, Initial Bid and Negotiation stages have now been completed.

Final tenders are submitted on 25th August for full evaluation. Then CDS working with BDUK and the state aid team will embark on evaluation of the final bids to identify preferred lead bidders. Due diligence on the bids is expected to be completed by the end of November. There will be assurance steps all the way through with BDUK. The contracts are expected to be awarded at the end of 2020.

To assist households CDS is working with BDUK and promoting the Rural Gigabit Voucher opportunity. The Challenge fund offers pilot capital grant for broadband infrastructure and can be used in conjunction with vouchers. This will help while the procurement process is taking place and before work can commence by the selected providers.

Effect on the Budget

Until the final contracts are awarded, and the solution design and methodology are known it is hard to gauge if additional resources within DCC Highways and the contract management team will be required. It is expected that the current revenue budgets will be sufficient to cover contract management resources.