

General -
6c Public Relations

- Purpose of Report

The purpose of this report is to advise the Board of the progress of ongoing discussions with Aberdeen City and Shire Economic Futures (ACSEF) regarding Public Relations contracts.

- Background

The Nestrans Board's public relations are currently carried out by consultancy firm BIG. BIG also carry out Public relations and events management for Aberdeen City and Shire Economic Future (ACSEF).

Previously Nestrans has looked at ways of trying to ensure that it receives best value in the implementation of it's public relations. This has involved consideration of:

1. Continuing to tender for services in the current manner
2. Joining with ACSEF to have a single contract for both organisations
3. Should a single contract be agreed the possibility of having this done in-house by one of the Council's existing communications teams

Previous proposals have not been able to be implemented until now for a variety of reasons including existing contracts timescales. However both Nestrans and ACSEF's current contracts are due to terminate at the end of July this year.

Discussion with ACSEF has concentrated on the overlaps between the ACSEF message of economic development with transport as a high priority in achieving sustainable economic growth and the Nestrans transport message which is in essence very similar as transport is an economic development enabler.

These discussions have also looked at the possibilities for sharing a contract. The current Nestrans contract was amended from the previously tendered form to reduce duplication and increase complementarities with BIG being the consultant for both ACSEF and Nestrans. This resulted a significant saving on the Nestrans contract from the previously tendered price.

Bringing together the Public Relations budgets for both Nestrans and ACSEF also opens the possibility of considering having these services carried out in house with the possibility of further savings. This could not be achieved by either organisation on it's own as neither budget alone is big enough to support a member of staff. There has been a considerable amount of discussion on this issue with advantages seen with both ways of moving forward. Aberdeenshire Council have indicated a willingness to tender for these services.

The advantages and disadvantages of providing the services either in house or by consultant are considered to be:

In house		
	Advantages	Dedicated member of staff
		Possibility of being cheaper
		On hand staff availability for events organisation
	Disadvantages	Possible conflict of interest with Aberdeenshire Council/ Aberdeen City Council views
		Loss of independence of voice particularly for ACSEF issues
Consultant	Advantages	Backing of consultancy firm experience
		Contacts of consultancy firm
		Perception of independence from Councils
	Disadvantages	Likely to be more expensive
		Limited time availability of staff

Consideration of the current contracts, which are being operated as a single joint contract, has shown that this joint contract has produced significant savings and offers better value for money over the previously separate contracts.

In consideration of the discussion above the Nestrans Board has previously agreed that Nestrans should, subject to agreement from ACSEF, tender a joint contract for Nestrans/ ACSEF public relations and events management.

ACSEF have further considered this proposal. It's Communications sub group met recently to consider the current contract arrangement and proposals for the future. ACSEF consider that the current arrangement works well with ACSEF and Nestrans receiving good value for money. The sub group considers that there are strong overlaps between the messages from ACSEF and Nestrans but do have concerns over the perceived independence of ACSEF from the Councils. ACSEF have though agreed that a joint contract should be tendered with such issues considered during the tender evaluations.

ACSEF did also give consideration to the current issues affecting ACSEF in terms of public relations, looking back over the recent past and forward following the recent elections and new Council administrations. It is ACSEF's view that there are a number of issues which will arise over the next number of months that will require careful consideration, including the economic summit in addition to projects going forward. Given that the view is that the current contract provides good value for money the sub group considered that this particular period going forward was not a good time to potentially introduce a new supplier who would take some time to pick up the messages that ACSEF wanted to get across.

Therefore ACSEF, whilst agreeing to move forward with a joint contract tender exercise, would prefer to extend the current contracts to 31 March 2013, a 9 month extension, with a view to appointing a supplier from 1 April 2013. The current supplier has indicated a willingness to continue the current contract on the current conditions. ACSEF have taken advice from the Council's joint procurement unit. Their advice is that

"As the existing contract (ACSEF contract) is due to expire and existing provisions to extend have been used then any subsequent extension to the contract will be deemed as a direct award without competition."

"We could undertake a short term quotation exercise but this would still involve a fair bit of officer time in document preparation, bid evaluation and then formal acceptance. Potentially on the City side, if the value even for the short period could be in excess of £60K, it would

also involve a Committee Report which could not be done until after the recess - so there is no getting away from a need to extend.”

“Providing the incumbent is willing to work to the same rates and terms and conditions for the extension period I would recommend, given the timing and circumstances, that the contract renewal process is started as soon as possible and project managed effectively for a 1st April 2013 start. If potential bidders are aware that this exercise is due to start and they will be provided opportunity to bid then any chance of a challenge, coming from anyone, would be greatly reduced.”

“The sooner that the scope and specification of requirements can be drafted the better.”

The procurement unit are therefore of the view that this revised proposed timescale is a more realistically achievable timescale for tendering the joint contract.

- Proposal

It is proposed that Nestrans and ACSEF jointly issue a tender for services from 1 April 2013. This tender would be constructed in such a way that the tenderer would be required to submit a price for:

- A combined ACSEF/ Nestrans contract

It is also proposed that Aberdeenshire Council should be invited to tender, as part of the competitive tender process, to supply services in house as this will highlight any differences in cost and service as described in the table above.

It is also proposed that the current contract between Nestrans and BIG be extended until 31 March 2013. (ACSEF are proposing to extend their current contract over the same period)

- Recommendation

That the Board approve the tender proposal included in the report.

RGM 06 Jun 2012