

# RE:FIT “reserve bidder” feature

## Option appraisal

### Background

There is a “reserve bidder” feature within the RE: FIT Framework which allows the council to switch from the “preferred bidder” to the reserve bidder under specific conditions. The pros and cons to using the reserve bidder is detailed in the following table.

### The pros and cons of using the Reserve Bidder feature

Pros	Cons
Option to switch to the reserve bidder if unsatisfied with the contractor.	<p>Requires careful drafting of the ITT document on the terms and conditions of moving to a reserve bidder as the move to the reserve bidder is time limited.</p> <p>It requires two contracts to be awarded, one to the preferred bidder and the other to the reserve bidder, requiring more work on defining the terms and conditions (timescales, decision points, minimum requirements, etc).</p>
The appointed contractor is aware that a reserve bidder is in place. This can be advantageous to the council as the contractor will exercise greater caution when dealing with the council.	Since the move to the reserved bidder is time-limited we may not be able to switch to the reserve bidder after a certain time
	May receive fewer bids
	Requires careful drafting of the ITT document on the terms and conditions of moving to a reserve bidder as the

Pros	Cons
	move to the reserve bidder is time limited.
	The preferred bidder may challenge grounds under which the preferred bidder status has been removed (legal dispute)
	There is no change in the solution offered by the reserve bidder, and no opportunity to include lessons learnt into a new mini competition
	Might need to pay an annual fee to retain interest of the reserve bidder over time

## Recommendation

After careful consideration it was determined that the reserve bidder feature did not provide significant benefits to the council compared to terminating the contract with the “preferred contractor” and rerunning a mini competition through the RE:FIT Framework. If the relationship with the contractor breaks down, the council will terminate the contract under Clause 48 of the Call Off Contract and hold another mini competition through the RE: FIT Framework to appoint a new contractor (see section 3.7.3 and 3.7.4 of the main body of the REFIT procurement strategy report).