



Agenda for a meeting of the Corporate Overview and Scrutiny Committee to be held on Thursday, 14 November 2019 at 5.30 pm in Ernest Saville Room - City Hall, Bradford

Members of the Committee – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Azam D Green Kamran Hussain Watson Tait Shafiq	Bibby Goodall Riaz	Griffiths

Alternates:

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT AND INDEPENDENT GROUP
Akhtar Dunbar T Hussain Nazir Thirkill Salam	Pollard Townend Sullivan	G Reid

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

From:

Parveen Akhtar
City Solicitor
Agenda Contact: Tracey Sugden
Phone: 01274 434287
E-Mail: tracey.sugden@bradford.gov.uk

To:

A. PROCEDURAL ITEMS

1. ALTERNATE MEMBERS (Standing Order 34)

The City Solicitor will report the names of alternate Members who are attending the meeting in place of appointed Members.

2. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) *Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) *Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Yusuf Patel - 01274 434579)

4. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

No referrals have been made to this Committee up to and including the date of publication of this agenda.

B. OVERVIEW AND SCRUTINY ACTIVITIES

5. CONSTRUCTION CONTRACTORS FRAMEWORK AGREEMENT 1 - 8

The Strategic Director, Corporate Resources will present a report (**Document “L”**) which provides information in respect of the forthcoming procurement of a framework agreement with a value in excess of £2million.

Recommended –

That the Committee notes that Option 1 set out in Document “L” is the recommended option; to procure a Bradford Council specific framework significantly benefits both officers and Bradford construction companies.

(Ian Westlake – 07971 540171)

6. EXCLUSION OF THE PUBLIC

Recommended –

That the public be excluded from the meeting during the discussion of Not For Publication Document “M” on the grounds that it is likely that, if they were present, exempt information within paragraph 3 (financial or business affairs) of Schedule 12A of the Local Government Act 1972 (as amended) would be disclosed and it is considered that, in all the circumstances, the public interest in allowing the public to remain is outweighed by the public interest in excluding public access to the proceedings.

(Tracey Sugden – 01274 424287)

7. RETENDER OF THE COUNCIL'S INSURANCE CONTRACT 2020-2025

The Director of Finance will present a report (**Not for Publication Document “M”**) in respect of the retender of the Council's insurance contract 2020-2025.

Recommended -

That the Committee note the report..

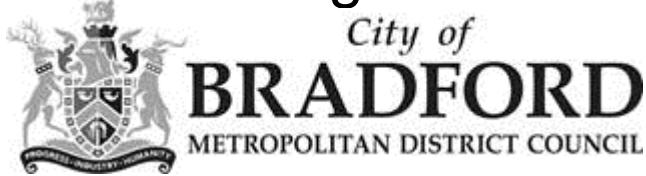
(Mark St Romaine – 01274 432888)

8. WORK PROGRAMME

The Overview and Scrutiny Lead will give a verbal update on the Committee's Work Programme.

(Mustansir Butt – 01274 432574)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER



Report of the Strategic Director, Corporate Resources to the meeting of Corporate Overview & Scrutiny Committee to be held on 14th November 2019

L

Subject:

Construction Contractors Framework Agreement

Summary statement:

This is a report provided for information to advise members of the forthcoming procurement of a framework agreement with a value in excess of £2 million. The initial period of the framework will be two years with the option to extend the agreement by two periods of 12 month.

Currently there are three framework agreements in place to cover the works in scope of this procurement; the project team believe the best approach is to combine these frameworks into one. Historically these works were procured via the Approved List of Contractors, however the Public Contracts Regulations 2015 abolished the use of Approved Lists in 2016 frameworks were implemented. The current frameworks expire in May 2020 having utilised all available extensions. Procurement of a replacement framework agreement is required to ensure compliance with the Public Contracts Regulations 2015 and Contract Standing Orders.

The main user of the current frameworks is Built Environment within Corporate Resources, but the framework will also be utilised by other services across the Council including but not limited to, Landscapes, Drainage and Estates.

Joanne Hyde
Strategic Director Corporate Resources

Portfolio:
Leader of Council and Corporate

Report Contact: Ian Westlake, Head of Procurement
Phone: (07971) 540171
E-mail: ian.westlake@bradford.gov.uk

Overview & Scrutiny Area:
Corporate Resources

1. SUMMARY

- 1.1. This is a report provided for information to advise members of the forthcoming procurement of a framework agreement with a value in excess of £2 million.
- 1.2. The proposed framework will cover a broad range of works required by the Council.
- 1.3. Currently there are three framework agreements in place to cover the works in scope of this procurement; the project team believe the best approach is to combine these frameworks into one. Historically these works were procured via the Approved List of Contractors, however the Public Contracts Regulations 2015 abolished the use of Approved Lists, in 2016 frameworks were implemented. The current frameworks expire in May 2020 having utilised all available extensions. Procurement of a replacement framework agreement is required to ensure compliance with the Public Contracts Regulations 2015 and Contract Standing Orders.
- 1.4. The initial period of the framework will be two years with the option to extend the agreement by two periods of 12 months.
- 1.5. The main user of the current frameworks is Built Environment within Corporate Resources, but the framework will also be utilised by other services across the Council including but not limited to, Landscapes, Drainage and Estates

2. BACKGROUND

- 2.1. Council officers use the current frameworks to procure contractors both in the role of main contractor and sub contractor to support delivery of projects where there is a lack of resource and/or expertise available in-house to deliver the requirements.
- 2.2. The three frameworks being replaced have enabled £18million of works to be procured since their commencement in June 2016.
- 2.3. The frameworks allow the Council to enter in to contracts with contractors via a 'call off' from the framework in a timely manner. These contractors have been robustly vetted at the onset of the framework; and call offs allow for competitive pricing tailored to the size, complexity and discipline of the particular works project. The call off process identifies the best contractor in terms of price, and capacity to deliver.
- 2.4. There have been 287 competitive call off contracts entered in to since the frameworks commencement in June 2016 equating to £11million of spend, with the remaining £7million consisting of direct awards for small works to contractors via a pre-determined rate card.
- 2.5. The current frameworks cover the following categories of works;
 - Asbestos Removal
 - Building & Construction
 - Carpentry & Joinery

- Electrical
- Flooring
- Masonry
- Roofing
- Mechanical and heating
- Plumbing
- Suspended Ceilings
- Groundworks and External works
- Painting & Decorating
- Plastering

2.6. The current frameworks expire 31st May 2020, based on experience and level of expected applicants the delivery of the proposed framework is expected to take six to eight months, therefore the invitations to tender are to be made available in November 2019.

2.7. The proposed framework agreement will be established with four value bands, or lots, for each category of work.

2.7.1. Small and emergency works (up to £5000 in value) will have four contractors appointed to each category of work and allow direct award call off contracts via a pre-determined rate card.

2.7.2. The further three value bands detailed below require a further competition exercise to be undertaken to identify the successful contractor for works from the twelve contractors appointed to each category of work (eight for the asbestos category of work).

- £0-£25,000
- £25,000 to £100,000
- £100,000 to £500,000

2.8. The procurement of the new framework will take into account social value and inclusive growth, specifically engagement of local suppliers and ensuring local spend within the Bradford District. The current frameworks incorporate 95 suppliers of which 36 are based within Bradford, and 35 based with Leeds City Region (71 across the two regions). Of the £18m spend; £10.2m of this was with companies based in Bradford.

2.9. The procurement project will include a specific communication to encourage local companies to tender, this will include a direct prompt via Constructionline to Bradford based companies for all of the categories, this will be done in addition to YORTENDER notifications for all those registered. A contractor engagement event will be held to ensure that contractors are ‘bid ready’.

2.10. As this procurement is for a framework agreement and doesn’t guarantee any level of business, it is not practical to make specific Social Value requirements contractual at the point of framework award. Therefore Social value will become active at the point where a Contractor is awarded any given works. At this point reasonable and proportionate Social Value can be sought.

3. OTHER CONSIDERATIONS

- 3.1. The procurement of this framework agreement does not impact upon the use of Internal Building Services; it provides access to additional resources where Building Services may not have the capacity or expertise to deliver the works.
- 3.2. Other framework agreements that the Council potentially has access to such as YORbuild have been considered as part of the procurement strategy. The overriding reason for discounting these frameworks as a possible solution is the lack flexibility in engaging Bradford based contractors.
- 3.3. The structure of the value bands have been aligned with another Council framework agreement, the General Contractors Framework and which is for procurements of works projects above £500,000 in value. Historic working knowledge of the previous framework agreements has been considered to ensure the Council implements a fit for purpose framework agreement.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1. The framework agreement is to facilitate the Council's Building and Construction programme. Other than officer time, there will be no cost impacts around the procuring of the framework itself.
- 4.2. Individual contracts entered in to via call offs from the framework will be subject to financial checks, for example budget approval, where appropriate.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1. Risks identified;
 - 5.1.1. **Procurement compliance:** Transparency and adherence to regulations will be enhanced via the utilisation of the framework. The framework will be procured in line with all procurement legislation. Call off contracts will be procured via set call off procedures within the framework agreement and have a managed supplier base reducing risk of non compliance. The call off procedures will adhere to Contract Standing Orders.
 - 5.1.2. **Contractor Performance:** The framework agreement will incorporate the Suspension and Deletion process to assist in management of satisfactory delivery of works. Any issues will be dealt with by the Corporate Contractor and Consultant Review Group.
 - 5.1.3. **Budget Commitments:** The framework does not guarantee any volume of work, providing no financial commitment.

6. LEGAL APPRAISAL

- 6.1. The establishment of a framework agreement for this value requires compliance with EU procurement legislation, in the form of the Public Contracts Regulations 2015. Regulation 33 sets out the process for setting up a framework agreement, of which this and all relevant regulations will be adhered to. Failure to comply could lead to legal challenge incurring costs, delays and reputational damage to the Council.

6.2. Correct framework establishment, however, reduces the risks undertaken in placing call offs under the framework, which will be subject to the legislation but will benefit from the demonstration of a robust competitive process. Framework agreements are a routine procurement method.

7. OTHER IMPLICATIONS

7.1. EQUALITY & DIVERSITY

7.1.1. None

7.2. SUSTAINABILITY IMPLICATIONS

7.2.1. The framework agreement as a whole does not provide any sustainability implications. The procedure for entering in to call off contracts from the proposed framework agreement will, where practical, ensure supply chain and operational factors will be assessed for sustainability and greenhouse emission so that any factors identified will be taken into account on individual call offs.

7.2.2. Consideration will be given to Social Value and Inclusive Growth policy as well as Carbon Emissions. Policy is currently in development in response to the Councils January Climate Emergency Declaration

7.3. GREENHOUSE GAS EMISSIONS IMPACTS

7.3.1. The framework as a whole will not provide any Greenhouse gas impacts. The procedure for entering in to call off contracts from the proposed framework agreement will, where practical, ensure supply chain and operational factors will be assessed for sustainability and greenhouse emission so that any factors identified will be taken into account on individual call offs.

7.3.2. Consideration will be given to Social Value and Inclusive Growth policy as well as Carbon Emissions. Policy is currently in development in response to the Councils January Climate Emergency Declaration

7.4. COMMUNITY SAFETY IMPLICATIONS

7.4.1. The framework as a whole will not provide any community safety implications, but by putting a framework in place this shall ensure that any safety factors will be taken into account on individual call offs.

7.5. HUMAN RIGHTS ACT

7.5.1. None

7.6. TRADE UNION

7.6.1. In house services will be utilised in the first instance in accordance with Contract Standing Orders therefore there is no impact.

7.7. WARD IMPLICATIONS

7.7.1. Call offs procedures will deal with any Ward implications where applicable.

7.8. AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

7.8.1. Not Applicable.

7.9. IMPLICATIONS FOR CORPORATE PARENTING

7.9.1. Not Applicable.

7.10. ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

7.10.1. None.

8. NOT FOR PUBLICATION DOCUMENTS

8.1. None

9. OPTIONS

9.1. Option 1 - Procure a new framework;

9.1.1. Advantages;

- Time to appoint each works project is reduced,
- Enables direct call off for emergency works whilst ensuring compliance
- Known supply base will be managed including contractor performance
- No volume of usage is guaranteed
- Structure of the framework will encourage local market

9.1.2. Disadvantages;

- Closed market does not allow new Contractors to join until retendered
- Framework management requires resource

9.2. Option 2 - Utilise other frameworks;

9.2.1. Advantages;

- Officer time to procure and manage our own framework is reduced

9.2.2. Disadvantages;

- Bradford specific contractors not targeted
- The Council is not influential in framework decisions
- Not possible to implement our own Social Value and other business priorities
- Often a cost for utilising other frameworks via a rebate
- Current contractors may not have the opportunity to be employed on another framework

9.3. Option 3 - Procure all requirements individually;

9.3.1. Advantages;

- New contractors could have the opportunity for works

9.3.2. Disadvantages;

- The aggregate value would ensure we had to go to market for all requirements, this would be unmanageable both in terms of number of procurements and speed of delivery for emergency works.
- Large amount of officer time would be expended undertaking tendering
- Market may become disengaged due to number of pricing requirements

10. RECOMMENDATIONS

10.1.1. That the committee notes that Option 1 is the recommended option: to procure a Bradford Council specific framework significantly benefits both officers and Bradford construction companies.

11. APPENDICES

11.1. None included

12. BACKGROUND DOCUMENTS

12.1. None included

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