

Report of the Director of Corporate Resources to the meeting of Overview & Scrutiny Committee to be held on 15th November 2018

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Subject:

Framework Agreement for Construction Related Professional Services

Summary statement:

This is a report provided for information to advise members of the forthcoming procurement of a contract with a value in excess of £2m for an initial 3 year period with an optional 1 year extension.

Built Environment wish to procure, via an open EU compliant procurement process, a framework agreement for the provision of consultancy services for Construction, Design and Management services. The framework will support the in house team when there is a lack of resources or expertise.

The current framework expires 14th July 2019 and procurement of a replacement framework is required to ensure compliance with Procurement Legislation and Contract Standing Orders.

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

The Council utilises a framework for construction related professional services to deliver a range of projects on both Council properties and for external customers. The in house team use the consultants to support delivery of projects where specific expertise is required or there is a lack of available internal resources.

The current framework expires on 14th July 2019 (YORE-9CXE32) and requires a replacement framework to ensure consistency of supply and compliance with Procurement regulations.

2. BACKGROUND

The current framework YORE-9CXE32 expires on 14th July 2019. An EU compliant process takes approximately 6 months to complete, therefore the invitations to tender should be made available to the market by late November 2018.

The current framework has had 41 call-offs throughout the 3 year period supporting works projects with a value of £91million.

The framework allows officers in Built Environment to call off professional support services in a timely manner. The consultants available have been robustly vetted; have set rates where applicable, or alternatively competitive pricing tailored to the size and complexity of the works project is a call-off option. The 'call off' process involves utilising the most cost effective, available and suitable contractor on the framework in the particular price band.

The proposed new framework will provide professional services for the following disciplines:

- Architect
- Quantity Surveyor
- Structural Engineer
- Mechanical and Electrical Engineer

The framework will be divided into 5 value bands with a maximum of ten (10) providers for each discipline, the value bands are as below for the estimated construction value of the works projects:

- 0-£100,000
- £100,000 - £500,000
- £500,000 - £2.5 million
- £2.5 million - £5 million
- Over £5million

The framework will be structured to allow direct call offs for works projects up to £500,000 and further competitions for works projects over £500,000.

The in house team retains an executive project management function over both the professional services and the works.

Procurement of this new framework will take account of the Council's Social Value and Inclusive Growth Policy; implemented in April 2018. The Policy provides Officers with a range of inclusive growth orientated measures to pick from and apply to the contracts they are procuring. As this procurement is for a framework, of multiple construction professional services disciplines (across several value bands) it is not practical make specific Social Value asks of the organisations awarded a place on the framework, because at this stage it is not clear how many contracts each may then win. Social Value will have to be considered at the call-off stage when seeking to award a contract; at this point reasonable and proportionate Social Value (considering the value and duration of the project) can be sought. Well managed construction projects are though proven, in securing Social Value, including; local employment and skills opportunities, facilitating supply chains from the local economy / area, and securing reductions in carbon and waste arising from construction activity.

This will be the third construction professional services framework, the previous two have been felt to be successful, providing support to delivery of the Council's construction projects.

3. OTHER CONSIDERATIONS

The call offs from the Consultancy framework will be subject to the Councils Vacancy Control Process.

4. FINANCIAL & RESOURCE APPRAISAL

This framework 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.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

Risk

Consultants may not be required: The Council will not guarantee any volumes of work via the framework, providing no financial commitment.

Consultants do not deliver a satisfactory level of service: Consultants will be corporately managed to ensure any issues are dealt with including any requirement to suspend or delete any provider from the framework. Negligence claims are less likely as other measures will be in place to deal with issues from the Consultants.

Procurement compliance: Transparency and adherence to regulations will be enhanced via the existence of the framework.

Corporate Governance has been implemented both for the management of the framework within Architectural Services (Built Environment) and in relation to Consultant management aligned with Construction Contractors by the Consultant and Construction Review Group.

6. LEGAL APPRAISAL

- 6.1** The establishment of a framework agreement of 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, and 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, helps to reduce the risks undertaken in placing call-offs under the framework, which will still 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

Equality assessments – Equalities has been considered and the conclusion is that it has no impact to protected characteristic groups.

7.2 SUSTAINABILITY IMPLICATIONS

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

Consideration will be given to Social Value and Inclusive Growth Policy requirements e.g. promoting spend in the local economy and local employment within each call off (see section 2 above).

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

The framework as a whole will not provide any Greenhouse gas impacts, but by putting a framework in place this shall ensure that any greenhouse gas factors will be taken into account on individual call offs.

7.4.1 COMMUNITY SAFETY IMPLICATIONS

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

Not applicable.

7.6 TRADE UNION

In house services will be utilised in the first instance in accordance with Contract

Standing Orders therefore there is no impact.

7.7.1 WARD IMPLICATIONS

Call offs will deal with any Ward implications where applicable.

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

Not applicable

7.9 IMPLICATIONS FOR CORPORATE PARENTING

Not applicable

7.10 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

The DPIA Screening Checklist was followed and no further action is required.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

1. Procure a Framework

- Advantages –
 - time to appoint for each commission is reduced,
 - direct award set rates will identify exact costs for budgeting,
 - further competition method will enable competitive pricing,
 - known reduced supply base which can be managed including suspension process,
 - no volume of usage guaranteed
 - as a Council procurement there is the opportunity for well planned pre-procurement early market engagement, providing opportunity to encourage appetite amongst local (and non-local) consultants to engage in the procurement process
- Disadvantages –
 - Closed market doesn't allow new consultant organisations to join, however the framework can have a maximum duration of 4 years.
 - Some demand on resources (particularly Officer time) for procuring the framework

2. Utilise other frameworks (YORconsult)

- Advantages –
 - does not require Bradford Council officer time to prepare and implement
- Disadvantages –
 - does not concentrate on Bradford supply base,

- rebate charged for usage of the framework resulting in higher costs
- potential lack of clarity of specification and terms,
- lack of direct management of the supply base
- lack of supplier engagement based on past experience
- The Council has had less control over the establishment of the framework

Option 1 is the preferred option; procure a Bradford council specific framework with significant benefits in terms of time management, competitiveness and supplier relationships and performance without the need to guarantee any volume of business. The establishment of a framework is not in itself binding, and other procurement routes can be considered for more bespoke or specialist projects, for example requirements imposed by 3rd party capital grant conditions.

10. RECOMMENDATIONS

The committee consider the recommendation of Option 1 detailed in 9.1.

11. APPENDICES

None provided.

12. BACKGROUND DOCUMENTS

None provided.