

NORTH LINCOLNSHIRE COUNCIL

**POLICY AND FINANCE CABINET MEMBER
AND
NEIGHBOURHOODS CABINET MEMBER**

CONSTRUCTION & HIGHWAYS PROFESSIONAL SERVICES FRAMEWORK AWARD

1. OBJECT AND KEY POINTS IN THIS REPORT

1.1 This information report sets out the outcome of a recent procurement process to establish a corporate framework arrangement for Construction and Highways Professional Services.

1.2 The key points in this report are:

- The council spends approximately £20 million a year on construction and highways related projects including road maintenance schemes, schools and other essential facilities for local communities.
- Specialist external expertise is used to support the successful delivery of major schemes to help ensure that risks are effectively managed and that projects are delivered to time and within budget.
- Following extensive soft market testing, a strategic procurement plan for the future delivery of construction and highways requirements was approved by the former policy and resources and highways and neighbourhood services cabinet members.
- Contract Procedure Rules detail that the relevant Cabinet Member(s) should be notified of the outcome of procurements over £1m.

2. BACKGROUND

2.1 A procurement plan for the establishment of a council-wide integrated framework arrangement for construction and highways professional services was previously approved following extensive soft market testing and evaluation of best-practice.

2.2 The provision of specialist expert advice is essential for the successful delivery of the council's capital programme and effective management of potentially high cost risk exposure.

2.3 The main features of the integrated framework model are set out below:

- designed to complement and integrate with the recently awarded Construction and Highways Constructors' Framework

- provides an efficient and timely procurement solution to delivering council priorities
- enables other public sector organisations within the Yorkshire and Humber region to access the framework via a commercial access fee
- provides an opportunity for local businesses and SMEs to compete
- provides social value benefits including supporting sustainable and environmentally friendly design and apprenticeships
- four year maximum duration in line with EU procurement rules

2.4 Due to the aggregated value of the procurement an OJEU Restricted Procedure exercise was undertaken which involved the following stages:

Stage 1: Pre-Qualification Questionnaire (PQQ) to shortlist a number of suitably qualified and experienced companies to tender

Stage 2: Invitation to Tender (ITT) stage where shortlisted companies were invited to submit a tender

2.5 The framework was advertised on the basis of the following lots. Applicants could submit a PQQ for one or both lots:

Lot Description
Lot 1 – Construction & Property Professional Services £1m projected spend over the 4 year duration
Lot 2 – Highways Professional Services £1m projected spend over the 4 year duration

2.6 A contract notice was placed in the Official Journal of the European Union (OJEU) and on the regional eTendering system YORtender on 20 August 2014. Further advertising and local marketing was undertaken to promote the opportunity to local businesses including an industry day which was well attended.

2.7 The procurement process was managed by a project team involving key officers from across the construction, property, highways and procurement teams. A construction and highways board was established to provide governance and management oversight to the project and procurement process.

2.8 At the deadline for the submission of Pre-Qualification Questionnaires (15 September 2014), 18 PQQs had been submitted for evaluation.

2.9 Following an evaluation process, 12 applicants were shortlisted to the Invitation to Tender stage. Tenders were evaluated on the basis of Most Economically Advantageous Tender (MEAT) criteria. The award criteria was set at 70% cost and 30% quality.

2.10 Eleven tenders had been received from 10 tenderers across both lots by the closing date of 10 December 2014.

2.11 Tenders were received from the following companies:

Lot 1 Tenders Invited	Lot 1 Tenders Submitted	Local Business	SME Business
AHR Building Consultancy C R Parrott Consultants Ltd Gardiner & Theobald LLP Gleeds Gotch Saunders & Surridge LLP t/a GSSArchitecture Mason Clark Associates Ltd Rider Levett Bucknall UK Limited Turner & Townsend	AHR Building Consultancy C R Parrott Consultants Ltd Gardiner & Theobald LLP Gleeds Gotch Saunders & Surridge LLP t/a GSS Architecture Mason Clark Associates Ltd Levett Bucknall UK Limited Turner & Townsend	Regional Local Local Office National Regional Hull Regional National	No Yes No No No Yes No No
Lot 2 Tenders Invited	Lot 2 Tenders Submitted		
Mason Clark Associates Pell Frischmann Waterman Infrastructure and Environment Ltd URS Infrastructure and Environment UK Ltd	Mason Clark Associates Pell Frischmann Waterman Infrastructure and Environment Ltd	Hull Regional Regional	Yes No No

2.12 The award recommendation was agreed by the construction board and formally approved by the Director of Places on 28 January 2015. Award letters were issued to the following successful tenderers on 3 February 2015:

Lot	Successful Bidders
Lot 1 Construction and Highways Professional Services	<ul style="list-style-type: none"> • Rider Levett Bucknall UK Limited • AHR Building Consultancy • Mason Clark Associates Ltd • C R Parrott Consultants Ltd
Lot 2 Construction and Highways Professional Services	<ul style="list-style-type: none"> • Pell Frischmann • Mason Clark Associates • Waterman Infrastructure & Environment Ltd

2.13 The commencement date for the framework arrangement was 9 March 2015.

2.14 The following provisions will help to ensure that value for money is achieved over the operational life of the framework:

- tenderers submitted their best and final offers via a competitive process
- tenders submitted have been benchmarked against previous rates and offer competitive market pricing.
- the use of the framework arrangement is not binding on the council and as such it can access alternative arrangements to test the market
- further competition mechanisms incorporated are into each lot
- a suite of key performance indicators will be used to monitor performance
- tenderers submitted their best and final offers via a competitive process
- the principal category specialist (construction and highways) will contract manage the framework using category management principles

- the construction and highways board will oversee the framework and ensure value for money continues to be delivered throughout its duration.
- 2.15 Contract Procedure Rules require the relevant Cabinet Member(s) to be notified of the outcome of procurements over £1m.

3. OPTIONS FOR CONSIDERATION

- 3.1 As this is an information report there are no options to be considered.

4. ANALYSIS OF OPTIONS

- 4.1 See 3.1 above

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Financial

5.1.1 Lot 1(Construction) – comparison of prices previously paid indicates an average saving of 4%

5.1.2 Lot 2 (Highways) – comparison of prices previously paid indicates an average saving of 7%

- 5.2 Staffing

5.2.1 There are no direct staffing implications.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment was undertaken at the pre-procurement stage which has informed a number of social value considerations which were included in the specification.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED

7.1 This report has been prepared following extensive consultation with relevant services.

7.2 No conflicts of interest have been identified.

8. RECOMMENDATIONS

8.1 That the outcome of the procurement process is noted

DIRECTOR OF POLICY & RESOURCES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: Nathan Swinney/Jason R T Whaler
Date: 1 June 2015

Background Papers used in the preparation of this report:

Award Recommendation Report

Cabinet Member Report 16 January 2013