

NORTH LINCOLNSHIRE COUNCIL

**CONNECTIVITY
AND
PROSPERITY
CABINET MEMBERS**

**PROCUREMENT OF CONSTRUCTION AND HIGHWAYS RELATED
PROFESSIONAL SERVICES**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve the procurement plan for the renewal of the Construction and Highways Professional Services Framework which expires in December 2019.
- 1.2 The key points in this report are:
 - Contract Procedure Rules require that for procurements over £1m whole life cost, relevant Cabinet Member approval is required of the procurement plan prior to the commencement of the procurement process
 - The report sets out recommendations following extensive research and analysis.

2. BACKGROUND INFORMATION

- 2.1 As a council we manage and procure a range of essential construction and highways related activities covering spend of c. £20m+ each year.
- 2.2 The council frequently engages professional building design and related services to support the delivery of the council's various building and construction programmes. Due to the inevitable uncertainties around the scale and timing of our various building programmes, it isn't practicable to resource the delivery of all projects exclusively using our in-house design teams.
- 2.3 External technical services are used to support and supplement in-house resources. Often, they provide specialist services unavailable within the council (e.g. environmental and acoustic design services).
- 2.4 Services are currently primarily procured and delivered via the Construction and Highways Professional Services Framework which was originally established in 2015 following a fully compliant and robust procurement process.
- 2.5 A Framework Arrangement essentially establishes a list of quality assured service providers that the council can access as required. The framework was designed to support the recently re-tendered Construction and Highways

Framework as a single solution across the council. The current framework delivers construction and highways services through two 'lots' specifically tailored for certain construction and highways requirements. These lots include:

Lot Description	Value of Work £
Lot 1 Construction and Property Professional Services	1,000,000
Lot 2 Highways Professional Services	1,040,000

2.6 Over the last 3-years, the framework has delivered excellent outcomes including:

- Supporting locally based service providers to successfully secure work from the council
- Above national average benchmarked key performance outcomes
- Value for money outcomes
- Various social value benefits including but not limited to employment/skills and apprenticeships and training
- Modern procurement techniques
- Support to Deliver the council's Capital Programme

2.7 The council has an obligation under Public Contracts Regulations 2015 to replace the current Construction and Highways Professional Services Framework due to expire in December 2019 with a suitable and compliant alternative procurement solution to meet the following strategic business objectives:

- To support Delivery of the Council's Capital Programme 2020-2024
- To ensure expenditure on construction and highways professional services is compliant with PCR2015 and the council's contract procedure rules
- To deliver and demonstrate excellent value for money
- To support the Council's Ambition and Priorities
- To provide commercial income opportunities
- To meet the requirements of the National Procurement Strategy
- To meet the requirements of Social Value Act. To provide wider local economic and social value opportunities as identified
- To meet the strategic objectives of the construction and highways board

2.8 As part of the planning work for the re-procurement of the services, the project team undertook consultation with incumbent contractors and stakeholders to examine whether the current procurement model is still suitable and reflects the priorities and strategic aspirations of the council alongside other potential procurement model solutions for construction. Other potential models for consideration include:

Option 1 – Continuation of current integrated framework arrangement model (same lots)

Option 2 – Enhanced version of current integrated framework arrangement model

Option 3 – Use of Regional/National Framework

Option 4 – Sole/Dual Provider Model

Option-5 – Hybrid of current enhanced framework and use of Regional/National Framework for specific lots.

3. OPTIONS FOR CONSIDERATION

3.1 Paragraph 2.8 above sets out the various options for consideration. The recommendation is to adopt Option 2, which would offer an enhanced version of the current integrated framework.

4. ANALYSIS OF OPTIONS

4.1 The main features of the enhanced framework (Option 2) that is recommended are as follows:

- In line with Council policy we believe in the need to develop a strong local competitive market in such provision whilst ensuring compliance with relevant procurement regulations etc.
- A framework model will provide the best mix of value for money, social value and local economic benefit through use of local suppliers or for recruiting local labour and/or Apprenticeships.
- To meet services demands by supplementing in-house delivery teams.
- Primarily council specific but developed collaboratively and offered commercially as a solution.
- To work collaboratively with in-house teams to integrate Building Information Management processes & improved data sharing techniques.
- To improve contract management – focussing on strong project management skills & embedding the NEC form of contract.
- To improve service delivery by increasing quality performance as part of submission.
- Essential pre-procurement stage and local awareness events for the local supplier base (readiness to tender) with economic regeneration support. However, it should be noted that inclusion of local suppliers on the frameworks cannot be guaranteed.
- Increase the Lot values to ensure contract spend is not exceeded in line with procurement rules.

4.2 The Enhanced Professional Services Framework model remains a transformational “one-council” approach, resulting in a continuation and improvement of how the council currently engages technical professional services.

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

5.1 There are no significant resource implications to highlight.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT

6.1 The procurement process will meet the requirements of the Equalities Act 2010 act.

6.2 The successful procurement of the professional services framework will support the Council’s priorities by delivering successful building projects which will contribute to ‘Growing the Economy’.

6.3 The re-procurement to the framework may have a positive impact on local economy, employment and skills. The successive projects procured via the framework could have impacts on all three areas. However, each call off should be reviewed and an IIA carried out on a project by project basis if required.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 The project team included officers from Construction, Highways, Home Assistance and Procurement. Legal Services have been included in discussions.

7.2 By engaging various stakeholders, it enabled the project team to understand and assess relevant market interest and capability for supporting the delivery of the services against specific strategic outcomes identified in above.

7.3 The overriding view of most incumbent consultants and stakeholders was that the current modern framework approach is the best way to proceed. No compelling case was made for other solutions.

7.4 The project team have extensively considered alternative procurement solutions. There was overall support for an enhanced framework approach across all categories.

7.5 The project team completed a conflicts of interest register. No conflicts of interest were identified.

8. RECOMMENDATIONS

8.1 To approve the procurement plan for Option 2 - Enhanced Integrated Framework Model to commence operation by January 2020.

DIRECTOR OF OPERATIONS

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Background Papers used in the preparation of this report –

N/A