

Wiltshire Council

Cabinet (Capital Assets) Committee
23 July 2013

Subject: Award of Framework Contracts for Property-related Professional Services

Cabinet member: Cllr Toby Sturgis – Strategic Planning, Development Management, Strategic Housing, Property, Waste

Key Decision: Yes

Executive Summary

Proposal

That members authorise the execution of both the framework contract with those companies and organisations who, following the OJEU competition, are selected for appointment to it, and contracts for professional services following mini competitions to be called off by officers in the Transformation team in the manner described in the covering report.

Reason for Proposal

To ensure that technical capacity and capability is available to the authority to enable the delivery of the Council's ambitious Building Programme, including but not limited to the Campus Delivery Programme and requirements for additional new school places to meet demand.

To ensure a robust and rigorous approach to procuring and managing the services of key technical disciplines in the property sector, that is fully compliant with Council procurement regulations and EU procurement law.

To ensure that delivery mechanisms for Building Projects, enable full alignment with other public sector organisations in Wiltshire, to maximise the opportunity for joint delivery of corporate aims over time in line with the emerging 10 year public sector asset strategy.

Mark Stone
Service Director, Transformation

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Key Decision: Yes

Purpose of Report

1. To describe the procurement process followed to establish a framework of providers for the delivery of capital building projects, and request authority from members of the committee for the execution of contracts on this basis.

Background

2. Provision of professional and technical expertise required for the delivery of Capital Building and Maintenance Projects has been delivered by the Council through a range of different procurement mechanisms over previous years. These mechanisms have historically been reflective of the volume, size and technical capacity of the projects delivered over any period of time.
3. The Council's current plans for capital expenditure require greater rigour and robustness in procuring key professional services. A framework-based approach will enable the increasingly complex technical demands of the programme, and the greater number of individual projects, to be matched with the resources required for the ambitious timelines for delivery of building projects to be achieved.
4. The key services considered in scope for this exercise were as follows:
 - Project Management
 - Architectural Design Services
 - Structural Engineering Services
 - Building Services Design
 - CDM-Co-ordinator Services
 - Cost Management Services
 - Landscape Architecture
 - Ecological Surveying and Consultancy
 - Building Surveying

Main Considerations for the Council

5. An approach to procuring services for projects was established by officers in the Transformation Programme teams in conjunction with Legal Services and Corporate Procurement Unit. There were a number of key considerations in how this approach was defined, which are set out in the section.
6. An approach was decided upon whereby individual professional project team disciplines would be appointed separately to a framework, with their place on that framework determined by their capability and cost effectiveness in that specific discipline. This approach was selected in preference to a multi-disciplinary project team approach as it enables the Council to remain in control of the selection of the team that would be assembled for individual projects. This ensures that the right team is in place for the right project, tailoring the team to provide the right balance of specialist skills and experience to deliver the specific project in question. This approach was adopted for the County Hall project, which enabled a team made up of the best of each discipline available at the time to be assembled into one team.
7. The framework procurement process therefore called for individual submissions from providers in the key disciplines identified in paragraph 4.
8. In addition to the individual disciplines, it was also acknowledged that the scale of an individual project would determine the providers required, based on their experience, and capability. Some disciplines were considered to be affected by and driven by the construction value of the project, whilst others were not. A structure of “lots” were therefore defined as follows:
 - a. Lot 1 – Projects valued up to £1.5m
 - i. Cost Management Services
 - ii. Project Management
 - iii. Architectural Design Services
 - iv. Structural Engineering Services
 - v. Building Services Design
 - vi. Landscape Architecture
 - vii. Building Surveying
 - b. Lot 2 – Projects valued from £1.5m to £35m
 - i. Cost Management Services
 - ii. Project Management
 - iii. Architectural Design Services
 - iv. Structural Engineering Services
 - v. Building Services Design
 - vi. Landscape Architecture
 - c. Lot 3 – Projects of all values
 - i. CDM-Co-ordinator
 - ii. Ecological Surveying and Consultancy

9. The duration of the contract term for the framework is four years.
10. A full OJEU-compliant procurement process was followed using the above definition of the approach. The following key principles were applied:
 - a. An OJEU restricted procedure was followed
 - b. An open day was held for providers to attend to gain an understanding of the Council's upcoming programme of works, and rationale for the procurement process.
 - c. Expressions of interest were received from interested parties, and assessed in line with pre-determined short-listing criteria.
 - d. Shortlisted companies were invited to tender for individual lots, with submissions required on a quality and price basis.
 - e. Tenders were assessed against pre-determined quality criteria – interviews formed part of this assessment, but the majority was based on written responses to specific questions posed. These criteria sought to test the expertise and experience of providers in the project types most typical of the Council's balance of capital work.
 - f. Prices submitted were fee percentages based on the construction value of a project, with a mechanism for the percentage to reflect different project types and values. These prices were assessed against a theoretical mix of project indicative of the type of projects the Council expects to deliver over the period of the framework.
 - g. The combined price and quality scores were weighted on the basis of 60% quality and 40% price.
11. Having followed the above process, a number of firms have been considered successful, and it is recommended that contracts be placed with these providers. Officers in the Transformation Programme team are confident that the providers on the framework offer the Council a capable group of providers who can meet the demands of the projects that will be required over the coming years.
12. Each successful provider is required to enter into a framework contract which commits them to provide the defined services in line with the offer they have made to the Council. Appointments are then made from the framework for individual projects and would be the subject of a specific individual form of appointment.
13. The framework contract does not commit the Council to providing any volume of work to providers, and the framework contract itself does not contain any financial commitment on the part of the Council.
14. Whilst the Council has indicated that the framework will be the preferred delivery route for professional services on all capital building and maintenance projects, it reserves the right to use an alternative approach if necessary. This may be required if, for example, specific funding routes dictate a requirement to use an alternative arrangement – eg. the Education Funding Agency's Education Projects Framework; or if a

specific project required the use of specialist skills that were not available from the providers on the framework.

15. Through the procurement process the Council has sought to enable the framework to be used by other public sector partners in Wiltshire. This would enable any other public sector body working in Wiltshire to use this framework for the provision of professional services related to capital building and maintenance projects.
16. The framework procurement exercise attracted a significant amount of interest from the Property Professional Services sector, many of whom are locally based, and considered to be Small and Medium Enterprises. An analysis of the expressions of interested shortlisted to the ITT stage of the procurement indicated the following:
 - a. 59% of shortlisted firms were existing Wiltshire Council suppliers
 - b. 46% were small or medium-sized enterprises
 - c. 67% were tendering from a base within 30 miles of Trowbridge.
17. A process is defined for specific framework providers to be selected for specific projects. This involves a quality and price-based mini-competition process that requires provider to demonstrate their specific experience and capabilities with respect to the project in question, to be assessed against their framework price for the project. This process additionally enables key stakeholders, such as Community Operation Board members or school head teachers and governors, to be involved in the process of appointing key project team members as appropriate.
18. The framework enables the Council to explicitly demonstrate the capability of its supply chain in delivering best practice and project-based innovation. An example of this, is that all framework providers have demonstrated capability to deliver Building Information Modelling with immediate effect – BIM is a key aspiration of the government's Construction Strategy, and a mandated requirement for all public sector building projects from 2016 onwards.

Safeguarding Considerations

4. The benefit of implementing a Framework is the long-term relationships that can be built with Framework suppliers. We are therefore in a position to ensure that over the duration of the Framework, all suppliers on the Framework can be CRB checked to work on our projects and access our properties. Many of our capital build projects involve extensions to schools, or new build schools and these principally fall into Lot 1 projects. The Framework gives us the ability to hold regular briefings with suppliers on topical issues such as Safeguarding procedures whilst working in a school setting (as well as other environments where consultants will have access to vulnerable clients).

Public Health Implications

5. There are limited considerations with regards to public health as a result of putting a Framework of professional consultants in place, apart from the services the consultants provide in terms of design of a physical environment to promote public health and make the setting more attractive to encourage an increased level of participation in activities which take place in certain buildings or premises, e.g. leisure centres, schools, Youth Centres, All Weather Pitches (AWPs), or in the future, co-location of these services into Community Campuses.

Advice provided to clients and end-users commissioning design services, will seek to achieve a balance between various forms and functions of a building e.g. access to external space, daylight, comfort cooling/heating; ventilation; access to refreshment; break-out space or areas for relaxation or withdrawal as appropriate. The interior design of the space will also need to consider inclusion; aspects of accessibility; and particularly in public buildings, the ability to display promotional or advisory materials relating to public health matters.

Environmental and climate change considerations

19. All framework providers have demonstrated adequate capability in respect of the delivery of sustainable design, and reduction of energy in use. They have similarly demonstrated a good understanding and response to the Council's specific policies in respect of climate change and carbon reduction.
20. Specific objectives related to sustainability, carbon reduction and energy in use, will be determined on a project-by-project basis as these may vary. In these instances the mini-competition process will enable the council to test the project team's capabilities prior to appointment.

Equalities Impact of the Proposal

21. Specific requirements for addressing equalities issues within the design and construction process will be central to the specific brief for individual projects. All providers are considered to have demonstrated the capability to deliver well-designed inclusive environments, and the ability to tailor their approach to the requirements of the Council against the backdrop of the building regulations.

Risk Assessment

22. The framework approach is considered to represent a good approach to mitigating the risk related to resourcing a considerable volume of capital building work, whilst also ensuring the risk of external challenge to procurement processes is minimised.

23. The property professional services market is currently showing some signs of distress. There is a risk that whilst the framework has been awarded at a very competitive time in the market, a significant change in the sector through economic recovery, may result in a declining appetite from providers. This risk is largely beyond the Council's direct control, but could result in difficulties in delivery in later years of the framework. This economic factor should be kept under review throughout the life of the framework.
24. Individual projects and programmes adopt rigorous risk management methodologies that enable risks to be identified, mitigated and managed, and framework providers will be fully engaged in that risk management activity.

Financial Implications

25. The market conditions at the time of tendering the framework have ensured that providers are offering fees that represent good value for money.
26. The framework itself does not commit the council to financial expenditure in itself. Professional fees related to specific projects are budgeted within the business cases for approved projects, and the framework offers a mechanism for delivering against those budgetary provisions.
27. Within the mini-competition process of the framework, there is a limited opportunity for providers to adjust their fees for a specific commission.

Legal Implications

28. Officers from Legal Services have been fully engaged in the framework procurement process.

Options Considered

29. Alternative approaches were explored, but the adopted approach was considered to offer the means of delivering the requirements of the Council in a compliant manner that optimises the ability to deliver quality buildings to time and budget.

Conclusion

30. The proposed framework contracts provide the Council with a high-quality, value for money and procedurally robust mechanism for engaging the right professional advice for its projects and programmes of property-related work. It provides a means for delivering the property project needs of its communities and partners, whilst developing best-practice and innovation in design and construction through the project process.

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24 May 2013

Background Papers

None