

	<h2>Policy and Resources Committee</h2> <h3>22 March 2016</h3>
<p style="text-align: right;">Title</p>	<p>Accessing frameworks for professional construction and engineering services</p>
<p style="text-align: right;">Report of</p>	<p>Chief Operating Officer</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>None</p>
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<h2>Summary</h2>
<p>This report seeks approval to procure professional services required on construction and engineering schemes through existing OJEU compliant frameworks accessible to local authorities. Appointment through these frameworks would be in consultation with the Chairman of the Policy & Resources Committee, and subject to documentation through Full Officer DPRs.</p>

<h2>Recommendations</h2>
<p>That Committee:</p> <ol style="list-style-type: none"> 1. Authorise the procurement of professional construction & engineering services for schemes through existing OJEU compliant frameworks. 2. Delegate authority to the Chief Operating Officer to appoint suppliers through these frameworks in consultation with the Chairman of the Policy & Resources Committee and subject to documentation through Full Officer DPRs.

1. WHY THIS REPORT IS NEEDED

- 1.1. The London Borough of Barnet is committed to using capital investment in infrastructure to ensure that Barnet remains a place where people want to live and work. Investing in the future is a key strand of the council's response to the scale of the challenge facing Local Government from funding reductions and increasing demand. Barnet will not be able to support the growth needed to ensure the council's financial independence without investment for the future.
- 1.2. This commitment can be seen in a number of areas of planned investment – from our planned stake in the Grahame Park and Brent Cross Cricklewood regeneration schemes, additional specialist housing, new community centres at Grahame Park, Colindale and Stonegrove Spur Road, two new leisure centres located in New Barnet and Copthall, investment in school places building further to the £116m invested over the past 5 years, and over £50m of planned investment in roads and pavements from 2015/26 to 2019/20. Given this level of commitment, the Council needs to ensure we maximise the value we receive from spending on the construction and engineering industries.
- 1.3. Further procurement options would better enable the Council to get full value from its investment in professional services for construction and engineering services. For construction schemes, the Council follows the Royal Institute of British Architects' (RIBA) industry standard approach to deliver these schemes, drawing on professional construction services through the design and construction phase. This includes architecture, technical, quantity surveying, employer's agent, open space & landscaping design, and mechanical & electrical design services. At present the Council uses Capita's construction supply chain through its 10 year strategic partnership to source the specialist services required for each scheme. Engineering services are also provided by this strategic partnership with Capita and delivered through the Barnet / Regional Enterprise (Re) Joint Venture. The Council will continue to use these routes in the future, however access to additional OJEU compliant frameworks will allow us to test value for money and have additional flexibility for specialist projects. The scope of engineering professional services includes:
 - Highways management
 - Traffic management
 - Road safety engineering and audit
 - Parking policy
 - Highways engineering
 - Highways maintenance
 - Structural / Civil Engineering
 - Asset management
 - Utilities and drainage
 - CDM Co-ordination
 - Inspections of Structures
 - Design of New Structures
 - Preparation of Structure Maintenance Projects

2. REASONS FOR RECOMMENDATIONS

- 2.1. The Council spends a significant proportion of total costs for both construction and engineering schemes on professional services. They are major areas of spend for the Council. Assessing existing frameworks that have been set up in accordance with OJEU regulations would allow the Council to consider alternative specialist providers of these services, further to those accessible through RE, CSG, and Capita's supply chain, and further to Conway AECOM specifically for engineering services which can be accessed through the London Highways Alliance Contract (LoHAC) as agreed at Cabinet Resources Committee on 24 June 2013.
- 2.2. As a result, the Council would be better able to test the market and identify the providers offering the best value for the services required. The Council would still procure services through RE, CSG and Capita's supply chain in instances where this provides the best value. However, access to existing frameworks will also allow the Council to access specialist expertise from other suppliers.
- 2.3. Permission is therefore sought to procure these services through relevant OJEU compliant frameworks that are accessible to LB Barnet. This includes the LCP Construction Related Consultants Services framework, the HCA Multi-disciplinary Panel, and the soon to be awarded Transport for London Multi-Disciplinary Services Contract. These frameworks are fully compliant with EU Regulations.
- 2.4. The HCA framework covers design and technical services including project management, engineering, planning, architecture and ecology and allows access to large suppliers that typically cover the whole range of construction services. The LCP framework may be used in instances where the Council requires access to more specialist suppliers through the framework's 11 specialist lots, including independent services lots for Quantity Surveyors, Construction Design Management and Project Management. The Transport for London Multi-Disciplinary Services Contract may be used to access a wide range of specialist engineering service firms.
- 2.5. Other relevant OJEU compliant frameworks may be let in the future, such as the Crown Commercial's Service Project Management and Full Design Team Services Framework which is due to be in place by May 2016. Permission is also sought to procure services through other OJEU compliant frameworks should they become available and should the Council require professional services that cannot be accessed through the named frameworks above.
- 2.6. Access Agreements must be signed before the Council can access these frameworks. Once signed, the Council will be able to access specialist suppliers either by directly appointing them, or by running a short competitive process involving eligible suppliers on the framework. To allow the Council to procure services without significant time lapses, permission is also sought to

delegate authority to the Chief Operating Officer to appoint suppliers through these frameworks in consultation with the Chairman of the Policy & Resources Committee and subject to documentation through Full Officer DPRs.

- 2.7. Although the rates provided through these frameworks have already been competitively tendered and all organisations on the panel pre-qualified through OJEU procurement, the Council will still run these ‘mini-competitions’ to seek the best value, apart from exceptional circumstances where only a single supplier can deliver the service required or when there is insufficient time.
- 2.8. Signing Access Agreements does not commit the Council to procuring services through these frameworks. After conducting a mini-competition the Council can also still decide to use alternative routes to procure these services or decide to no longer procure these services through any route.
- 2.9. The Council will not be directly charged for accessing these frameworks. They are in effect free at the point of use. Suppliers, however, are charged a management fee (typically <1%) which is likely to be reflected in the prices that these suppliers offer to the Council. These indirect costs are less than the costs would be if the Council were to undertake its own full procurement process for these services.
- 2.10. The Council wishes to access these frameworks for both relatively small and discrete requirements, as well as for the full set of professional services related to major construction & highways schemes. It is not therefore possible to identify precisely how much, if any, the Council will spend on suppliers accessed through these frameworks. However, the table below identifies some examples of the services that the Council will consider procuring through these frameworks, and the estimated maximum spend in each case:

Scheme Name	Estimated max. spend	Description
Greenspaces Depot	£400k	Professional construction services linked to design and build of new depot for Greenspaces services
Replacement of Meadow Close Children’s Home	£185k	Professional construction services linked to replacement and relocation of Meadow Close children’s home
Libraries Strategy	£600k	Professional construction services linked to internal redesign of libraries (conditional on approval by CELS Committee)
PRU School	£600k	Professional construction linked to condition improvements to PRU (EFA-funded, assuming we agree to deliver on behalf of EFA)
Blessed Dominic & St James Schools	£2.35m	Professional services linked to design and build of expansion to St James and Blessed Dominic schools

Traffic Management including Parking Design	£250k	Engineering Services linked to feasibility, design, consultation, project and cost management
Highway Engineering / Maintenance	£3.5m (over 4 years)	Engineering Services linked to feasibility, design, consultation, project and cost management

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1. Procuring of the Council's own frameworks for construction and highways professional services was considered. However, this option is not recommended because suitable, accessible frameworks are already available, and establishing our own frameworks would take an estimated 6 months, absorb considerable resources and be unlikely to provide better value than that provided by frameworks let on behalf of large public sector bodies/consortiums.
- 3.2. Carrying out separate procurement exercises for each specific scheme is also not recommended, largely for the same reasons identified above, with timing even more of an issue, as the Council would have a lag of an estimated 6 month between identifying a requirement and identifying the market rate.

4. POST DECISION IMPLEMENTATION

- 4.1. The necessary work to sign an Access Agreement with the LCP framework and Transport for London's Multi-Disciplinary Services Contract will commence. An Access Agreement with the HCA panel is already in place following the decision of Policy & Resources Committee on 16th December 2015 to access technical support for the establishment of a housing/property wholly owned company through this Panel.
- 4.2. At the appropriate time, when the requirements have been identified for any future construction scheme, the council will then have the option to hold mini-competitions through each of these frameworks for the services required. The Council could then appoint a supplier should they offer a better value proposal than what can be accessed through CSG, RE or Capita's supply chain. In these instances the Chief Operating Officer would appoint these suppliers in consultation with the Chairman of the Policy & Resources Committee and subject to documentation through Full Officer DPRs. The Council would continue to use the existing channels with CSG, RE and Capita in other instances where this provides the best value.

5. IMPLICATIONS OF DECISION

5.1. Corporate Priorities and Performance

5.1.1. The Council's Corporate Plan for 2015-20 sets the vision and strategy for the five years based on the core principles of fairness, responsibility and opportunity, to make sure Barnet is a place:

- Of opportunity, where people can further their quality of life;
- Where people are helped to help themselves, recognising that prevention is better than cure;
- Where responsibility is shared, fairly;
- Where services are delivered efficiently to get value for money for the taxpayer.

5.1.2. The Council is committed to delivering capital investment in infrastructure to ensure that Barnet remains a place where people want to live and work as a core part of its corporate strategy. This report supports the Corporate Plan delivery by ensuring that the Council's investment in infrastructure is spent as efficiently as possible.

5.1.3. Getting best value from the Council's spending on professional construction & highways services will also support the Council's Medium Term Financial Strategy from 2016/17 to 2019/20 to meet an expected budget gap of £81.1m.

5.1.4. Delivery of the professional services required for these specific schemes will be monitored through the officer boards established for Educational Capital, Community Assets, Libraries Strategy and Depot programmes, as well as through the Assets & Capital Board. Authorisation to proceed will be sought from the Children, Education, Libraries & Safeguarding Committee (for school place schemes), Environment Committee (for engineering schemes) and from the Assets, Regeneration and Growth Committee (for all other schemes) at key stages for each of these schemes.

5.2. Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1. The professional services procured through these frameworks will be within the budgets allocated for professional services on schemes set out in the Council's Capital Programme. The rates provided through these frameworks have already been competitively tendered and all organisations on the panel pre-qualified through OJEU procurement. In addition 'mini-competitions' will be used wherever possible to seek to gain further discounts from these competitively tendered rates. In accordance with the Council's Contract Procedure Rules, all mini-competitions will be conducted through Barnet's eTendering Portal unless the framework prescribes use of their own portal solution.

5.2.2. A major benefit of using these frameworks is it minimises the resources the Council requires to procure the required services. It is not therefore anticipated that additional resources are required.

5.3. **Social Value**

5.3.1. The Council will seek to provide employment opportunities for local people and opportunities for small and medium enterprises through the procurement of professional construction services through these frameworks by considering these factors when running 'mini-competitions'.

5.4. **Legal and Constitutional References**

5.4.1. Council Constitution, Responsibility for Functions, Annex A – The Policy and Resources Committee has responsibility for:

- the overall strategic direction of the Council including Corporate Procurement (including agreement of the Procurement Forward Plan and agreeing exceptions to CPRs)
- authorising procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in Contract Procedure Rules.

5.4.2. On approval of the recommendations within this report, the Chief Operating Officer is authorised to appoint suppliers through these frameworks, in consultation with the Chairman of the Policy & Resources Committee. The Chief Operating Officer will document any appointment through Full Officer DPRs.

5.5. **Risk Management**

5.5.1. The main risk is higher than necessary professional services costs for the Council, should we continue to source these services solely through CSG, RE and Capita's supply chain. Accessing existing, OJEU compliant, frameworks is the most time and resource effective means of managing this risk.

5.5.2. Procuring professional services through these means may help manage risks of delays on schemes where immediate access is needed to specialist services that would not otherwise be available at short notice.

5.5.3. The risk of time delays and quality issues caused by having multiple partners working on the delivery of individual schemes will be carefully managed through setting clear expectations for how partners must work together and through rigorous monitoring.

5.5.4. The risk of challenge to future procurement will be mitigated by accessing only OJEU compliant frameworks that have been let in accordance with EU Regulations and by officers ensuring the process complies with Contract Procedure Rules and procurement law.

5.5.5. These risks will continue to be assessed and managed in accordance with the Council's project and risk management methodologies.

5.6. **Equalities and Diversity**

5.6.1. Suppliers procured through these frameworks will have due regard for the Council's Equalities and Diversity requirements in the undertaking of their appointed duties.

5.7. **Consultation and Engagement**

5.7.1. Consultation and engagement during the development of all schemes will take place in accordance with construction good practice, including, but not limited to, statutory consultation undertaken as part of the planning process. Consultation on schemes will be monitored by the appropriate boards identified in section 5.1.

5.7.2. Aside from consultation and engagement on specific schemes, no additional consultation or engagement is necessary prior to appointing suppliers of professional services through these frameworks.

6. **BACKGROUND PAPERS**

6.1. Business Planning 2016-20 - <https://barnet.moderngov.co.uk/documents/s29688/Business%20Planning%202016-20.pdf>