

Central Bedfordshire Council

Executive

8 January 2019

Procurement Framework for Consultancy Services for the Regeneration & Business Directorate

Report of: Cllr Nigel Young, Executive Member for Regeneration
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This report relates to a decision that is Key

Purpose of this report

This report advises members of the forthcoming procurement via an open, EU compliant procurement process, and seeks approval of the approach to establish a procurement framework for the provision of consultancy services for the Regeneration and Business Directorate.

It is proposed that the framework will be open to wider Council departments to use as well as other Local Authorities in England with an indicative value of £40 million. £12million of the proposed £40million total value will be solely allocated to the Regeneration and Business Directorate over a maximum 4 year duration.

The development of a framework does not represent a financial commitment for the Council. It is only at the point a consultant is called off from the framework that a financial commitment is made.

RECOMMENDATIONS

The Executive is asked to:

- 1. approve the development and the implementation of a framework for the provision of consultancy services to support the Regeneration & Business Directorate;**
- 2. agree to the publication of a notice in the Official Journal of the European Union (OJEU) to invite Expressions of Interest from Suppliers wishing to tender; and**

- 3. delegate authority to approve successful professional services suppliers to be added to the framework to the Director of Regeneration & Business in consultation with the Executive Member for Regeneration, following assessment of organisational fit and best value.**

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to go to Overview & Scrutiny Committee because the award of contracts is a matter for the Executive.

Background

2. The Regeneration and Business Directorate currently manages consultancy and professional services spend of approximately £2million per annum through individual commissions.
3. The need to use consultants to support and enhance our in house expertise is required now and will continue to be required in the future. Specialist skills sought through the framework are only needed periodically and it is therefore not deemed economic to retain them in house. In addition, with increasing pressure on Local Authority budgets and growing demand on services there is need to approach commissioning in a joined up way, improving co-ordination and efficiency to maximise delivery and return on our investments.
4. Central Bedfordshire has been identified as a high growth area, necessitating best use of professional expertise to secure the best outcomes for our communities.
5. In response to this, the Regeneration and Business Directorate is seeking to learn from best practice and commission technical expertise to support our ambitious agenda in Central Bedfordshire through a new framework.
6. As part of the agreement consultants will be expected to work closely with services in a collaborative way to provide the necessary advice, support and provide capacity to deliver services throughout the Directorate adhering to the ethos of a “One Council Approach”.
7. The proposed framework will comprise of a total of 7 “Lots” reflecting the breadth of Directorate responsibilities including:
 - a. Strategic Transport/ Highways
 - b. Economic development/ regeneration/ place delivery
 - c. Housing/ commercial/ financial modelling
 - d. Strategic planning and specialist support
 - e. Planning and development management
 - f. Business engagement/ events management and promotion
 - g. Land drainage and specialist Design / checking support

8. Through these “Lots” we are seeking to deliver the following key Directorate outcomes:
 - a. Enabling and driving quality sustainable development and growth in Central Bedfordshire
 - b. Stimulating the regeneration and renewal of our Market Towns
 - c. Delivering growth infrastructure (employment, skills, economic, digital and environmental)
9. The framework will support the regeneration of towns and places, the development of the local economy and infrastructure that enables communities and businesses to grow and prosper.
10. As a pivotal step towards integration the framework will support our intention to work in an increasingly effective, efficient and outcome based approach to exceed the impact we could enable if commissions simply delivered as separate services.
11. The proposed “Lots” and framework were tested at a supplier pre-engagement event on 4th December 2018. The event was received positively by the market and attracted attendance by 48 consultants from a range of disciplines. The feedback from the consultancies supports the proposed approach.
12. The framework will allow professional consultancy services to be called off in a co-ordinated, efficient and timely manner. Potential consultants will be robustly vetted, have set rates or alternatively competitive pricing tailored to the size and complexity of the works project as a call off option. The call off process will involve the utilisation of the most cost effective, available and suitable consultant on the Framework through mini-competitions and may in some circumstances be through direct award.
13. The total Regeneration & Business value requirement over a 4 year framework duration would not exceed £12million. The framework is proposed to operate for 4 years but include a mid point review at 2 years which would allow for the Framework to be re-competed if deemed necessary and in response to changing priorities or poor performance of consultancies.
14. It is proposed that the total framework value is set at £40million to create additional capacity within the framework value for professional services linked to externally funded schemes, outside of internally funded projects and programmes. The increased value will also enable other Council directorates to call off against the framework and potentially other Local authorities across England could access it, attracting a call off fee of individual contract values which helps to mitigate the cost of the development of the framework.
15. There will be no obligation to utilise the full £40million framework value and there will be no minimum value.

Options for consideration

16. Option 1 : Procure a framework

a. Advantages-

- i. Time to appoint for each commission is reduced
- ii. Direct award set rates will identify exact costs for budgeting
- iii. Further competition method will enable competitive pricing
- iv. Known reduced supply base which can be managed including the inclusion of a suspension process for poor performance
- v. No volume of usage guaranteed
- vi. Potential income stream
- vii. 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

b. Disadvantages-

- i. Closed market doesn't allow new consultant organisations to join, however the framework can have a maximum duration of 4 years with a mid-point review after two years and re-competited if necessary
- ii. Some demand on resources (particularly Officer time) for procuring the framework but which is more than offset against cumulative officer time on individual assignments.

17. Option 2: Utilise other frameworks

a. Advantages-

- i. Does not require Council officer time to prepare and implement

b. Disadvantages-

- i. The framework specification will not be tailored to Central Bedfordshire Council needs
- ii. No known national or local Frameworks which cover the breadth of support being sought by the directorate
- iii. A charge applied for usage of the framework may result in higher costs for procurement
- iv. Specification of the framework derived from an external organisation and terms as not based on Council contracting terms
- v. Lack of direct management of the supply base which could result in contracting poor performing consultancies if framework is not managed appropriately
- vi. Lack of supplier engagement based on past experience
- vii. The Council has less control over the establishment of the framework

18. Option 3: Continue with individual commissions

- a. Advantages-
 - i. Does not require Council officer time to prepare and implement a framework
 - ii. No upfront planning and implementation resource required

- b. Disadvantages-
 - i. Individual commissions are harder to co-ordinate and have greater risk of duplication than a framework
 - ii. No opportunity to create efficiencies in commissioning activity
 - iii. Ongoing resource required to prepare and award individual tenders
 - iv. Lack of supplier relationship

Reason/s for decision

19. Option 1 is the preferred option; procure a Regeneration and Business 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.

Council Priorities

20. The Council implementing a procurement framework via an EU compliant procurement process for the Regeneration and Business directorate to provide consultancy services supports the council priority of "Enhancing Central Bedfordshire" as great place to live and work through planning for the new homes, jobs and infrastructure the area needs while protecting the countryside. It will also help contribute to creating stronger communities, deliver greater value for money to our residents, improve educational attainment and promoting health and wellbeing.

Corporate Implications

Legal Implications

21. The establishment of a framework 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 and good practice will be followed.
22. As indicated in paragraphs 7, 8, 11, 12 and 13 above, the framework will be based on Lots, reflecting different service areas, and the contracts, as drafted by Legal, will enable selection of providers either by direct award or operation of a mini-competition.
23. Although the framework will run for a maximum term of 4 (2+2) years, the Council, or other service users, if necessary, will be able to call off selected services for longer periods, at any time within the life of the framework.

24. Legal are working closely with the client and with procurement colleagues, to ensure a compliant procurement process and to provide appropriate and meaningful contract documentation for the benefit of framework users.
25. If the Council chooses to open up the framework for the benefit of other public authorities, such wider use can be managed through the application of an access agreement, to which other authorities would subscribe, possibly on payment of a fee.

Procurement Implications

26. The Head of Procurement is heavily involved in the development of this framework approach.

Financial and Risk Implications

27. There are no specific financial implications arising from the framework agreement, as there is no requirement on the Council to use the framework once implemented. There are financial implications for each appointment called off under the framework agreement, which will need to be identified at that time and made explicit in any related award of contract report. Resources allocated to setting up the Framework can be met from within existing budgets.
28. There is the potential for the framework to provide an income stream if drawn on by other Local authorities in England. Current standard practice is to charge 1% of contract value for administration.
29. Consultants may not be required: The Council will not guarantee any volumes of work via the framework, providing no financial commitment.
30. Consultants do not deliver a satisfactory level of service: Consultants will be managed by the Regeneration & Business directorate to ensure any issues are dealt with including any requirement to suspend or delete any provider from the framework.
31. Procurement compliance: Transparency and adherence to regulations will be enhanced via the existence of the framework.

Equalities Implications

32. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

33. Good planning and effective regeneration can improve environments and opportunities for communities experiencing disadvantage. Planning which does not adequately engage with, or consider the needs of, local communities is unlikely to improve their life chances and may further entrench area-based disadvantage.
34. Consideration is always given to the requirements of equality legislation as part of local authorities' procurement practices. For each of the seven lots the Council will ensure that the successful contractor is aware of and addresses key equality objectives.

Conclusion and next Steps

35. The Executive is asked to consider the recommendation of developing and implementing a framework for the Regeneration and Business directorate for consultancy services as described in Option 1 (detailed in paragraph 5) which will provide an efficient and coordinated framework for all future commissions and reduce the need for procurement waivers.
36. The next steps will be to issue the contract notice and proceed with procuring the framework.

Appendices

None

Background Papers

None

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