

Cabinet Meeting on Wednesday 18 March 2020

Award of the Construction Project Framework Agreements (REF IA1585 and IA2060)

(traditional build and modular build)



Cllr Mark Deaville, Cabinet Member for Commercial said,

“Our new framework agreements for the procurement of construction projects will ensure we can continue to achieve the best value for money for our residents.

This will enable us to carry out new build works, alterations, extensions, refurbishment and fit-outs to county council-owned buildings. These will mainly be schools, academies and education projects and occasionally corporate estate construction and refurbishment.”

Report Summary:

To secure Cabinet approval for authority to approve the full procurement process to secure and manage the two Framework Agreements for Construction Projects which will commence, no later than, 1 December 2020 for up to 4 years be delegated to the Director of Corporate Services.

Recommendations

I recommend that:

- a. The Council commences and concludes its regulated procurements in line with the Public Contracts Regulations 2015 for the IA1585 Framework Agreement for Construction Projects (modern-methods of construction ‘traditional’ build) and for IA2060 Framework Agreement for Construction Projects (modern-methods of construction ‘modular’ build), in readiness for agreement commencements of, no later than, 1 December 2020;
- b. Following the conclusion of the procurement, Cabinet delegates authority for the Director of Corporate Services to approve:
 - i. both Framework Agreements to be awarded and entered with the successful tenderers to both Framework Agreements; and
 - ii. all subsequent call-off contracts under both Framework Agreements to be awarded and entered into with the successful providers under these Framework Agreements;
 - iii. any novation of both Framework Agreements and call-off contracts to new providers or variations to the terms of both Framework Agreements or call-off contracts, in accordance with the Public Contract Regulations 2015; and

- iv. the 1-year extension to both Framework Agreements in accordance with the terms of the Framework Agreements (if applicable).

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Commercial

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 - iii. any novation of both Framework Agreements and call-off contracts to new providers or variations to the terms of the Framework Agreements or call-off contracts, in accordance with the Public Contract Regulations 2015; and
 - iv. the 1-year extension to both Framework Agreements in accordance with the terms of the Framework Agreements (if applicable).

Report of the Director of Corporate Services

Reasons for Recommendations:

1. The current Construction Projects Framework Agreement (ref. PC573), procured via the Public Contracts Regulations, expires on 13 December 2020 and a replacement arrangement is required.
2. The scope of the two new Framework Agreements (which will replace the current one) will include new build works, alterations, extensions, refurbishment and fit out. It is primarily designed to procure works for Council / education projects, and occasional corporate estate construction and refurbishment. Typically, the Framework Agreements will allow access to both traditional build and modular construction techniques. It is key in providing new school builds in Staffordshire.

3. It is envisaged that each Framework Agreement will be a multi-supplier agreement with and it is envisaged that 4 providers will be appointed to the traditional-build Framework Agreement and 3 to the modular-build Framework Agreement.
4. The estimated Council spend envisaged through the traditional build Framework Agreement will be around £60 million and that of the modular build Framework Agreement around £20 million over 4 years which will service the Council education projects. The traditional build Framework Agreement will be qualified for a total spend up to £90 million and the modular build Framework Agreement total up to £30 million to allow for flexibility both in the Council's spend and to accommodate any potential access of both the Framework Agreements from other public sector partners.
5. The value of such a procurement requires Council Cabinet approval.
6. It is probable that more than one provider will be awarded a single contract valued in excess of the £2 million (Cabinet) threshold, and it is possible that over the full term of both Framework Agreements more than one provider may accrue a total of work in excess of this threshold.
7. The form of contract used for the call-off contracts will be mainly based on the options (see 9 below) within the suite of NEC4 terms, and relevant amendments detailed in both Framework Agreements, with an option to introduce any other applicable industry-standard form of contract with relevant amendments.
8. There are no equivalent lotted agreements procured by any other independent 3rd party central purchasing bodies or contracting authority/council which uniquely hold the local providers required for such works. The option to publicly tender this not only serves as an opportunity for local providers to tender but also serves as a benchmark on value for money.

Legal Implications

9. The potential value of spend through both Framework Agreement lends the procurement process to strictly follow the Public Contracts Regulations 2015. The implications of any process failing to follow these Regulations could lead to serious legal challenges to the Council with the probable halt by a court on any contract award. The Framework Agreement will be developed in conjunction with Legal Services to allow for the relevant works to be called off primarily (but not limited to) using the NEC4 Engineering and Construction Contract Options A to E, the Short Contract; the Professional Services Contract and the early Contractors Involvement Supplement. Options will also include for use of the JCT Design & Build Contract and the JCT Pre-Construction Services Agreement as-and-when required. The call-offs will be managed by Entrust and a call-off process will be detailed within both Framework Agreements. We are not aware of any other legal implications at the time of writing this report.

Resource and Value for Money Implications

10. Both Framework Agreements will be commissioned by the Council, led by a Strategic Property lead, and procured by the Council's Commercial Team. The ongoing technical day-to-day contract management is delivered in conjunction and managed by Entrust. There are no resource implications known at the time of writing this report. Without recourse to Framework Agreements, Council Officers would be required to invest more resource into spot tendering for individual work packages which would require a plethora of separately tendered projects per annum (an inefficient use of Council and supplier time) conforming to the Council's own internal Procurement Regulations. Competing from Council Framework Agreements provides flexibility and the ability to text value-for-money on each project.

List of Background Documents/Appendices:

Community Impact Assessment – Summary Document

Contact Details

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