

Birmingham City Council

Report to Cabinet

Date 30th July 2019



Subject: **PROCUREMENT STRATEGY FOR A TRANSPORTATION AND DEVELOPMENT PROFESSIONAL SERVICES FRAMEWORK AGREEMENT**

Report of: **Director, Inclusive Growth**

Relevant Cabinet Member: **Councillor Tristan Chatfield, Finance and Resources**

Relevant O &S Chair(s): **Councillor Sir Albert Bore, Resources**

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 To provide details of the procurement strategy and process for the provision of the Transportation and Development Professional Services Framework Agreement (TDPSFA) for a four year period with a break clause after two years to commence 16th December 2019.
- 1.2 To seek approval to extend the existing West Midlands Transportation Professional Services Framework Agreement for a period of up to three months as an interim measure to enable services to be carried out prior to the award of the TDPSFA.

2 Recommendations

- 2.1 Approves the strategy and the commencement of tendering activity for the Transportation and Development Professional Services Framework Agreement in accordance with the requirements and approach outlined in Section 3 of this report.
- 2.2 Delegates authority to the Cabinet Member for Finance and Resources jointly with the Director, Inclusive Growth, in conjunction with the Assistant Director, Development and Commercial Finance (or their delegate), the Chief Finance Officer (or their delegate), and the City Solicitor (or their delegate) to award the Transportation and Development Professional Services Framework Agreement (TDPSFA) following the completion of the tendering process.
- 2.3 Approves the extension of the existing Framework Agreement for Transportation Professional Services for a period of up to three months commencing 16th October 2019 as an interim measure.
- 2.4 Approves the call off strategy for the engagement of external resource for Transportation and Development Professional Services as detailed in **Appendix 1**.

3 Background

3.1 Background and Service Requirements

- 3.1.1 In view of the expiry of the West Midlands Transportation Professional Services framework agreement on 15th October 2019, a new contract is required for the provision of professional services to support highways and infrastructure projects across the Council.
- 3.1.2 It is planned to widen the scope of the framework to include the provision of professional services from other areas of the Council, including Planning and Development. Officers from these areas have provided input into the tender strategy along with officers from Birmingham City Laboratories (BCL).
- 3.1.3 The proposed TDPSFA will support all the in-house resource to enable peaks in workload to be managed and also to plug gaps where there is

not the skills experience or resource available in the Council. The scope of the professional services to be included in this procurement exercise is listed in **Appendix 3**.

- 3.1.4 The Council's current preference is to support 'in-house' first for where services are required. Where the Council has an existing in-house provider such as with BCL, or an exclusivity arrangement exists which can provide the services required, then these providers shall be approached in the first instance. Where the in-house provider confirms that they cannot provide the services, the Council will then engage with Acivico Ltd to assess their resource and availability. Where Acivico Ltd confirm that they cannot provide the service then the framework supplier will be engaged.
- 3.1.5 The TDPSFA will mainly be accessed by Transport and Connectivity, Highways, Planning, and Development groups within the Inclusive Growth Directorate; however access is not restricted to those areas of the Council, and available to all parts of the Council, such as BCL and the Landscape Practice Group.
- 3.1.6 The framework will also be open for other public sector bodies (as defined in the OJEU) should they wish to use it. The overall management and responsibility for the framework will remain with the Council.

3.2 Outcomes Sought

The procurement process for the proposed TDPSFA is expected to deliver the following outcomes:

- Efficiencies realised by reducing the number of full tendering exercises to be carried out;
- Greater value for money opportunities through updated pricing and contractual arrangements;
- Full visibility of spend against this service and an integrated contract management activity to realise value through efficiencies and improvements;
- Consolidated management information to support directorate resource planning;
- Reduced risk in the engagement of suppliers;
- Manage the supply chain and contract packaging so that it supports local suppliers;
- Continue with the existing work already carried out by service providers to support local people in obtaining employment and apprenticeship opportunities through targeted Social Value action plans;
- Maximising purchasing power if / where possible by making the framework agreement available to other public authorities in the region.

3.3 Market Analysis

3.3.1 The highway and infrastructure professional services along with the planning and development sectors are mature markets with service

providers ranging from local micro, small and medium enterprises up to large multi-national organisations. Soft market testing has shown that the type of schemes to support the Council's capital programme for highway and infrastructure works, and planning and development will appeal to the full range of service providers.

3.3.2 In order to complement the soft market testing undertaken, a pre-tender market consultation event was undertaken with potential tenderers. This advised potential tenderers of the opportunity and the proposed procurement strategy with feedback given by potential tenderers used to finalise the strategy. The potential tenderers during the market consultation provided feedback and insight on; threshold levels for direct award / further competition, potential categories and number of lots, KPIs, internal management of the framework, and pros / cons of the existing framework. This feedback has been used to develop the strategy for this new proposed framework.

3.4 Interim Solution

3.4.1 The timescale to award this framework agreement is extremely tight and continuity of service is required to ensure that access to external professional services is maintained during the procurement process.

3.4.2 The existing Framework Agreement expires on 15th October 2019 and to ensure continuity of service, it is proposed to extend the existing West Midlands Transportation Professional Services Framework Agreement as an interim measure for a period of up to three months from this date should the TDPSFA not be awarded by this time.

3.5 Procurement Approach

3.5.1 Duration and Advertising Route

The proposed framework agreement will be for a period of four years (with a break clause after 2 years) which is the maximum permissible under EU procurement regulations where there are no circumstances which justify a different period. The duration maximises the value of the tendering process as it takes into account the costs associated with undertaking a tendering competition e.g. officer time. There is no level of business guaranteed under a framework agreement. The tender will be advertised via www.finditinbirmingham.com, Contracts Finder and the European Journal (OJEU).

3.5.2 Procurement Route

The framework agreement will be tendered using the 'open' route on the basis that:

- The service can be clearly defined;
- Tenderers' prices will be fixed on the specified requirements at further competition stage; and

- There are a large number of organisations in the market place likely to tender for this Framework Agreement however a robust first stage evaluation will ensure only those organisations that demonstrate the skills and ability to meet the Council's requirements will proceed to the next stage.

3.5.3 Scope and Specification

3.5.3.1 The scope and specification of the services is designed to ensure that they can be delivered in the most efficient and effective way to support the delivery of transportation and development schemes. The categories of the professional services will be divided into three lots as detailed in **Appendix 3**.

3.5.3.2 It should be noted that the Council may choose not to use all the service categories or disciplines, in particular where the skills are available in-house or the work is carried out under the Birmingham Highways Maintenance and Management Service contract. Where existing exclusivity provision exists within Council contracts, such as via the Managed Service Contract for the Provision of Temporary Agency Workers, this provider shall be approached in the first instance. When this option is exhausted and they are unable to provide a suitable resource / candidate in the required timescales then the framework suppliers will be approached.

3.5.3.3 Lot 1 Specialist – this lot is for the individual disciplines as detailed in **Appendix 3**. A maximum of three suppliers will be appointed to cover each discipline under each service category. This will enable organisations with key specialisms to be appointed along with generalist consultancies. It will also allow micro, small, and medium enterprises to compete on a level playing field with multi-national organisations.

3.5.3.4 Lot 2a Multi-Disciplinary Services for Highways and Infrastructure – This lot is for schemes primarily focused on highways and infrastructure where the requirement covers more than one of the categories in Lot 1. A maximum of three service providers will be appointed for this lot on the basis this is considered to be the optimum number to generate further competition responses. Informal consultation with the market place indicated that a higher number would deter suppliers from tendering.

3.5.3.5 Lot 2b Multi-Disciplinary Services for Planning and Development – This lot is for schemes with a planning and development focus where the requirement covers more than one of the categories in Lot 1. A maximum of three service

providers will be appointed for this lot on the basis this is considered to be the optimum number to generate further competition responses. Informal consultation with the market place indicated that a higher number would deter suppliers from tendering.

- 3.5.3.6 Lot 3 – Project Resourcing - there will be 2 categories for Project Resourcing, one focused on Highways and Infrastructure and one focused on Planning and Development. A maximum of ten suppliers will be appointed to cover each category. This will enable organisations with key specialisms to be appointed to provide the Council additional resource under secondment / consultancy when required. It will also allow micro, small, and medium enterprises to compete on a level playing field with multi-national organisations. At the Council's discretion, if suppliers under these categories cannot provide the skilled resource within the required timescales, the Council may use other suppliers within the specialist categories or within the multi-disciplinary lot.

3.5.4 Tender Structure (Framework Agreements)

3.5.4.1. Evaluation and Selection Criteria

The quality / social value / price balances below were established having due regard for the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided. The tender documents will include the form of contract (NEC4 Professional Services Contract), specification and standard details. Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model.

The evaluation of tenders for each lot for the framework agreements will be assessed as detailed below:

Assessment A (Pass / Fail)

- Section A – Information about the Applicants (Pass / Fail)
- Section B – Grounds for Mandatory Exclusion (Pass / Fail)
- Section C – Grounds for Discretionary Exclusion Part 1 and Part 2 (Pass / Fail)
- Section D – Economic and Financial Standing (Pass / Fail)
- Section E – Technical and Professional Ability (Pass / Fail)
- Section F – Environmental Management (Pass / Fail)
- Section G – Insurance (Pass / Fail)
- Section H – Compliance with Equalities Duty (Pass / Fail)
- Section I – Compliance with Health & Safety (Pass / Fail)
- Section J – Declaration (Pass / Fail)

Those organisations that pass all sections of Assessment A will proceed to the next stage.

Assessment B - Quality - Written Proposals (Weighting 50%)

Each lot will be assessed with the criteria below:

Criteria	Sub-Weighting
Service Delivery and Capacity	40%
Organisation and Resources	20%
Technical Ability (Case Study)	40%

An interview with tenderers may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, as appropriate.

Tenderers who score more than the quality threshold of 60% i.e. a score of 300 out of a maximum quality score of 500 will proceed to Assessment C – Social Value.

Assessment C – Social Value (Weighting 10%)

Tenderers will be required to provide policies and procedures, along with confirmation of paying the Birmingham Living Wage and also a social value action plan to state how they propose to deliver social value as a result of their being awarded a framework agreement in line with Birmingham Business Charter for Social Responsibility (BBC4SR). The proposed social value will be proportionate to the value of contracts awarded. Each time awarded suppliers reach a threshold spend of £200,000 the action plan must be implemented. Individual work packages over £200,000 will include social value as part of the assessment.

Assessment D – Pricing (Weighting 40%)

- Lot 1 Specialist

Tenderers will be expected to state their hourly / day rates by job role for each discipline within each service category. The completed tender prices will then be assessed using model schemes containing an accurate representation of the work and staff levels that are likely to be found on a typical project. This enables each tender to be assessed in a way which reflects the actual work to be carried out under a contract.

- Lots 2a and 2b Multidisciplinary

Tenderers will be expected to state their hourly / day rates by job role. The completed tender prices will then be assessed using model schemes containing an accurate representation of the work items that are likely to

be found on typical projects. This enables each tender to be assessed in a way which reflects the actual work to be carried out under a contract.

- **Lot 3 Resourcing**

Tenderers will be expected to state their hourly / daily rate by job role. The completed tender prices will then be assessed using a model containing typical resourcing needs. This enables each tender to be assessed in a way which reflects the needs of the contract.

Prices will be fixed for a period of 24 months from the date of award but will be subject to an annual price review thereafter using an agreed price fluctuation formula. A cap will be applied to the maximum increase available with reference to market conditions to manage and limit any increases.

Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the tender that demonstrates the highest for quality and the highest social value score will go to the tenderer whose response is considered to provide the most social value. Similarly the maximum price score will be awarded to the lowest acceptable price. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money. The award strategy based on the aggregate weighted scores will be:

- Lot 1 – the first three ranked tenders within each discipline will be recommended for award
- Lots 2a and 2b – the first three ranked tenders will be recommended for award.
- Lot 3 – the first ten ranked tenders will be recommended for award

3.5.5 Evaluation Team

The evaluation of the tenders will be undertaken by officers from the Infrastructure Delivery, Projects, and Development teams within the Inclusive Growth Directorate, supported by Corporate Procurement Services.

3.5.6 Indicative Implementation Plan

The indicative implementation plan is as follows:

Cabinet Approval (Strategy)	30 th July 2019
OJEU Notice Issued	6 th August 2018
Issue Invitation to Tender	7 th August 2019
ITT Deadline Submission	16 th September 2019
Evaluation Period	Sept / Oct 2019

Tenderer Interviews (if req'd)	Sept / Oct 2019
Contract Award	4 th November 2019
Mobilisation Period	November / December 2019
Contract Start	16 th December 2019

3.5.7 Service Delivery Management

3.5.7.1 Contract Management

The framework agreement will be managed by an Infrastructure Delivery Manager, Transport and Connectivity.

3.5.7.2 Performance Management

Performance management measures for each individual work package will be included in the framework.

3.5.7.3 Calling Off Against the Framework Agreement

Lots 1, 2a, and 2b

The process to call-off from the framework agreement by the Council will be as follows for Lots 1, 2a, and 2b:

- Direct Award

Where the estimated value of the work is up to £60,000 the client may choose to carry out a direct award. Using the rates quoted by the first ranked supplier a calculation will be made based on the estimated hours required to fulfil the work package. The relevant supplier will the highest score will be approached to confirm the hours required are correct and they have the capacity to deliver the services to timescale. Once a cost and programme have been agreed, a purchase order will be raised to the supplier. If this supplier does not have the capacity, the second highest scoring supplier will be offered the opportunity and so forth.

- Further Competition Exercise

Where the estimated value of the work is greater than £60,000 or the client decides it will deliver best value for the work required for work below this value, a further competition exercise will be undertaken. The evaluation criteria to be used for further competition exercises will be based on a quality / social value / price split of between quality 30 - 70%, social value 0 - 10% and price 30 - 70%. If a project triggers the social value threshold as per 3.5.4.1, then it will be incorporated as part of the further competition process at 10% of the evaluation criteria. The ratio for each further competition will be identified in the Invitation to

Quote for each Work Package. The evaluation criteria will be decided by the officer that commissioned the further competition exercise who will also carry out the evaluation. The Council schemes will be supported by CPS, if required.

Lot 3

The process to call-off from the framework agreement by the Council will be as follows for Lot 3:

- Where it is identified that an additional resource is required a further competition exercise will be carried out. The client will prepare a specification and seek CVs from suitable candidates from all the suppliers on the Lot. The evaluation criteria to be used for further competition exercises will be based on a quality / social value / price split of between quality 30 - 70%, social value 0 - 10% and price 30 - 70%. If a project triggers the social value threshold as per 3.5.4.1, then it will be incorporated as part of the further competition process at 10% of the evaluation criteria. The ratio for each further competition will be identified in the Invitation to Quote for each Work Package. The client will invite potential candidates for interview and they will be evaluated accordingly to select the appropriate resource for the role. The evaluation criteria will be decided by the officer that commissioned the further competition exercise who will also carry out the evaluation.

4 Options Considered and Recommended Proposal

- 4.1 Tender each requirement for the professional services required for a project on an individual basis – This is not an option as the cost of procurement both in terms of the time and resources required, risk of increased prices as market conditions change, loss of procurement spend leverage, and consistency in delivery.
- 4.2 Tender for a framework agreement for the Council only – This is not an option as it is considered more appropriate to open the framework up to other public sector bodies to use.
- 4.3 Tender for a framework agreement led by the Council available for use by other public sector bodies – the benefits include increased purchasing power, better collaboration and shared knowledge between authorities, reduced tendering time and resources for both authorities and suppliers. This is the recommended option.
- 4.4 Opt into a collaborative framework agreement. These are not considered suitable options as detailed in **Appendix 2**.

5 Consultation

- 5.1 The Cabinet Member for Transport and Environment has been consulted and supports this report proceeding to an executive decision.
- 5.2 Officers from Inclusive Growth Directorate, in house providers including BCL, Landscape Practice Group and Acivico Limited have been consulted on this report and are in agreement with the recommendations.
- 5.3 Other West Midlands authorities are aware of this proposed procurement exercise and may require access to the framework agreement during the contract period.
- 5.4 Consultation has taken place with in-house providers of many of these services on the contents of the report for their input into the proposed tender strategy. It will be necessary to provide documented evidence that the in-house or Council's arm's length company service providers have been consulted as a prerequisite for procurement of any of the services using the framework. This includes obtaining documented evidence that confirm that they do not have the necessary resource to undertake/manage the work. This commissioning strategy draws on the added values provided by in-house services and recognising that in some instances it may be necessary to directly engage external resources.

6 Risk Management

- 6.1 The CPS approach is to follow the Council Risk Management Methodology and the Procurement and Contract Management Teams are responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for this framework agreement has been jointly produced and owned by CPS and Infrastructure Delivery. Arrangements are in place to ensure operational risks for the framework agreement are mitigated. Risk management for the individual commissions undertaken by Inclusive Growth or other Directorates will form part of the Risk Register for the specific scheme.

7 Compliance Issues:

- 7.1 How are the recommended decisions consistent with the Council's priorities, plans and strategies?
 - 7.1.1 Projects undertaken using the new framework agreement will contribute to achieving the priorities and targets set out in the Council Plan and Budget 2019 to 2023, West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, Clean Air, and Commonwealth Games agendas, particularly to underpin private sector led growth and economic regeneration, and to improve the health, personal security, and safety of people travelling in the West Midlands metropolitan area.

7.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR will be a mandatory requirement for tenderers and form part of the conditions of this Framework Agreement. Prior to individual contract award, an action plan will be agreed with the proposed service providers on how the Charter Themes will be implemented and monitored during the contract period. Contract spend will be monitored and the action plan adapted to reflect the value of business achieved throughout the contract period.

Inherent to the tender strategy, the breakdown of the work into three lots, as detailed in 3.5.3.3 to 3.5.3.6 above, has been set to provide opportunities and to encourage Micro Businesses and Small and Medium Enterprises to compete for Council business.

7.2 Legal Implications

7.2.1 The Council, in carrying out transportation, highway and infrastructure related work, will do so under the relevant primary legislation comprising the Highways Act 1980; Road Traffic Act 1974; Road Traffic Regulation Act 1984; Local Government Act 1972; Traffic Management Act 2004; and Transport Act 2000 and other related regulations, instructions, directives and general guidance.

7.2.2 Pre-Procurement Duty under the Public Services (Social Value) Act 2012

Consideration of how the TDPSFA might improve the economic, social and environmental well-being of the City and whether to undertake any consultation were discussed at the planning stage. It was agreed not to conduct further consultation on the basis that external consultation will be undertaken for each scheme the professional services are delivered for and that application of the BBC4SR would satisfy the Council's obligation under this Act, with relevant proposals from tenderers to secure such improvement being evaluated during the process.

7.3 Financial Implications

7.3.1 The TDPSFA will be used to provide professional services for Transport and Connectivity, Highways, Planning, and Development groups within the Inclusive Growth Directorate approved capital programmes and other revenue budgets.

7.3.2 The actual work to be delivered through the framework will be determined by each year's approved budget and although no guarantee of work will be given to service providers it is estimated that the Council's fee expenditure will vary between £6-17 million per annum. Historical spend in 2018 was £5m. An increase in expenditure is anticipated with the increased volumes of work as a consequence of future projects and the addition of the planning and development services being included in the framework.

7.3.3 There are no specific revenue implications arising from the procurement of the TDPSFA. The revenue implications in relation to individual projects or programmes will be identified in future Governance reports.

7.3.4 A fee will be levied by the Council against spend by external organisations who access the TDPSFA. This fee will be value-based and payable, retrospectively, on a periodic basis by the authorities using the TDPSFA. This revenue fee income will be used to fund costs incurred in managing the TDPSFA within the Inclusive Growth Directorate.

7.3.5 The tender process will be resourced by CPS and the Council's Evaluation Team who will contribute to the development of the relevant documentation and evaluation processes. The costs will be contained within approved budgets.

7.4 Procurement Implications

7.4.1 This report concerns the procurement strategy for the Transport and Development Professional Services Framework and any implications are detailed throughout the report

7.5 Human Resources Implications

7.5.1 The procurement activity and the subsequent contract management will be undertaken by Council staff.

7.6 Public Sector Equality Duty

7.6.1 A relevance test to decide whether the planned procurement for the TDPSFA has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 30th May 2019. The screening identified there was no requirement to assess it further and completion of an Equality Assessment form was not required.

8 **Appendices**

8.1 List of Appendices accompanying this Report:

1. Call off Strategy
2. Collaborative Framework Options
3. Category of Services
4. Risk Assessment

Call off Strategy

1. Introduction

The Inclusive Growth and other Directorates have a number of in-house teams involved in design, supervision and commissioning of the construction of new road and highway-related infrastructure projects and major developments. The projects are built by external organisations following tender processes under the works framework agreement or other procurement routes. Various professional services, as listed in **Appendix 3** of the report, are required to enable these new projects to be constructed.

2. Current Resourcing Model

The Council's current preference is to support 'in-house' first for resourcing. The in-house resource could be from within the Inclusive Growth Directorate or other areas of the Council such as BCL or Landscape Practice Group and includes Acivico Limited. Where it is identified that there are not the skills, experience or capacity within the Council, a call off from the existing West Midlands Highways Professional Services Framework, another suitable framework or a procurement process is carried out.

3. Commissioning Strategy

Whilst the current model for resourcing the team has been successful in supporting the delivery of projects, it has been identified that better value could be realised from the engagement of external resource by taking a more holistic view of the market to exploit opportunities and ensuring compliance with the legislative framework and the Council's governance arrangements.

4. Service Delivery Options

The Service Delivery options exercise assessed a range of suitable solutions for the engagement of the professional services required to support the delivery of projects. These options should be read in conjunction with Section 4 of the Options considered and Recommended Proposal that outlines the alternative procurement options.

In-House Provision

The Council and Acivico Limited have retained an in-house provision for the general professional services required to deliver projects. This has been set at a level where the peaks and troughs in workload can be managed with the support of external resources to fill gaps without having to affect the core of in-house staff. Whilst recruitment for such roles is possible the lack of a consistent flow of such work would mean that such individuals would have to become "generalists" as there would be insufficient volume of specialist work to keep

them fully occupied and therefore have a detrimental impact on their skills and productivity.

The agreement between the Council and Acivico Limited for the undertaking of a range of design construction and facilities management services (DCFM Agreement) was extended and is due to expire on 31st October 2019. A new contract is then expected to be put in place for 3 years until October 2022. The terms of the new DCFM contract could be on terms which Acivico Limited continue to have the exclusive right to perform these services for the full or part of the period of the extension, or that the Council may be entitled to choose in a particular case as to whether to engage Acivico to undertake an order or to engage another consultant.

At the initiation stage of a project, it is identified which professional services can be delivered in-house and when external resource needs to be engaged and this would be agreed with the relevant Head of Service in consultation with the Framework Manager. This would also require the identification of an approved base budget provision.

Carry out a Further Competition Exercise using the Framework Agreement

The various options for the procurement of the TDPSFA are detailed in Section 4 of the Executive Report. The recommended option is to commence the procurement process for a framework agreement available for other public sector bodies to access.

Managed Service Contract for the Provision of Temporary Agency Workers

The Council has a managed service contract in place for the provision of temporary agency workers. This contract is suitable for use in circumstances where it is identified as being the most appropriate route to source the external resource and demonstrates value for money. This option is ideally suited for specialist activities where the Inclusive Growth framework companies use sub-contractors and will enable these individuals to be engaged at a lower cost. It should be noted that individuals will be engaged on the terms and conditions of the Council and must comply with the professional indemnity levels as set for the scheme.

Collaborative Framework Agreement Options

There are a number of existing Framework Agreements that are available for use by the Council. A technical appraisal as to the auditability of the framework agreements was carried out and is summarised below:

Framework Agreement	Lead Authority	Commentary	Recommendation
CCS Project Management and Full Design Services Framework	Crown Commercial Services	<ul style="list-style-type: none"> • Mainly national providers with a small mix of SMEs • No joining fee and rebate built into supplier's cost • Choice of pricing models including- fixed, risk & reward, or time & materials 	Not suitable as limited scope and disciplines
ESPO Consultancy Framework Agreement	Eastern Shires Purchasing Organisation	<ul style="list-style-type: none"> • National providers only • Covers all consultancy disciplines • No joining fee however a rebate is built into the supplier's cost 	Not suitable as scope of disciplines is too vague and limited
HE Project Support Framework	Highways England	<ul style="list-style-type: none"> • National providers only • Motorway-focused disciplines • Requirement to follow HA governance – additional timescales 	Not suitable as does not cover the breadth of disciplines required
HCA Technical Services Framework Agreement	Homes England	<ul style="list-style-type: none"> • National providers only • Framework is more buildings construction, rather than civil engineering related 	Not suitable as buildings construction-related
Midlands Highway Alliance Professional Services Framework Agreement	Leicestershire County Council	<ul style="list-style-type: none"> • Two national providers • High fee and rebate level for cost of joining and using 	Not suitable as it does not meet agenda to engage SMEs or demonstrate best value
NEPO Specialist Professional	North East Procurement Organisation	<ul style="list-style-type: none"> • Covers all providers who choose to join the framework including 	Not suitable as the onsite management team of 5 that would

Services Framework Agreement		<p>SMEs with all professional services covered.</p> <ul style="list-style-type: none"> • No joining fee however a 5% mark-up is incorporated into the fee on a project basis • Contract management, performance and programme management of the framework suppliers undertaken by Bloom within the 5% mark-up. 	<p>be provided by Bloom as part of the 5% fee would not only need to have the relevant procurement expertise but also category knowledge. This solution is unproven in a highways and infrastructure environment. With a significant programme of time critical work over the next 4 years, there is a risk the programme may not be delivered if we move away from the existing model and use an alternative unproven model.</p>
West Midlands Highways Alliance A Framework Agreement	Worcestershire County Council	<ul style="list-style-type: none"> • One provider – does not meet agenda to engage SMEs or demonstrate best value • Low value joining fee • Council spend too high for value in OJEU notice 	<p>Not suitable as the Council's spend would exceed the value of the OJEU notice</p>
West Midlands Highways Alliance B Framework Agreement	Warwickshire County Council	<ul style="list-style-type: none"> • One provider – does not meet agenda to engage SME's or demonstrate best value • Low value joining fee • Council spend too high for value in OJEU notice 	<p>Not suitable as the Council's spend would exceed the value of the OJEU notice</p>

Category of Services

The framework agreement will cover the following disciplines

- Archaeological Investigations
- Property Market advice
- Conservation and Heritage
- Development Viability
- Financial Modelling
- Project Management
- 3D Visualisation and CGI
- Transport Planning
- Site Investigations
- Road Safety Audit
- Public Consultation and Marketing
- Traffic Signals and Urban Traffic Control
- Landscape Architecture
- Urban Design
- Cost Management and Quantity Surveying
- Programme and Risk Management
- New Roads and Street Works Act / Utilities Coordination
- Drainage Professional Services
- Structural Engineering
- Site Management and Supervision
- Major Planning Applications
- Contract Change Management Systems
- Management of S278 and S38
- Town Planning
- Sustainability, Ecology and Environmental Advice
- Traffic Regulation Order's
- Street Lighting
- Air Quality

Appendix 4 – Risk Assessment

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1.	Insufficient tender responses to ensure competition.	Requirement advertised in OJEU, Contracts Finder and on www.finditinbirmingham.com and contact potential bidders to advise of opportunity	Low	Low	Material	None
2.	Uneconomical bids received.	Ensure accurate specification is drawn up.	Low	Low	Material	None
3.	Tender results challenged.	Issue report on procurement procedures followed to show due diligence.	Low	Low	Material	None
4.	Contractor(s) ceases trading during the contract period.	Check financial statements for solvency as a tender qualification and an on-going basis as part of the Supplier Performance Review.	Low	Low	Severe	Situation kept under on-going review by Contract manager and reported as part of Supplier Performance Review process.
5.	Contractor merges (or bought) by competitor.	Check financial statements of parent company. Consult with Legal Services and novate contract if applicable.	Low	Low	Material	Situation kept under on-going review by Contract manager and reported as part of Supplier Performance Review process.

Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

Key:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained/improved
Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
Tolerable	Regular review, low cost control improvements sought if possible