

# Birmingham City Council

## Report to Cabinet

Date: 29<sup>th</sup> October 2019



**Subject:** **PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2019 – JANUARY 2020)**

**Report of:** **ASSISTANT DIRECTOR DEVELOPMENT & COMMERCIAL FINANCE**

**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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period November 2019 – January 2020. Planned procurement activities reported previously are not repeated in this report.

- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 Notes the planned procurement activities under chief officer delegations set out in the Constitution for the period November 2019 – January 2020 as detailed in Appendix 1.

## **3 Background**

- 3.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.3 This report sets out the planned procurement activity over the next few months where the contract value is between the EU threshold (£181,302) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.4 It should be noted that the EU threshold has changed from £164,176 to £181,302 and will apply from 1<sup>st</sup> January 2019 for a period of 2 years.
- 3.5 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.6 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.7 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

4.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The options considered are:

- To refer the procurement strategy and contract award of individual procurements to Cabinet for decision.
- To continue with the existing process – this is the recommended option

## **5 Consultation**

### **5.1 Internal**

This report to Cabinet is copied to Cabinet Support Officers and to Resources Overview & Scrutiny Committee and is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

### **5.2 External**

None.

## **6 Risk Management**

6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

7.2.1 Details of all relevant implications will be included in individual reports.

### **7.3 Financial Implications**

7.3.1 Details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

#### **7.4 Procurement Implications (if required)**

7.4.1 This is a procurement report and the implications are detailed in the appendices

#### **7.5 Human Resources Implications (if required)**

7.5.1 None.

#### **7.6 Public Sector Equality Duty**

7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

### **8 Background Documents**

8.1 List of Appendices accompanying this Report (if any):

- 1. Appendix 1 - Planned Procurement Activity November 2019 – January 2020
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2019 – JANUARY 2020)**

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
Strategy / Award	Construction of the New Job Centre Plus Building on Aston Lane as part of the Wider Perry Regeneration Programme	TBC	There is a requirement for the Council to construct a new building to accommodate the relocation of the Job Centre Plus on Aston Lane, Perry Barr which the Council has acquired and will demolish in order make way for the construction of the new National Express Depot as part of the wider Perry Barr Regeneration Programme.	8 months	Inclusive Growth	Leaader	Guy Olivant	Mohammed Islam / Charlie Short	25/11/2019

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 29<sup>th</sup> October 2019**

Title of Contract	<b>Construction of the New Job Centre Plus Building on Aston Lane as part of the Wider Perry Regeneration Programme</b>
Briefly describe the service required	<p>There is a requirement for the Council to construct a new building to accommodate the relocation of the Job Centre Plus on Aston Lane, Perry Barr which the Council has acquired and will demolish in order make way for the construction of the new National Express Depot as part of the wider Perry Barr Regeneration Programme.</p> <p>The project design and the construction contract will be managed by Acivico as project architects and contract administrators. The scope of works includes;</p> <ul style="list-style-type: none"><li>• Design and Constructions of the new Job Centre Plus building using modular build construction methods</li><li>• Construction of belmouth access and car park.</li></ul>
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	<p>The Job Centre is a Crown interest and therefore the City cannot acquire the site using powers under Compulsory Purchase Order process. The acquisition is being made in agreement with the Department for Work and Pensions, which requires that the City supports the relocation of the Job Centre Plus provision to an alternate appropriate facility to cover its geographic catchment. Therefore, for the Job Centre to maintain and deliver services, the construction of the new modular build facility is required to provide an appropriate building for their relocation.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>This is a one-off requirement.</p>
What budget is the funding from for this service?	<p>The costs will be managed within the overall cash envelope for delivery of the Village as approved in the Full Business Case approved on 6 June 2019.</p>
What is the proposed procurement route?	<p>The competition exercise will be undertaken using the Crown Commercial Services, Modular Buildings Solution (Lot 6).</p>
If single /multiple contractor negotiations are proposed, what is the reason for not tendering the requirement, how do we ensure value for money and compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR)?	<p>Not applicable.</p>
Proposed start date and duration of the new contract	<p>The proposed start date is January 2020 for duration of 8 months.</p>