

Birmingham City Council

Report to Cabinet

Date: 23rd April 2024



Subject: NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (MAY 2024 – JULY 2024)

Report of: INTERIM CHIEF OPERATING OFFICER

Relevant Cabinet Member: Councillor John Cotton, Leader

Relevant O & S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC

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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
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period May 2024 – July 2024 which are not key decisions and all contract award decisions made under Chief Officer's delegation during the previous quarter. 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 £500,000, unless TUPE applies to current Council staff.

2 Recommendations

- 2.1 To approve the planned procurement activities and approve Chief Officer delegations, set out in the Constitution for the subsequent decisions around procurement strategy for the following:

- Sprint Phase 2 A45 & A34 / Project Manager

3 Background

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12th July 2022 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 £500,000 for non-key decisions 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.
- 3.3 In line with the Procurement and Contract Governance Rules 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.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £179,086.67 (excluding VAT) and £500,000 (excluding VAT) for non-key decisions. 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.
- 3.5 It should be noted that the procurement threshold has changed from £177,897.50 to £179,086.67 (excluding VAT) and applies from 1st January 2024 for a period of 2 years.
- 3.6 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.
- 3.7 Procurements below £500,000 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.

4 Options considered and Recommended Proposal

4.1 The options considered are:

- To note the planned procurement activities for all the projects listed in Appendix 1 and the Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

5 Consultation / Engagement

5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore 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 Approval has been sought from the relevant Spend Control Board prior to inclusion on the PPAR.

6 Risk Management

6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.

6.2 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 support relevant Council policies, plans or strategies, will be set out in the individual reports.

7.2 Legal Implications

7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.

7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

7.3 Financial Implications

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

- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

7.4 Procurement Implications (if required)

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and 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 which should also give consideration to application of Equality Impact Assessments in line with Council Policy

8 Background Documents

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

- 1. Appendix 1 - Planned Procurement Activity (May 2024 – July 2024)
- 2. Appendix 2 – Background Briefing Paper

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (MAY 2024 – JULY 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Sprint Phase 2 A45 & A34 / Project Manager	TBC	<p>There is a requirement for project & contract management services to support the delivery of the Sprint Phase 2 A34 and A45 Schemes. The services to be provided where there is not capacity internally to undertake include:</p> <ul style="list-style-type: none"> •Managing and monitoring the preparation of detailed design, technical approvals, statutory procedures, and construction throughout the project. •Preparing, monitoring and maintaining a programme, cost plan and a comprehensive risk register for the project and the contract. •Managing and co-ordinating Employer representatives, design team members and the Contractor to ensure the safe, secure and timely delivery of highways schemes in accordance with agreed quality and cost parameters. 	up to 2 years	Place, Prosperity & Sustainability	Transport	Azhar Rafiq	Robert Warner / Charlie Short	20/05/2024

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 23rd APRIL 2024**

Title of Contract	Sprint Phase 2 A45 & A34 / Project Manager
Contact Officers	Director / Assistant Director: Phil Edwards, Assistant Director Transport and Connectivity Client Officer: Robert Warner, Transport Delivery Specialist / Iain Davie, Principal Transport Delivery Officer Procurement Officer: Charlie Short, Procurement Manager
Relevant Portfolio	Councillor Liz Clements – Cabinet Member for Transport
Briefly describe the service required	There is a requirement for project & contract management services to support the delivery of the Sprint Phase 2 A34 and A45 Schemes. The services to be provided where there is not capacity internally to undertake include: <ul style="list-style-type: none">• Managing and monitoring the preparation of detailed design, technical approvals, statutory procedures, and construction throughout the project.• Preparing, monitoring and maintaining a programme, cost plan and a comprehensive risk register for the project and the contract.• Managing and co-ordinating Employer representatives, design team members and the Contractor to ensure the safe, secure and timely delivery of highways schemes in accordance with agreed quality and cost parameters.
What is the proposed procurement route?	Using the Secondment Opportunities lot of the Council's Transportation & Development Professional Services Framework.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
Will any savings be generated?	No savings will be generated from this procurement process. However, the construction of modernised highway infrastructure will realise revenue savings for future maintenance.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as currently there is insufficient internal capacity and capability for the experienced project management role to support the delivery of the complex multi-phased schemes.
How will this service assist with the Council's commitments to Route to Zero?	The works will be undertaken using online platforms and minimising paper usage. Car trips will be minimised, and public transport links maximised. Therefore, reducing carbon footprint.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	There is no direct impact on Everybody's Battle, Everybody's Business from the award of this contract.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not a statutory duty to provide this service. However, the role is essential to support the Council in the successful delivery of the Sprint Phase 2 schemes.
Approval via Spend Control Board.	Approval was obtained on 31 st January 2024 from the S151 Spend Control Board ID: 4549 & ID: 4548 covering project resources.
Estimated value of project (note: value estimated at time of submission of PPAR, this may change at time of advancing any related procurement activity)	The estimated value for the period of the contract is up to £350,000.
What budget is the funding from for this service?	Externally funded WMCA/TfWM scheme: L00119 A34 SPRINT Ph2 Package E L00120 A45 SPRINT Ph2 Package H (Subject to Cabinet approval of the FBCs in March 2024)
Proposed start date and duration of the new contract	The proposed start date is May 2024 for a period up to 2 years.