

Birmingham City Council

Report to Cabinet

Date: 30 July 2019



Subject: **PLANNED PROCUREMENT ACTIVITIES (SEPTEMBER 2019 – NOVEMBER 2019)**

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 September 2019 - November 2019. 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 September 2019 - November 2019 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 1st 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 September 2019 - November 2019
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (SEPTEMBER 2019 - NOVEMBER 2019)

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
Single Contractor Negotiation	Building Services and Fabric Maintenance for the Library of Birmingham	P0240	Planned and reactive maintenance of the building services and fabric assets for the Library of Birmingham are required in order to maintain functionality of the Building Management Systems and warranties and to maximise asset life.	6 months	Education & Skills	Education, Skills and Culture	Parmjit Phipps	Lee Mills / Darren Langley	09/08/2019
Strategy / Award	Credit Searches (including Single Person Discount Review) for Council Tax, Business Rates, Rents and the Benefit Service	P0614	Provision of a credit search service for council tax, business rates, rents and the benefits for the Digital & Customer Services Directorate. This will enable the service to establish contact with citizens via the identification of new addresses or to confirm they are 'living as stated'. It also includes a review of the single person discount caseload and empty properties.	4 years	Digital & Customer Services	Deputy Leader	Toyin Bamidele	Lisa Haycock / Andrea Webster	09/08/2019
Various routes	Data Centre Services	TBC	The Council requires data centre services in two locations to replace the existing three data centres provided under the Capita IT Services contract.	5 years with two 12 month options to extend	Digital & Customer Services	Deputy Leader	Thomas Myers	Chris Nairn / David Waddington	09/08/2019
Strategy / Award	Hardware & Management Tooling	TBC	The Council requires the replacement of the existing server estate that is reaching end of life with new hardware, associated support and management tooling.	5 years	Digital & Customer Services	Deputy Leader	Thomas Myers	Chris Nairn / David Waddington	09/08/2019
Strategy / Award	Cloud & Development Operational Consultancy	TBC	The Council is undertaking a project to migrate from their existing data centre and end of life hardware to a Hybrid Cloud Infrastructure.	Various	Digital & Customer Services	Deputy Leader	Thomas Myers	Chris Nairn / David Waddington	09/08/2019
Strategy / Award	Networking Core and Ancillary Network Hardware	TBC	The Council requires data centre services in two locations to replace the existing three data centres provided under the Capita IT Services contract.	5 years	Digital & Customer Services	Deputy Leader	Thomas Myers	Chris Nairn / David Waddington	09/08/2019
Works Quotation	Refurbishment Works to Highbury	TBC	Highbury has recently been designated by Historic England as a building "at risk." As a consequence there is a requirement for essential remedial repair works to be undertaken.	5 months	Inclusive Growth	Leader	Simon Ansell	Nigel Oliver / Stuart Follows	09/08/2019
Approval to Tender Strategy	Diagnostic investigation and business case for the implementation of technology enabled care to improve health and social care outcomes for adults in Birmingham	TBC	The use of technology and equipment in Health and Social Care is currently limited to fixed and portable equipment, such as telecare, profile beds and hoists.	6 months	Adults Social Care	Health and Social Care	Samantha Bloomfield	Julie Harrison	09/08/2019
Approval to Tender Strategy	Mobile Catering in Council Parks	TBC	There is a requirement for mobile catering to be provided across 60 sites in the Council's parks. Licences will be granted to suitable operators on a concessionary basis for facilities such as ice cream vans and small hot /cold food kiosks.	4 years	Neighbourhoods	Street Scene and Parks	Fazal Khan	Andrew Wintersgill / Matt Haganey	09/08/2019

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 30th July 2019**

Title of Contract	Building Services and Fabric Maintenance for the Library Of Birmingham (P0240)
Briefly describe the service required	Planned and reactive maintenance of the building services and fabric assets for the Library of Birmingham are required in order to maintain functionality of the Building Management Systems and warranties and to maximise asset life. The scope of the required service also includes the monitoring and management of the systems to control the internal environment at the optimum efficiency. It should be note that Acivico Ltd has waived their exclusivity to provide this service.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	No, there is not a statutory duty. However, this service facilitates the Council's powers to provide a library service are contained in sections 7 and 12 of the Public Libraries and Museums Act 1964. Section 144 of the Local Government Act 1972 provides a power for the Council to encourage visitors and provide conference and other facilities.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract with Airtech Optimise Ltd is due to expire on 30th September 2019 the award of which was approved under Chief Officer delegations.
What budget is the funding from for this service?	This will be funded from the existing Library of Birmingham revenue budget.
What is the proposed procurement route?	To enter into single contractor negotiations with Airtech Optimise Ltd.
If single /multiple contractor negotiations is 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>The requirement for a new contract was included in the Planned Procurement Activities Report approved by Cabinet as part of the sounding out process on 16th April 2019. To allow time for the tender process to be completed, there is a requirement to enter into single contractor negotiations with Airtech Optimise Ltd for a period of 6 months to ensure continuity of service.</p> <p>The previous contract was awarded via a competitive process and to ensure value for money, the basis of the negotiations will be to extend the contract on the existing terms and conditions.</p> <p>Airtech Optimise Ltd will be required to produce commitments proportionate to the value of this contract to include in a new BBC4SR Action Plan for certification prior to contract award.</p>
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2019 for a period of 6 months

Title of Contract	Provision of Credit Searches (including Single Person Discount Review) for Council Tax, Business Rates, Rents and the Benefit Service (P0614)
Briefly describe the service required	Provision of a credit search service for council tax, business rates, rents and the benefits for the Digital & Customer Services Directorate. This will enable the service to establish contact with citizens via the identification of new addresses or to confirm they are 'living as stated'. It also includes a review of the single person discount caseload and empty properties.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	The Council does not have a statutory duty to provide this service. However the credit search service will assist with facilitating improved collection rates, validating single person discounts and empty properties.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract was awarded under Chief Officer delegated authority which is due to expire on 31 st December 2019.
What budget is the funding from for this service?	This will be funded from the Revenues Service budget and internal re-charges made to the Rents and Benefit Service as appropriate.
What is the proposed procurement route?	It is proposed that a competition exercise take place using the Crown Commercial Services G-Cloud Digital Marketplace framework agreement.
If single /multiple contractor negotiations is 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)?	Not applicable
Proposed start date and duration of the new contract	The proposed start date is 1 st January 2020 for a period of up to 4 years.

Title of Contract	Provision of Data Centre Services
Briefly describe the service required	<p>The Council requires data centre services in two locations to replace the existing three data centres provided under the Capita IT Services contract.</p> <p>The data centres support the Council's ICT services by hosting the servers that many of the Council's business critical applications run on. The services to will cover areas such as:</p> <ul style="list-style-type: none"> • Initial set up • Racking • Hosting • Power • Intelligent hands services
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 for this service. However, the technology the Council uses underpins the delivery of the majority if not all its statutory and/or discretionary services. The services will maintain the Council's ability to manage value for money in the delivery of these services by the provider and enable better ways of working.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing data centre services located at West Malling, Cody Park and Fort Dunlop are provided under the Capita IT Services Contract and will expire in March 2021.
What budget is the funding from for this service?	The delivery costs of the project will be funded from the Business Enablement Programme budget. The running costs for the new data centres will be funded from the approved Council ITDS budget.
What is the proposed procurement route?	<p>To maximise the value for money outcome two procurement routes will be followed:</p> <ol style="list-style-type: none"> 1) OJEU Open procedure with the following Lots; <ol style="list-style-type: none"> a. Lot 1 – Local data centre b. Lot 2 – Non-local data centre 2) A further competition exercise using the Crown Commercial Services Hosted Data Centres framework agreement to provide the Non-local data centre <p>The most economically advantageous model will then be selected for the Council in relation to Lot 2 only, either:</p> <ul style="list-style-type: none"> • Both data centres provided via the OJEU route, or • The local data centre from the OJEU route and the non-local data centre from Crown Hosted Services
If single /multiple contractor negotiations is 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)?	Not Applicable.
Proposed start date and duration of the new contract	The proposed start date is November 2019 for a duration of 5 years with two 12 month options to extend, subject to satisfactory performance. The options to extend will allow flexibility in the event of a change in the Council's infrastructure requirements. The start date is earlier than the contract end date due to lead-in requirements.

Title of Contract	Provision of Hardware & Management Tooling
Briefly describe the service required	<p>The Council requires the replacement of the existing server estate that is reaching end of life with new hardware, associated support and management tooling.</p> <p>The new hardware with associated management tooling will allow the Council to consolidate its existing infrastructure estate to benefit from a reduction in:</p> <ul style="list-style-type: none"> • Power Costs • Support costs • Modern methods of software driven infrastructure provisioning
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	<p>There is not a statutory duty for this service. However, the technology the Council uses underpins the delivery of the majority if not all Council statutory and/or discretionary services. The services to be procured will maintain the Council's ability to manage value for money in the delivery of these services by the provider and enable better ways of working.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>Currently Capita ICT Services manage the Council's hardware as part of the IT Services contract. The management of this hardware will revert back to the Council from 1st August 2019. Various support and extended support contracts are in place for the existing array of hardware and tooling expiring between May 2020 and March 2021.</p>
What budget is the funding from for this service?	<p>The budget allocation for the delivery costs of the project is the Business Enablement Programme budget and 5 years of support will be funded from the approved IT and Digital budget.</p> <p>Additions to the infrastructure above this will be funded either by:</p> <ul style="list-style-type: none"> - The project delivering additional hardware - ICT Operational Budget - The service based on need for additional growth - following appropriate approval processes such as Full Business Cases in accordance with the Council's decision making Gateway process.
What is the proposed procurement route?	<p>This framework will facilitate both the current combined hardware and software requirements and any future ancillary software requirements as a separate procurement process. It should be noted that a final validation exercise is also being conducted against NHS SBS Link: Solutions IT and the final procurement route will be ratified in the future procurement strategy.</p>
If single /multiple contractor negotiations is 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)?	Not Applicable

Proposed start date and duration of the new contract	The proposed start date is 1 st October 2019 for a period of 5 years.
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Title of Contract	Provision of Cloud & Development Operational Consultancy
Briefly describe the service required	<p>The Council is undertaking a project to migrate from their existing data centre and end of life hardware to a Hybrid Cloud Infrastructure. Consultancy and delivery services are required to assist in:</p> <ul style="list-style-type: none"> - Assessment of applications for their suitability to be migrated to the cloud. - Delivery assistance in refactoring applications, where applicable, to run efficiently in a cloud environment. - Consultancy on shaping the development and operational project delivery team to support the migration to the cloud.
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 for this service. However, the technology the Council uses underpins the delivery of the majority if not all Council statutory and/or discretionary services. The services to be procured will maintain the Council's ability to manage value for money in the delivery of these services by the provider and enable better ways of working.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are currently no existing contractual arrangements in place for these services. However, similar consultancy has been provisioned via the Capita IT Services for high level Cloud Assessment and these partially expire on 31 st July 2019.
What budget is the funding from for this service?	The budget allocation for the delivery costs of the project will be funded from the Business Enablement Programme budget.
What is the proposed procurement route?	The current requirements and all future requirements for these services will be purchased utilising the Crown Commercial Services G Cloud framework agreement as appropriate to each requirement.
If single /multiple contractor negotiations is 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)?	Not Applicable
Proposed start date and duration of the new contract	Various durations and start dates with the first commencing 1 st September 2019

Title of Contract	Provision of Networking Core and Ancillary Network Hardware
Briefly describe the service required	<p>The Council requires data centre services in two locations to replace the existing three data centres provided under the Capita IT Services contract.</p> <p>In order to enable this set up and migration to new datacentres there is a requirement for :</p> <ul style="list-style-type: none"> • Core network hardware with associated support • Ancillary network hardware <p>The data centres support the Council's ICT services by hosting the servers that many of the business critical applications run on.</p>
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	<p>There is not a statutory duty for this service. However, the technology the Council uses underpins the delivery of the majority if not all Council statutory and/or discretionary services. The services to be procured will maintain the Council's ability to manage value for money in the delivery of these services by the provider and enable better ways of working.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>The existing networking hardware and support is currently procured via the Capita IT Services contract and will partially expire on July 31st 2019.</p>
What budget is the funding from for this service?	<p>The budget allocation for the delivery costs of the project and 5 years of support will be funded from the Business Enablement Programme and the approved IT and Digital budget respectively.</p>
What is the proposed procurement route?	<p>The proposed procurement route is to carry out a further competition exercise using NHS SBS IT Solutions Framework for both:</p> <ul style="list-style-type: none"> • Core Network hardware with associated support • Ancillary Networking Hardware
If single /multiple contractor negotiations is 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 October 2019 for a duration of 5 years.</p>

Title of Contract	Refurbishment Works to Highbury
Briefly describe the service required	<p>Highbury has recently been designated by Historic England as a building "at risk" As a consequence there is a requirement for essential remedial repair works to be undertaken. A conservation architect has been appointed to assist Acivico Ltd and the client to prioritise a scope of works and prepare the design information. A detailed survey of the work required has been completed and the following is required:</p> <ul style="list-style-type: none"> • North wing roof repair – including roof covering, structural timbers and flashings • Renew hot water system and boilers • Hall roof repairs, roof lighting and decoration <p>Due to the listed building status of Highbury, the Council now require the services of a qualified and experienced conservation contractor to deliver the works.</p>
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 work will assist the Chamberlain and Highbury Trust in their Heritage Lottery Fund funding application.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
What budget is the funding from for this service?	Funding is from Corporate Capital Resources and the remainder will be funded from a grant from Historic England.
What is the proposed procurement route?	The value of the works is below the works OJEU threshold and a single stage open procurement process will be undertaken.
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)?	Not Applicable
Proposed start date and duration of the new contract	The proposed start date is 1 st September 2019 for duration of up to 5 months.

Title of Contract	Diagnostic Investigation and Business Case for the Implementation of Technology Enabled Care to Improve Health and Social Care Outcomes for Adults in Birmingham
Briefly describe the service required	<p>The use of technology and equipment in Health and Social Care is currently limited to fixed and portable equipment, such as telecare, profile beds and hoists. This is consistent with most of the 152 councils across the country. There is a whole range of products in sensory and digital that we have not explored or deployed. There is a real appetite to include Housing and Health within this review for a holistic review.</p> <p>Where citizens embrace technology this equipment and technology could have a very positive benefit in assisting citizens and their carer's to remain independent at home for as long as possible.</p> <p>The market for all technology and equipment is overwhelming with many new products arriving on the market daily. It would be really beneficial to citizens and Health and Social Care services to have an independent assessment of both our current use of technology and how to embrace the wealth of new technology, alongside our major transformation programmes, for example early intervention, 3 conversations and the customer journey. There is a requirement for the production of a diagnostic investigation and business case to support the Council's future strategy.</p>
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 for this service. However, the service will assist the Council with its responsibility to assess people's needs and their eligibility for public funded care and support. In particular section 2 places a general duty on us to provide, arrange or otherwise identify services, facilities or resources to help prevent, delay or reduce the needs of adults for care and support.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a one-off requirement.
What budget is the funding from?	This is funded from funded from IT resources budget.
What is the proposed procurement route?	An open tender process will be commenced advertised in OJEU, Contracts Finder and finditinbirmingham.
If single /multiple contractor negotiations is 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)?	Not Applicable
Proposed start date and duration of the new contract	The proposed start date is 1 st October 2019 is for a duration of 6 months.

Title of Contract	Mobile Catering in Council Parks
Briefly describe the service required	There is a requirement for mobile catering to be provided across 60 sites in the Council's parks. Licences will be granted to suitable operators on a concessionary basis for facilities such as ice cream vans and small hot /cold food kiosks. A fee will be payable for the licence from an operator for each concession.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	No, there is not a statutory duty. However, this service is income generating and assists with attracting visitors to use the Council's parks.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are various contracts in place that expire on 30 th September 2019, the awards of which were approved under Chief Officer delegation.
What budget is the funding from for this service?	This is income-generating with the funds going into individual parks' budget.
What is the proposed procurement route?	A procurement process for a concession contract below the OJEU threshold will be undertaken and advertised in Contracts Finder and www.finditinbirmingham.com
If single /multiple contractor negotiations is 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)?	Not applicable
Proposed start date and duration of the new contract	The proposed start date is 1 st November 2019 for a period of 4 years