

Birmingham City Council

Finance and Resources Overview and Scrutiny Committee

Date 24th January



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)

Report of: STEVE SANDERCOCK - ASSISTANT DIRECTOR – PROCUREMENT

Report author: Steve Sandercock - Assistant Director – Procurement

1 Purpose

- 1.1 This report provides details of the planned procurement activity for the period February 2024 – April 2024 which are key decisions. Planned procurement activities reported previously are not repeated in this report.

2 Recommendations

- 2.1 To note the reports and any findings from Cabinet.

3 Any Finance Implications

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

4 Any Legal Implications

- 4.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 4.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

5 Any Equalities Implications

- 5.1 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.

6 Appendices

- 6.1 No appendices for this document.

Birmingham City Council

Report to Cabinet

Date: 16th January 2024



Subject: KEY DECISION PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 2024)
Report of: ASSISTANT DIRECTOR – PROCUREMENT
Relevant Cabinet Member: Councillor Brigid Jones, Cabinet Member for Finance and Resources
Relevant O &S Chair(s): Councillor Jack Deakin, Chair of Finance and Resources OSC
Report author: Steve Sandercock, Assistant Director, Procurement
Email Address: steve.sandercock@birmingham.gov.uk

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012264/2024		
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 February 2024 – April 2024 which are key decisions. 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 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

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 £10m for 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 £10m (excluding VAT) for 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 £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.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2.

4 Options considered and Recommended Proposal

4.1 The options considered are:

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To approve the planned procurement activities for all the projects listed in appendix 1 and approve 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.

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 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 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 February 2024 – April 2024
 - 2. Appendix 2 – Background Briefing Paper

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (FEBRUARY 2024 – APRIL 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	Provision of Staffed Security Services	TBC	<p>The Council requires security services for its premises where there is no in-house provision available for areas including offices, depots, homeless centres, libraries, public buildings, commercial sites, car parks and other sites such as schools. The services include:</p> <ul style="list-style-type: none"> •Guarding (both static and mobile patrols) •Open & Lock Services •Alarm Response Services •Concierge •CCTV Monitoring of premises (internal and perimeter) 	1 year 2 months	Place, Prosperity & Sustainability	Leader	Azhar Rafiq	Angela Marsh / Andrea Webster	26/02/2024
2	Strategy / Award	Social Housing Decency Fund	TBC	<p>The Council has been allocated funding from the West Midlands Combined Authority under the Social Housing Funding Grant.</p> <p>The grant will allow the Council to add value and capacity to the current programme which did not have funding included to deliver long term solutions to damp and mould issues.</p> <p>The grant funding will allow a programme of works to be developed and delivered targeting properties where:</p> <ul style="list-style-type: none"> •The construction types are prone to damp and mould. •The EPC rating is lower than D. •There have been more than 5 reported instances of damp and mould by the resident over a 2-year period between 2021 and 2023. •There have been cases of disrepair based on Category 1 Hazards 	up to 6 months	City Housing	Housing and Homelessness	Andrew Healey	Asha Patel / Lucy Ford	26/02/2024

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 16th JANUARY 2024**

Title of Contract	Provision of Staffed Security Services
Contact Officers	Director / Assistant Director: Philip Nell, Director Property & Investment Client Officer: Angela Marsh, Security Services Manager Procurement Officer: Andrea Webster, Sub Category Manager
Relevant Portfolio	Councillor John Cotton - Leader
Briefly describe the service required	The Council requires security services for its premises where there is no in-house provision available for areas including offices, depots, homeless centres, libraries, public buildings, commercial sites, car parks and other sites such as schools. The services include: <ul style="list-style-type: none"> • Guarding (both static and mobile patrols) • Open & Lock Services • Alarm Response Services • Concierge • CCTV Monitoring of premises (internal and perimeter)
What is the proposed procurement route?	The award of call off contracts under the Council's existing Security framework agreements.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is a Council Framework agreement, two suppliers both providing services on 2 lots: - Lot 1- Transport/Vehicular/Plant/Commercial/Void Premises - Lot 2- Specific Service Sites Both frameworks will expire in March 2025.
Will any savings be generated?	Any savings will be generated from the continuation of the periodic review of sites and the service provided and an acceptance by the various service areas to accept the savings proposals & any additional element of risk as a result of not protecting property & people. It is not possible to quantify any savings at this stage.
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 there is not the resources within the Council to provide these services.
How will this service assist with the Council's commitments to Route to Zero?	As part of their commitment to BBC4SR the Framework contractors are committed to local employment to reduce carbon emissions from transport, using electric or eco-friendly vehicles and vehicle tracking software to monitor CO2 emissions. Promoting and raising awareness of environmental and sustainable issues which affect the business and the communities in which we work. Using technology and software to reduce paper waste.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	As part of their commitment to BBC4SR the Framework contractors are committed to local employment with particular emphasis on the most deprived wards. Their employee demographic is representative of the diverse population of Birmingham.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is a statutory duty as this is an essential Health & Safety provision to protect Council staff, members of the public etc. In addition, such services are provided to protect Council assets from theft & damage and unlawful entry of Council buildings, break in & theft from vehicles and vulnerable adults and children in care centres and homeless centres. Examples include locking Parks at night to prevent fly tipping, safety of the public and their property in carparks, protecting the new development on the A34 in Perry Barr to prevent theft & damage, closed education sites to stop trespassers hurting themselves complying with the obligation to keep people safe.
Approval via Spend Control Board.	This is permitted spend under the Mandatory Spend Controls due to it being a clear statutory obligation and authorisation has been received from Directorate spend control board Place, Prosperity & Sustainability on 21 st November 2023 and S151 board on 23 rd November 2023 (ID 3105).

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 £2,300,000 based on anticipated future spend.
What budget is the funding from for this service?	This is funded from approved existing Directorate budgets.
Proposed start date and duration of the new contract	The proposed start date is February 2024 for a period of up to 1 year 2 months.

Title of Contract	Social Housing Decency Fund
Contact Officers	Director: Wayne Davies, Service Director of Asset Management Client Officer: Asha Patel, Interim Head of Repairs & Maintenance Procurement Officer: Lucy Ford, Sub-Category Manager
Relevant Portfolio	Cabinet Member for Housing and Homelessness
Briefly describe the service required	<p>The Council has been allocated funding from the West Midlands Combined Authority under the Social Housing Funding Grant. The grant will allow the Council to add value and capacity to the current programme which did not have funding included to deliver long term solutions to damp and mould issues. The grant funding will allow a programme of works to be developed and delivered targeting properties where:</p> <ul style="list-style-type: none"> • The construction types are prone to damp and mould. • The EPC rating is lower than D. • There have been more than 5 reported instances of damp and mould by the resident over a 2-year period between 2021 and 2023. • There have been cases of disrepair based on Category 1 Hazards
What is the proposed procurement route?	The intention is for the programme of works to be delivered through the Council's contracts for housing repairs and maintenance.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There are existing contracts in place for the delivery of repairs and capital improvements across the city with the incumbent contractors until 31 March 2024. The council is currently in the process of seeking approval to award interim contracts to the incumbent contractors from April 2024 to March 2026 from Cabinet in January 2024.
Will any savings be generated?	No direct savings will be generated; however the programme of works will contribute towards the ongoing maintenance and investment in the Council's housing stock and avoid impairment/disrepair charges.
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 there is insufficient capacity within the Council for this service and there are contracts in place.
How will this service assist with the Council's commitments to Route to Zero?	By investing in more thermally efficient solutions, we are aligned with reducing energy costs and improving the energy performance of our housing stock.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The repairs service delivers to all customers equally and the Asset Strategy is linked to EBEB with the commitment for all residents being able to live in warm, safe and sustainable homes. Customer and tenant consultation around our investment, repairs and customer service ensures we are "actively listening to the voices of lived experience" through a series of engagement sessions covering customers from all demographics and profiles to ensure equal representation. This will allow us to "Understand the diverse range of views and perspectives of citizens and ensure solutions are based on the widest available evidence. Our data analysis is now based on property and customer profile data

	<p>to understand how people experience inequality according to their social class, age, gender, ethnicity, disability and sexual orientation.</p> <p>We use plain language in our publications and ensure all leaflets and advice has been reviewed for accessibility and equality</p> <p>Locality working and getting the basics right will enable us to locally influence services to customers and aligns to aim 5 which is to “focus on place-based approaches that improve access to opportunities”.</p>
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	Housing Services are a statutory function under the responsibility of the Council.
Approval via Spend Control Board.	Submitted to spend control on 27 th November 2023. Approval received on 5 th December 2023 from departmental spend control and 7 th December 2023 from S151 spend control.
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 of the grant for the period of the contract is £2,100,000 as a fixed term for completion by 30 June 2024.
What budget is the funding from for this service?	This is funded from external grant funding.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of up to 6 months.