

Birmingham City Council

Report to Cabinet

Date: 9th November 2021



Subject: **PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2021 – FEBRUARY 2022)**
Report of: **ASSISTANT DIRECTOR – PROCUREMENT (INTERIM)**
Relevant Cabinet Member: **Councillor Tristan Chatfield, Finance and Resources**
Relevant O &S Chair(s): **Councillor Mohammed Aikhlaq, Resources**
Report author: Steve Sandercock, Assistant Director, Procurement (Interim)
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 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 December 2021 – February 2022. 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 December 2021 – February 2022 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 procurement threshold (£189,330) 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 procurement threshold has changed from £164,176 to £189,330 and will apply from 1st January 2020 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 / Engagement

5.1 This report to Cabinet is copied to 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 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 December 2021 – February 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 – Notification of Minor Amendments

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2021 – FEBRUARY 2022)

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
Approval to Tender Strategy	Virtual School Tuition Programme	TBC	To provide an alternative education service for young people in the absence of a school place or while awaiting allocation of a school place. Tuition will be delivered through a hybrid model; face to face and remote learning. There will be some face to face tuition based on child's learning needs. Where the young person can access learning remotely and would value doing so and it will not slow progress, lessons may be virtual.	4-years with a break clause after year 2	Education and Skills	Education, Skills and Culture	Clare Sandland	Sandra Asiedu / Lisa Marie Smith	03/01/2022
Approval to Tender Strategy	Virtual School Enrichment Programme	TBC	A programme of services to enrich the education experience of children in care, maximising their chances of educational achievement, inclusion and progression.	4-years with a break clause after year 2	Education and Skills	Education, Skills and Culture	Clare Sandland	Sandra Asiedu / Lisa Marie Smith	03/01/2022
Strategy / Award	Childcare Vouchers	TBC	The provision of vouchers to enable employees to purchase childcare as a salary sacrifice scheme. The scheme operates as salary sacrifice and is a contractual arrangement whereby an employee gives up the right to receive part of their cash remuneration, usually in return for their employer's agreement to provide some form of non-cash benefit.	3 years	Finance and Governance	Finance and Resources	Lee Bickerton	Selina Erfani / Richard Tibbatts	03/01/2022
Strategy / Award	Provision of Free School Meal Vouchers as part of the DWP Household Support Fund Grant	TBC	This procurement is for the provision of Free School Meal vouchers during holiday periods.	various term dates	Education and Skills	Education, Skills and Culture	Clare Sandland	John Hardy / Christian Markandu / Mike Smith	13/12/2021
Strategy / Award - Amendment	SAP Netweaver Upgrade	TBC	The Council has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance, Procurement.	1 year	Digital and Customer Services	Deputy Leader	Lee Bickerton	Claire Penny / Jamie Parris	22/11/2021

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 9th November 2021**

Title of Contract	Virtual School Tuition Programme
Director / Assistant Director	Pauline Madison – Assistant Director SEND and Inclusion
Briefly describe the service required	<p>To provide an alternative education service for young people in the absence of a school place or while awaiting allocation of a school place.</p> <p>Tuition will be delivered through a hybrid model; face to face and remote learning. There will be some face to face tuition based on the child's learning needs.</p> <p>Where the young person can access learning remotely and would value doing so and it will not slow progress, lessons may be virtual.</p>
What is the proposed procurement route?	An open procurement exercise will be undertaken advertised on In-tend, Find a Tender Service, Contracts Finder and www.finditinbirmingham.com
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This service has previously been sourced on an off-contract basis via spot purchase from the following tuition companies; Equal Education, Winchmore, Connex and Teaching Personnel.
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.
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 are not the skills or ability within the Council to deliver this service.
How will this service assist with the Council's commitments to Route to Zero?	Where the tutor runs the lessons virtually this will reduce travel in the city and associated travel emissions for both the pupil and the tutor. Virtual learning will also increase the amount of taught learning time when not travelling to different pupils' homes.
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 for this service under the Children and Families Act 2014. All young people of statutory school age up to 19 years have a right to access education. The 2018 DfE 'Promoting the education of looked-after children and previously looked-after children' Statutory guidance for Local Authorities Page 11 states that "The VSH is responsible for supporting social workers to ensure timely provision of a suitable education placement for looked-after children. Their views should be given appropriate weight as part of decisions on placement moves" "In the case of an emergency placement, the authority that looks after the child should secure a suitable new education placement within 20 school days." VSH – Virtual School Head
What budget is the funding from for this service?	This is funded from the DfE pupil premium plus section 31 grant.
Proposed start date and duration of the new contract	The proposed start date is 1st April 2022 for a period of 4 years with a break clause after year 2.

Title of Contract	Virtual School Enrichment Programme
Director / Assistant Director	Pauline Madison – Assistant Director SEND and Inclusion
Briefly describe the service required	A programme of services to enrich the education experience of children in care, maximising their chances of educational achievement, inclusion and progression.
What is the proposed procurement route?	An open procurement exercise will be undertaken. The opportunity will be advertised on In-tend, Find a Tender Service, Contracts Finder and www.finditinbirmingham.com .
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These services have previously been achieved through multiple contracts with a variety of suppliers approved via Head of Service All existing arrangements expire in July 2022.
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.
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 are not the skills or ability within the Council to deliver this service.
How will this service assist with the Council's commitments to Route to Zero?	By combining current smaller single contracts into one framework we will be delivering the service more efficiently on a wider scale regionally and out of local authority Therefore reducing travel, emissions, building cost for heating etc.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	<p>This service is being delivered under a statutory duty under the Children Act 1989 to safeguard and promote the welfare of a child looked after by them. This includes a specific duty to promote the child's educational achievement, wherever they live or are educated.</p> <p>The Virtual School Head is guided by the Statutory guidance as set out in the 2018 DfE 'Promoting the education of looked-after children and previously looked-after children' which states "Virtual School Headteachers are integral to ensuring that local authorities discharge their duty to provide suitable advice and information for the purpose of promoting the educational achievement of previously looked-after children. They can also undertake any activity they consider appropriate where that activity will promote the educational achievement of such children in their area.</p>
What budget is the funding from for this service?	This is funded from the DfE pupil premium plus section 31 grant.
Proposed start date and duration of the new contract	The proposed start date is 1 st April 2022 for a period of 4 years with a break clause after year 2.

Title of Contract	Childcare Vouchers
Director / Assistant Director	Tim Normanton – Assistant Director, Human Resources
Briefly describe the service required	<p>The provision of vouchers to enable employees to purchase childcare as a salary sacrifice scheme. The scheme operates as salary sacrifice and is a contractual arrangement whereby an employee gives up the right to receive part of their cash remuneration, usually in return for their employer's agreement to provide some form of non-cash benefit. Payments to the scheme reduce the employee's gross salary therefore a lower amount is taxable with less National Insurance Contributions (NIC). In turn the employer's NIC is also less as this is linked to the employee's salary excluding non-taxable reductions.</p> <p>This is for employees that are already on this scheme only and no longer available to new employees.</p>
What is the proposed procurement route?	To undertake a direct award using the Eastern Shires Purchasing Organisation's Staff Benefits Framework Agreement. Value for money was established following benchmarking to establish the provider that can offer the best value for money and Sodexo demonstrated best value.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with Sodexo approved under delegated authority expired on 30 th June 2021. The services have continued to be provided under the terms of the existing contract on an off-contract basis. Access has continued from the employees' perspective and there has been no disruption to the provision.
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.
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 the Council does not have the capability to directly administer a scheme of this size and scale.
How will this service assist with the Council's commitments to Route to Zero?	There is no physical delivery or impact on the environment. The system is paperless.
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, providing a salary sacrifice scheme for childcare vouchers supports employees to reduce childcare costs down and supports flexible working, supports parents to work and is seen as an employee benefit, which in turn support the council with retention of staff.
What budget is the funding from for this service?	The requirement will be funded from budget code RBH17 for the provider margin and the Voucher funding will be from employees direct as part of the Salary Sacrifice Scheme. The employees make savings on tax and NIC and the Council as the employer will save on NIC which in turn replenishes the spend and creates a moderate saving.
Proposed start date and duration of the new contract	The contract will commence on 1 st December 2021 for a period of 4 years.

Title of Contract	Provision of Free School Meal Vouchers as part of the DWP Household Support Fund Grant
Director / Assistant Director	Director, Kevin Crompton
Briefly describe the service required	<p>On 6 October DWP launched a Household Support Fund in order to support vulnerable households.</p> <p>With significant levels of existing needs such children in receipt of Free School Meals (FSM) and immediate current pressures related to rising costs of living such as heating and other forms poverty and destitution, demand will be high.</p> <p>Potential spending options have been drawn up based upon learning from delivery of crisis support, emergency assistance and local welfare provision, drawing upon existing delivery mechanisms and outlets such as Neighbourhood Advice, Local Welfare Provision (LWP), Early Help/Neighbourhood Network Schemes, Free School Meals.</p> <p>This procurement is for the provision of Free School Meal vouchers during holiday periods.</p>
What is the proposed procurement route?	It is proposed to undertake a further competition exercise called off from the Crown Commercial Services Voucher Schemes Lot 1 Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	Due to the urgency (the fund was launched on Oct 6th), a direct award was made to ensure service provision for the October half-term.
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.
Has the In-House Preferred Test been carried out?	Yes, there is no in-house capacity to deliver this service.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the service to be delivered in a way that reduces or eliminates their carbon footprint, in particular with regard to transportation.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	No, this is the first time the Council has been directly awarded funds by the DWP for FSM Vouchers.
What budget is the funding from for this service?	From Birmingham's £12,791,135.04 allocation of DWP's £500 million Household Support Fund (HSF), providing one-off funds to local councils, in order to support vulnerable households up until 31 March 2022, affected by the ending of financial support such as furlough, the £20 per week UC uplift payment. DWP guidelines need to be followed including minimum of 50% must be spent on families with children
Proposed start date and duration of the new contract	The proposed start date is 20 th December 2021 for the Christmas holiday period. The FSM voucher service will also be provided for the February half-term and, subject to funding, the Easter holiday period.

APPENDIX 4

Notification of Minor Amendments

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet in October 2021 which highlights the changes made to the original and revised PPAR items below for reference.

Title of Contract	SAP Netweaver Upgrade
Director / Assistant Director	Peter Bishop, Director, Digital and Customer Services
Briefly describe the service required	The Council has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance and Procurement. Whilst the transition from SAP to Oracle Fusion Cloud takes place via the 1B ERP Programme, there is a requirement for support for SAP Netweaver for a further period. Since the expiry of the existing contract the support has been delivered under its terms and conditions.
What is the proposed procurement route?	A further competition exercise will be undertaken using the Crown Commercial Services Software Design and Implementation Services Framework.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract expired on 31 st December 2020.
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.
Has the In-House Preferred Test been carried out?	Yes, and there is not the relevant skills and capabilities within the Council to support SAP Netweaver
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the service to be delivered in a way that reduces or eliminates their carbon footprint as appropriate.
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, without support in place for the SAP Netweaver would severely impact on several key/critical services currently utilised in the provision of statutory services to the Citizens of Birmingham.
What budget is the funding from for this service?	This is funded from the IT&D base budget RBF24 L9Y0 A00.
Proposed start date and duration of the new contract	The proposed start date is 1 st December 2021 for a duration of up to 12 months.

Title of Contract	SAP Netweaver Upgrade
Director / Assistant Director	Peter Bishop, Director, Digital and Customer Services
Briefly describe the service required	The Council has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance and Procurement. Whilst the transition from SAP to Oracle Fusion Cloud takes place via the 1B ERP Programme, there is a requirement for support for SAP Netweaver for a further period. Since the expiry of the existing contract the support has been delivered under its terms and conditions.
What is the proposed procurement route?	The proposed route to market albeit further competition or direct award will be via a compliant national framework agreement, CCS, ESPO, KCS, HTE or YPO dependent on the appropriateness of the framework, the lot and the best fit for the purposes of the requirement and required timescales.

What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract expired on 31 st December 2020.
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.
Has the In-House Preferred Test been carried out?	Yes, and there is not the relevant skills and capabilities within the Council to support SAP Netweaver
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the service to be delivered in a way that reduces or eliminates their carbon footprint as appropriate.
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, without support in place for the SAP Netweaver would severely impact on several key/critical services currently utilised in the provision of statutory services to the Citizens of Birmingham.
What budget is the funding from for this service?	This is funded from the Finance budget RBF24 L9Y0 A00.
Proposed start date and duration of the new contract	The proposed start date is 1 st December 2021 for a duration of up to 12 months.