

Birmingham City Council

Report to Cabinet

Date: 12th October 2021



Subject: **PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2021 – JANUARY 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)
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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 2021 – January 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 November 2021 – January 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 November 2021 – January 2022
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information
- 4. Appendix 4 – Notification of Minor Amendments

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2021 – JANUARY 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
Strategy / Award	Cash Collection Service	P0734	To collect, transit and deliver cash and cheques from and to various sites across the Council servicing educational establishments, leisure centres, adult education centres, office buildings, homeless centres and other locations where customers use cash, coins and cheques as forms of payment for services rendered.	4 years	Finance and Governance	Finance and Resources	Lee Bickerton	Andrea Webster	04/01/2022
Approval to Tender Strategy	City Dressing to Support the Hosting of the Commonwealth Games 2022	TBC	To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectaculars and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include: •Banners and flags •Art installations and sculptures •Pavement graphics and building wraps •Building lighting and lighting shows	Various	Commonwealth Games	Leader	Guy Olivant	Joanne Martin / Charlie Short	22/11/2021
Strategy / Award	Professional Services for the Birmingham Transport Plan Delivery Plan	TBC	There is a requirement for technical professional services to support the creation of the Birmingham Transport Plan Delivery Plan. The services required include: •Review of work previously undertaken. •Assessment and sifting of proposed schemes. •Assessment of carbon reduction potential of implementing the proposed schemes. •Scheme development guidance. •Creation of implementation plan. •Financial modelling for scheme development and delivery. •Review of societal impacts of rapid transport decarbonisation in Birmingham •Stakeholder pre-consultation engagement. •Full public consultation. •Creation of monitoring and evaluation framework.	1 year	Inclusive Growth	Transport and Roads	Carl Tomlinson	Ioanna Moscholidou / Charlie Short	22/11/2021
Strategy / Award	Birmingham Smithfield Development Economic Adviser	TBC	Economic Adviser services are required to support the production of the Business Cases through the provision of strategic economic advice, economic modelling, economic appraisal and associated transportation appraisal.	5 years	Leader	Transport and Roads	Ian Harris / Guy Olivant	Marlene Slater / Charlie Short	22/11/2021
Strategy / Award	SAP Netweaver Upgrade	TBC	The has a portfolio of SAP applications to support business functions in Human Resources, Payroll, Finance, Procurement and reporting.	1 year	Digital and Customer Services	Deputy Leader	Lee Bickerton	Claire Penny	22/11/2021
Approval to Tender Strategy	Professional Services to Support the Residential Property Acquisition Programme	TBC	There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include: •Sourcing of properties •Valuation of properties •Undertaking condition surveys •Negotiation of price •Manage conveyancing process	1 year	City Housing	Homes and Neighbourhoods	Carl Tomlinson	Bill Pickbourn / Charlie Short	22/11/2021
Amendment - Strategy / Award	Water Supply and Waste Water Services	TBC	Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.	2 years	Finance and Governance	Finance and Resources	Lee Bickerton	Adele Rawlins	22/11/2021

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 12th October 2021**

Title of Contract	Cash Collection Service (P0734)
Director / Assistant Director	Assistant Director, Service Finance
Briefly describe the service required	To collect, transit and deliver cash and cheques from and to various sites across the Council servicing educational establishments, leisure centres, adult education centres, office buildings, homeless centres and other locations where customers use cash, coins and cheques as forms of payment for services rendered.
What is the proposed procurement route?	A further competition exercise or a direct award will be undertaken using the Eastern Shires Purchasing Organisation's Cash Collection and Cash and Valuables in Transit Services Framework Agreement. An option appraisal will be carried out to determine the most cost-effective route
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The Council has a mixed economy of provision comprising: <ul style="list-style-type: none"> i. A contract with G4S Cash Solutions (UK) LTD that expires on 30th September 2022 and ii. An "in house" team manages the collection, processing and banking of income collected from pay and display parking machines
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 is not the capacity within the Council to deliver all the cash collection requirements.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the services to be delivery in way that reduces or minimises both direct and indirect carbon emissions. Reporting to the Council of "contract related" CO2 emission reductions will also be a requirement.
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, this service is required to collect and deliver cash and cheques safely and securely.
What budget is the funding from for this service?	This contract will be funded within existing Directorate's approved budgets and Schools devolved budgets.
Proposed start date and duration of the new contract	The proposed start date is 1 October 2022 for a period of 4 years.

Title of Contract	City Dressing to Support the Hosting of the Commonwealth Games 2022
Director / Assistant Director	Programme Director, Commonwealth Games 2022
Briefly describe the service required	<p>To support the hosting of the Commonwealth Games 2022 and improve the visitor experience, there is a requirement for spectacles and enhancements to dress the city. These will be situated across the city; in the centre, in the proximity to games venues and on main arterial routes and would typically include:</p> <ul style="list-style-type: none"> • Banners and flags • Art installations and sculptures • Pavement graphics and building wraps • Building lighting and lighting shows <p>The Organising Committee's (OC) contract has recently been awarded with the rates reflecting current market conditions. Synergies with both the Council and the OC's requirement will ensure value for money. CSM Sport & Entertainment LLP will be required to be certified to the BBC4SR and provide actions relevant to the value of the contract.</p>
What is the proposed procurement route?	To use the OC's Look, Signage and Wayfinding Contract with CSM Sport & Entertainment LLP, in accordance with its terms. Where requirements are not suitable to be procured via this contract, an open procurement process will be undertaken advertised on www.finditinbirmingham.gov.uk . Find a Tender and Contracts Finder.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	These is a new 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.
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 these are one-off projects to enhance the city and must be in line with the Organising Committee's Look and branding.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the equipment to be delivered in such a way that reduces or minimises carbon emissions. A commitment has been made that the Commonwealth Games will be net carbon neutral overall.
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. The enhancements will support the look and feel of the city in the run up to and during the Commonwealth Games 2022 and its legacy. Some elements of the service to be provided are required to fulfil the Council's obligations under the terms of the Host City Contract.
What budget is the funding from for this service?	This contract will be funded from the approved overall budget for the Council's contribution to the costs of hosting the Birmingham 2022 Commonwealth Games.
Proposed start date and duration of the new contract	Various start dates and durations prior to the start of the Commonwealth Games.

Title of Contract	Professional Services for the Birmingham Transport Plan Delivery Plan
Director / Assistant Director	Phil Edwards, Assistant Director, Transport and Connectivity
Briefly describe the service required	<p>There is a requirement for technical professional services to support the creation of the Birmingham Transport Plan Delivery Plan.</p> <p>The services required include:</p> <ul style="list-style-type: none"> • Review of work previously undertaken. • Assessment and sifting of proposed schemes. • Assessment of carbon reduction potential of implementing the proposed schemes. • Scheme development guidance. • Creation of implementation plan. • Financial modelling for scheme development and delivery. • Review of societal impacts of rapid transport decarbonisation in Birmingham • Stakeholder pre-consultation engagement. • Full public consultation. • Creation of monitoring and evaluation framework.
What is the proposed procurement route?	A further competition exercise will be undertaken using the Council's Transportation and Development Professional Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
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 as this is a one-off contract for technical professional services and the test demonstrated this is not suitable to be carried out in-house as there are not the skills and capacity to deliver internally.
How will this service assist with the Council's commitments to Route to Zero?	The service will provide a delivery plan for the Birmingham Transport Plan, which will identify viable and sustainable transport schemes and interventions required to rapidly decarbonise transport in Birmingham. These will increase active travel and the use of public transport and reduce car usage. The Birmingham Transport Plan delivery plan will be compliant with the Council's Birmingham Connected Transport Strategy, Birmingham Development Plan, and Our Future City Plan.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The development and subsequent delivery of the Birmingham Transport Plan contributes to the Council's Statutory responsibilities under the Network Management Duty set out in the Traffic Management Act 2004 concerning the expeditious movement of traffic. Similarly, the Transport Plan supports the requirement under the Road Traffic Act 1988 with regard to road safety.
What budget is the funding from for this service?	The costs for the service will be funded from the Birmingham Transport Plan Infrastructure budget which is within the Infrastructure Development sub-programme of the Transport & Highway Capital Programme approved by Cabinet in February 2021.
Proposed start date and duration of the new contract	The proposed start date is January 2022 for a duration of 12 months.

Title of Contract	Birmingham Smithfield Development Economic Adviser
Director / Assistant Director	Ian Macleod – Director, Inclusive Growth
Briefly describe the service required	<p>Cabinet approved the Birmingham Smithfield Development Partner Contract Award report dated 15 December 2020 for the Council to enter into a Joint Venture Agreement with Lendlease Europe for the development of Birmingham Smithfield.</p> <p>There are obligations on the Council to produce Business Cases to secure development funding and economic advisory services are required to support the production through the provision of strategic economic appraisal with supporting transportation appraisal for the scheme.</p>
What is the proposed procurement route?	It is proposed to carry out a further competition exercise using the Homes England Research and Economic Analysis Professional Services Framework Agreement.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
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 there is not the skills or ability within the Council to provide these services.
How will this service assist with the Council's commitments to Route to Zero?	The service will identify, appraise and seek to maximise measure within the Smithfield Development that will support the Council's journey to net zero by 2030.
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 these works to be delivered. However, the Council has a legal obligation to produce Business Cases to secure development funding under the Birmingham Smithfield Development Joint Venture Contract 28 June 2021.
What budget is the funding from for this service?	The services are funded from the Birmingham Smithfield Development budget with funding from the GBSLEP Enterprise Zone Fund.
Proposed start date and duration of the new contract	The proposed start date is December 2021 for a period of 5 years.

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	Professional Services to Support the Residential Property Acquisition Programme
Director / Assistant Director	Julie Griffin, Managing Director, City Housing
Briefly describe the service required	<p>Cabinet approved the Acceleration of City Housing Transformation to enable reduction in Temporary Accommodation report on 27th July 2021 that authorised acquiring up to 230 residential properties.</p> <p>There is a requirement for professional services to support the buying of these properties. The services to ensure the completion of the purchase include:</p> <ul style="list-style-type: none"> • Sourcing of properties • Valuation of properties • Undertaking condition surveys • Negotiation of price • Manage conveyancing process
What is the proposed procurement route?	An open procurement process advertised on Find-a-Tender, www.finditinbirmingham.gov.uk , and Contracts Finder.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new contract.
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 capacity for a project of this size.
How will this service assist with the Council's commitments to Route to Zero?	The specification will require the construction to be delivered in a manner that reduces or minimises both direct and indirect carbon emissions through the reduced transport
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, these services will provide the Council's policy to reduce bed and breakfast temporary accommodation.
What budget is the funding from for this service?	This contract will be funded from the approved Corporate Transformation Programme budget.
Proposed start date and duration of the new contract	The proposed start date is 1 st February 2022 for a period of 12 months.

APPENDIX 4

Notification of Minor Amendments

This appendix provides the rationale for minor amendments to PPAR previously agreed by Cabinet in May 2020 which highlights the changes made to the original and revised PPAR items below for reference.

Title of Contract	Water Supply and Waste Water Services
Briefly describe the service required	Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.
What is the proposed procurement route?	Further competition under CCS Framework – RM3790 Water, Wastewater and Ancillary Services.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is not a current contract in place for the services. However, the services have been provided by Water Plus Ltd, a joint venture company set up by Severn Trent (the Council's previous supplier) and United Utilities since April 2017 on this organisation's terms of business. It will expire on the commencement of the replacement contract.
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.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is no statutory duty for this contract. However, the Council requires the contract to support the delivery of services under a wide range of primary legislation including the Health and Safety at Work Act 1974.
Has the In-House Preferred Test been carried out?	We do not have the skills or resources in-house to deliver this through a self-supply license.
How will this service assist with the Council's commitments to Route to Zero?	Social value represented 20% of the Framework award criteria. Wave are committed to delivering OFWATs decarbonisation targets for the water industry along with the wholesaler, Severn Trent.
What budget is the funding from for this service?	Funding is from existing approved directorate and school budgets.
Proposed start date and duration of the new contract	The proposed start is November 2020 for a period of 2 years with option to extend for 1 year.
What is the estimated annual value and what is the basis for this amount?	Based on a 2% saving on the deemed rates currently charged by Water Plus - £2.76m annually.

REVISED AMENDMENTS BELOW HIGHLIGHTED IN YELLOW:

Title of Contract	Water Supply and Waste Water Services
Briefly describe the service required	Following the deregulation of the water supply market in April 2017, it has been permissible to purchase water and billing services from other licenced water retailers authorised to provide the services. The services provided are provision of metered and unmetered water supplies, waste water and surface drainage services.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	There is no statutory duty for this contract. However, the Council requires the contract to support the delivery of services under a wide range of primary legislation including the Health and Safety at Work Act 1974.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is not a current contract in place for the services. However, the services have been provided by Water Plus Ltd, a joint venture company set up by Severn Trent (the Council's previous supplier) and United Utilities since April 2017 on this organisation's terms of business. It will expire on the commencement of the replacement contract.
What budget is the funding from for this service?	Funding is from existing approved directorate and school budgets.
What is the proposed procurement route?	It was originally proposed to run a further competition under CCS Framework – RM3790 Water, Wastewater and Ancillary Services as this was the only framework available at the time. However, there is now an alternative 3 rd party framework agreement available provided by West Mercia Energy and Yorkshire Purchasing Organisation (YPO) which is single supplier (Wave Utilities) and offers more robust contract management, multiple billing options to accommodate both Corporate supplies and schools and includes a 20% social value element. The CCS framework did not offer this.
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 is January 2022 for a period of 2 years with option to extend for 1 year. Work is currently being undertaken on clearing any historic debt with Water Plus that would lead to supply transfer objections and resolving outstanding billing queries.