

PROCUREMENT METHODOLOGY

1. Background

- 1.1 To facilitate the move for the Control Centre which contains the Close Circuit Television, Emergency Planning and Urban Traffic Control equipment and offices from Lancaster Circus to Priestley Wharf, there is a requirement for the refurbishment of the facilities and moving of the equipment and re-installation.
- 1.2 Acivico Ltd is providing the technical professional services. This includes contract administration, cost control, mechanical and electrical design services, structural engineering input, to support the project.
- 1.3 Cabinet was advised of the forthcoming procurement activity for the works in the Planned Procurement Activities Report (PPAR) to Cabinet dated 14th February 2023.
- 1.4 Due to the reasons stated in this report, the estimated value of the proposed contract has increased above the 20% or £500,000 (whichever is lower) tolerance reported in the PPAR. In accordance with paragraph 4.69i of Part D Finance, Procurement and Contract Governance Rules, Cabinet are being advised of this increase and requested to delegate the contract award, subject to the value being within the revised budget value.

2. Procurement Approach

2.1 The following procurement options were considered:

- **To undertake an open procurement process** – This approach was discounted on the basis that the timescales for delivery do not fit with the project programme.
- **To use a traditional collaborative framework agreement** – There are a number of framework agreements in place awarded by other public sector bodies that cover works of a similar nature including Constructing West Midlands 2 Framework Agreement (CWM2) which is Acivico Ltd's framework agreement and is the council's primary route for similar works. On this basis, these other framework agreements have not been considered as CWM2 is managed by a wholly owned company of the council and used successfully for similar projects. However, due to the timescales at the time of the initiation of the project, this option was rejected.
- **To use a Managed Service Provider Framework Agreement (MSP):**

A MSP does not undertake the works directly, they manage a supply chain of organisations who deliver the requirements. They are vendor neutral (they do not show a preference for any supplier over another). The rules governing the framework agreement leave them free to appoint a supply chain member, subject to the customer's prior approval, to deliver the required service. Each has a network of 1000+ subcontractors that is constantly evolving. New suppliers can join the supply chains at any time subject to going through a rigorous selection

New Location for CCTV and Traffic Control Centre Cabinet Report

(pre-qualification) and accreditation process (including appropriate financial and insurance checks).

There is only one MSP framework agreement that is compliant with the Public Contracts Regulations 2015 covering works in place as below.

- Agri-Epi Centre (AEC): Neutral Vendor Framework for Multi-Specialism Services.

MSP Framework Benefits

This is the recommended option of the basis of:

- The framework covers the works required.
- Provide access to a constantly evolving large pool supply chain which is responsive to the changing needs of public sector buyers.
- Provides efficiency savings, transparency, and a compliant route to market along with clear visibility & improved MI, reduction of spend / knowledge transfer and dedicated resource capacity and experience.
- Accelerated compliant route to market on projects for either a further competition or direct award. This also provides agility and ability to flex with specific project needs, requirements and timescales, engaging with the most suitable suppliers providing a compliant, efficient and effective way.
- Provide a dedicated full-time resource – Procurement Business Partner.
- The framework fee is absorbed by the supplier. The fee is applied at completion of project delivery milestones and transparent pricing.
- A rebate scheme that will provide an income stream back to the council.
- Providers system/solution also acts as a contract management tool and will prevent scope creep taking place without a further governance process being undertaken.
- Call off: the council already have call-offs in place with the managed service providers following previous projects and can begin to award projects immediately. The council would have a contact only with the MSP, with the council paying the MSP for any approved work undertaken and the MSP then paying the supplier who undertakes the works.
- End-to-end Solution: An end-to-end solution for the procurement processes, contract management and payments of the services, and through a fully compliant framework the council will have access to an dedicated expert team.
- The framework is fully system based and uses a portal to facilitate workflow covering governance requirements.
- Delivers a risk free, compliantly procured procurement route.

3. Agri-Epi Centre (AEC): Neutral Vendor Framework for Multi-Specialism Services.

- 3.1 The framework agreement is single source and awarded to Constellia Public Ltd who undertakes a procurement process to its supply chain in accordance with its governance either by competition or direct award. For these works, it was identified that a direct award should be undertaken to Estilo Interiors Ltd, a local Birmingham supplier to deliver

New Location for CCTV and Traffic Control Centre Cabinet Report

the works as the sub-contractor to Constellia Public Ltd. Estilo is a local construction firm with vast experience in refurbishment schemes and particularly experienced in proving facilities for highly technical operation such as the Control Centre and are familiar with specific requirements for: reinforced air lock, control room, communications room, generators, transmission kit platforms, etc to meet the industry standards of a modern Grate 1 category response facilities.

- 3.2 The detailed specification is being finalised and the direct award procedure is due to be commenced shortly. On completion of the direct award procedure whereby a formal proposal will be submitted to Constellia Public Ltd to be evaluated with a criteria of 30% quality and 70% price. The evaluation will be undertaken in conjunction with representatives of the Council and Acivico Ltd. Following the completion of the evaluation process, an award report will be prepared for approval by the Interim Strategic Director, Council Management in conjunction with the Assistant Director, Procurement (or their delegate) the Director of Finance and Section 151 Officer (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate), subject to the value being within the approved budget.

4. Service Delivery Management

4.1 Contract Management

The contract will be managed by Acivico Ltd on behalf of the council reporting to the Programme Manager, New Ways of Working.

4.2 Performance Management

Formal contract management measures will be included as a requirement of the contract including key performance indicators around service levels and to further demonstrate value for money and quality assurance.