

Birmingham City Council

Report to Cabinet

Date: 23rd June 2020



Subject: **PLANNED PROCUREMENT ACTIVITIES (JULY 2020 – SEPTEMBER 2020)**

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 July 2020 – September 2020. 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 July 2020 - September 2020 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 £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

5.1 Internal

This report to Cabinet is copied to Cabinet Support Officers and is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members 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 July 2020 - September 2020
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (JULY 2020 – SEPTEMBER 2020)

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	Provision of professional services for the acquisition of various commercial properties and land in Perry Barr	TBC	This is to facilitate the regeneration and highway improvements of the immediate area surrounding the Athletes Village for the Commonwealth Games 2022.	N/A	Inclusive Growth	Leader	Guy Olivant	Carole Smith	06/07/2020
Strategy / Award	Bulk Print	TBC	There is a requirement for a print service to provide the printing, collation and despatch of documentation and letters from critical applications such as Finance, Payroll, Housing, Council Tax and Revenue and Benefits systems.	3 years plus 2 years option to extend	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	01/08/2020
Strategy / Award	ServiceNow – License Renewal	TBC	ServiceNow offers a portfolio of robust cloud-based applications that automate and manage enterprise services providing a complete IT service management solution.	2 years with the option to extend for a further 12 months on 2 occasions	Digital and Customer Services	Deputy Leader	Lee Bickerton	David Waddington	30/06/2020
Single Contractor Negotiation	SAP Software License and Maintenance Agreement	TBC	An annual software licence requirement and maintenance to support the Council's Enterprise Resource Planning (ERP) portfolio of applications to meet following business services and processes.	2 years	Digital and Customer Services	Deputy Leader	Lee Bickerton	Rhona Bowditch	30/06/2020
Strategy / Award	Records Storage Contract	TBC	An off-site Records Storage facility is required for BCC to store certain records for a business and legal requirement. The service is used by the Council, Acivico and Birmingham Children's Trust.	7 years	Finance and Governance	Finance and Resources	Lee Bickerton	Jane Piovesana	30/06/2020
Strategy / Award	Library Books and Audio-Visual Media	TBC	There is a requirement to buy books and audio-visual media for the Library of Birmingham, Library Services at Home, the Mobile Library Service, the Prison Library Service and community libraries.	4 years	Education and Skills	Education Skills & Culture	John Betts	David Stokes	30/06/2020
Strategy / Award	Highways and Infrastructure Works (Packages up to £200,000)	TBC	There is a requirement for the delivery of various highways and infrastructure schemes up to the value of £200,000. The works include: •Traffic signal improvements •Traffic and pedestrian management •Minor localised engineering works •Public realm •Lining and signing	1 year	Inclusive Growth	Transport and Environment	Simon Ansell	Stuart Rawlins	30/06/2020

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 23rd JUNE 2020**

Title of Contract	Provision of Professional Services for the Acquisition of Various Commercial Properties and Land in Perry Barr
Briefly describe the service required	<p>There is an ongoing requirement to continue the contract for professional services for the negotiation of terms for the acquisition of various commercial properties and land in Perry Barr and settlement of compensation claims under Compulsory Purchase Powers. This is to facilitate the regeneration and highway improvements of the immediate area surrounding the Perry Barr Residential Scheme for the Commonwealth Games 2022.</p> <p>The extent and complexity of negotiations to complete the acquisitions that are the subject of this commission have proved to be substantially more complex and time consuming than was envisaged at the time that the initial contract was let, resulting in the original contract value having been exhausted before all acquisitions have been concluded.</p> <p>Given that negotiations are already under way to acquire the remaining interests, there is a requirement for the existing arrangement to remain until the acquisitions are concluded in order to ensure continuity of service and ensure efficient delivery of the service.</p> <p>The requirements of the Birmingham Business Charter for Social Responsibility will be incorporated with commitments proportionate to the value of the contract.</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, there is a requirement to carry out the services to support the acquisition of commercial premises in Perry Barr in order to enable the highways improvement scheme to support the Commonwealth Games 2022.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract is with Carter Jonas LLP following a further competition exercise using the Crown Commercial Services Estates Professional Services framework agreement for a period of 3 years or for a value of £175,000 whichever came first which was approved under Chief Officer delegation on 7 th August 2018.
What budget is the funding from for this service?	This service will be funded Perry Barr Regeneration Scheme budget for 2020/2021.
What is the proposed procurement route?	A direct award will be carried out using the CCS Estate Professional Services framework agreement.
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 July 2020 for a duration until the conclusion of the services

Title of Contract	Bulk Print
Briefly describe the service required	<p>There is a requirement for a print service to provide the printing, collation and despatch of documentation and letters from critical applications such as Finance, Payroll, Housing, Council Tax and Revenue and Benefits systems.</p> <p>The print service requirement includes, but is not limited to;</p> <ul style="list-style-type: none"> • Service management • Print production / encapsulation • Stock management • Digital image services • Data conversion services • Finishing services • Reconciliation
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, this service is required to support the delivery of Council services by the printing, collation and despatch of documentation and/or one-off letters to end users.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing service is delivered by Capita Intelligent Communications. This contract expires on 31 st March 2021.
What budget is the funding from for this service?	This is funded from the general IT budget.
What is the proposed procurement route?	A further competition exercise will be undertaken using the Crown Commercial Services Postal Goods, Services and Solutions framework agreement.
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 April 2021 for a period of 3 years with the option to extend for a further 2 years.

Title of Contract	ServiceNow – License Renewal
Briefly describe the service required	<p>ServiceNow offers a portfolio of robust cloud-based applications that automate and manage enterprise services providing a complete IT service management solution.</p> <p>The ServiceNow solution was novated to Birmingham City Council as part of the IT Transition in August 2019. The solution is heavily integrated into BCC's existing infrastructure and application estate, therefore a replacement with an alternative solution would be technically impractical and prohibitively expensive.</p> <p>As the current contract approaches expiry, a reseller is required to provide new ServiceNow licenses.</p>
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	This service supports the delivery of the Council's IT, and by extension Council services.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract was novated from Capita as part of the IT Transition programme. The current contract expires on the 30 th June 2020.
What budget is the funding from for this service?	This is funded from the general IT budget.
What is the proposed procurement route?	<p>The replacement licenses will be procured through the CCS RM1557.11 – G Cloud.</p> <p>This is a Crown Commercial Services Framework which has been specifically set up for use within the public sector and is continually benchmarked to ensure the best price is paid for each required service or software. As CCS have completed negotiations upfront, the main contractual terms are predefined and any supplier on the framework has already been through the procurement selection process in order to be included on the framework.</p>
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)?	N/A (see above)
Proposed start date and duration of the new contract	The proposed start date is 1 st July 2020 for a period of 2 years with the option to extend for a further 12 months on 2 occasions.

Title of Contract	SAP Software Service and Maintenance Agreement
Briefly describe the service required	<p>The software service requirement and maintenance to support the Council's Enterprise Resource Planning (ERP) portfolio of applications to meet following business services and processes:</p> <ul style="list-style-type: none"> - Human Capital Management - Payroll - Account Payable - Account Receivable - Finance/budget/control/project - Procurement <p>It should be noted that this service is due to be replaced by the replacement ERP solution approved by Cabinet on 29th October 2019. It is proposed that the contract has a termination date of 1 month notice that will be invoked when the date for the implementation of the replacement ERP system is known.</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, this service supports the delivery of the Council's through the provision of an IT service.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract for the licensing and support is in place with SAP (UK) Ltd that was novated to the Council from Capita ITSD on 1 st April 2019 and expires on 30 th June 2020.
What budget is the funding from for this service?	The funding for this service is funded from the approved SAP & Development budget.
What is the proposed procurement route?	The proposed procurement route is to enter into single contractor negotiations with SAP (UK) Limited.
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)?	<p>It was the original intention to use the Crown Commercial Services (CCS) G-Cloud framework agreement for this service. However, after protracted discussions with CCS, this was not permissible and the SCN route is the only alternative compliant route. The reason for not tendering is that SAP (UK) Ltd is the only supplier that can provide this service on the basis of being the owner of the proprietary system.</p> <p>The basis of the negotiations will be to agree the costs in line with the terms of current contract.</p> <p>SAP (UK) Ltd will be required to be certified to the BBC4SR and produce actions proportionate to the value of this contract.</p>
Proposed start date and duration of the new contract	The proposed start date is 1st July 2020 for a maximum duration of up to 2 years.

Title of Contract	Records Storage Contract
Briefly describe the service required	An off-site records storage facility is required for the Council to store certain records for a business and legal requirement. The service is used by the Council, Acivico and Birmingham Children's Trust.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	Yes, there is a statutory duty for the Council to store certain records. The Corporate Retention Schedule outlines the minimum retention of these records within the Council, before they can be destroyed. The Corporate Retention Schedule is updated annually by the Records Management Service.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The long-standing contract with Iron Mountain expired on 31 st December 2019. IM continue to provide the service in line with the terms & conditions of this contract.
What is the estimated annual value and what is the basis for this amount? What budget is the funding from?	This is funded from individual Directorate approved budgets.
What is the proposed procurement route?	To award a call off contract under the Eastern Shires Purchasing Organisation Document Management Solutions Framework Agreement
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	1 st July 2020 for a period of 7 years.

Title of Contract	Library Books and Audio-Visual Media
Briefly describe the service required	There is a requirement to buy books and audio-visual media for the Library of Birmingham, Library Services at Home, the Mobile Library Service, the Prison Library Service and community libraries.
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	Under Section 7 of the Public Libraries & Museums Act 1964 it is the duty of the Library Authority to make facilities for the borrowing of books and other materials available to any persons, whose residence or place of work is within the library area of the authority or who are undergoing full-time education within that area. This proposed contract supports the delivery of this duty.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract for the provision of library books and audio-visual media in place with Askew & Holts Library Services Limited that expires on 30 th June 2020.
What budget is the funding from for this service?	The funding for this service is funded from the approved libraries budgets.
What is the proposed procurement route?	To use the Central Buying Consortium's single source framework agreement for the provision of library books and audio-visual media with pricing that was subject to market competition.
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)?	N/A
Proposed start date and duration of the new contract	The proposed start date is 1st July 2020 for a duration of 4 years.

Title of Contract	Highways and Infrastructure Works (Packages up to £200,000)
Briefly describe the service required	<p>There is a requirement for the delivery of various highways and infrastructure schemes up to the value of £200,000. The works include:</p> <ul style="list-style-type: none"> • Traffic signal improvements • Traffic and pedestrian management • Minor localised engineering works • Public realm • Lining and signing <p>As the Council's Highways and Infrastructure framework agreement has expired, it should be noted that the procurement strategy for the long term is being formulated to account for changing market conditions and will be subject to a further report to Cabinet. Until this approval, the procurement strategy for any works above a value of £200,000 will be reported in accordance with the Constitution and the Procurement Governance Arrangements.</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 these works. However, the delivery of highways and infrastructure works assists with improvements to the transport and public realm network.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The Council's Highways and Infrastructure Works framework agreement expired on 31 st March 2020. No works have been commissioned since this expiry date.
What budget is the funding from for this service?	The costs for any works to be delivered will be funded from the budget for individual projects as approved through the Council's Governance and Financial Approvals Framework.
What is the proposed procurement route?	To use the Sandwell Council's Civil Engineering and Highways Works framework agreement. Call offs for individual projects will be undertaken in accordance with the rules of the framework agreement.
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)?	N/A
Proposed start date and duration of the new contract	The proposed start date is 1st July 2020 for a duration of 12 months.