

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

CABINET

WEDNESDAY, 14 JUNE 2017 AT 10:00 HOURS
IN SPECIAL MEETING - COMMITTEE ROOM 6, COUNCIL HOUSE,
VICTORIA SQUARE, BIRMINGHAM B1 1BB,

A G E N D A

1 **NOTICE OF RECORDING**

Chairman to advise meeting to note that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 **APOLOGIES**

3 **PROCUREMENT REPORT - CONTRACT NEGOTIATIONS - PUBLIC**

3 - 10

Report of the Corporate Director Place

4 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

5 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-
Exempt Paragraph 3

P R I V A T E A G E N D A

6 **PROCUREMENT REPORT - CONTRACT NEGOTIATIONS - PRIVATE**

Item Description

7 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

PUBLIC OR PRIVATE REPORT
(not for publication)

Report to	CABINET	<i>Exempt information paragraph number – if private report:</i>
Report of: Date of Decision:	14 JUNE 2017	
SUBJECT:	PROCUREMENT- CONTRACT NEGOTIATIONS	
Key Decision: Yes / No	Relevant Forward Plan Ref:	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s):	Cllr Ian Ward, Deputy Leader Cllr Majid Mahmood, Cabinet Member for Value for Money and Efficiency	
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance Cllr John Cotton, Health, Wellbeing and the Environment	
Wards affected:		

LATE REPORT
* To be completed for all late reports, ie. which cannot be despatched with the agenda papers ie. 5 clear working days notice before meeting.
<p>Reasons for Lateness</p> <p>Work to finalise the financial details has been taking place.</p> <p>Reasons for Urgency</p> <p>In order to meet the tight deadlines outlined by Central Government in May 2017 to bid for the 2022 Commonwealth Games, there is an immediate requirement to carry out Single Contractor Negotiations with a supplier, to provide the technical expertise , capacity and support to the Council in order to prepare a compelling bid with the time scale.</p>

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET
Report of:	Corporate Director – Place
Date of Decision:	14 June 2017
SUBJECT:	PROCUREMENT REPORT-CONTRACT NEGOTIATIONS
Key Decision: Yes	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Ian Ward, Deputy Leader Cllr Majid Mahmood, Cabinet Member for value for Money and Efficiency
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance Cllr John Cotton, Health, Wellbeing and the Environment
Wards affected:	All

1. Purpose of report:
1.1 To provide details of the requirement to enter into urgent single contractor negotiations with a supplier for technical advice and support in preparing a proposed bid to host the 2022 Commonwealth Games in Birmingham.

2. Decision(s) recommended:
That Cabinet: -
2.1 Notes the report.

Lead Contact Officer(s):	Steve Hollingworth,
Telephone No: E-mail address:	0121 464 2023 steve.hollingworth@birmingham.gov.uk

3. Consultation	
3.1	<p><u>Internal</u></p> <p>Consultation has taken place with the Leader of the Conservative Group, The Leader of the Liberal Democrats Group and both are supportive of the proposal. The Scrutiny Chair for Resources and Governance and The Scrutiny Chair for Health, Wellbeing and the Environment have also been made aware of the proposal.</p> <p>Officers from Legal and Democratic Services, City Finance and Procurement have been involved in the preparation of the report.</p>
3.2	<p><u>External</u></p> <p>Consultation has taken place with members of the Commonwealth Games Bid company including The NEC Group, Warwickshire County Cricket Club, West Midlands Growth Company Ltd and the West Midlands Combined Authority (WMCA) on the 18 May 2017 and 12 June 2017 and all are supportive of the proposal.</p>
4. Compliance Issues:	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p>
4.1.1	<p>The decisions within this report ,subject to submitting a successful bid to host the 2022 Commonwealth Games, will help contribute to tackling health inequalities across the city, by inspiring more people to become active either through taking part in physical activity or being a volunteer for the Games, improving both their physical and mental health and general wellbeing. It will improve jobs and skills opportunities through the significant infrastructure requirements to deliver the Games and will accelerate housing development through the delivery of the athletes village.</p>
4.1.2	<p>Birmingham Business Charter for Social Responsibility (BBC4SR)</p> <p>The process to formalise the negotiations will include the requirement for the recommended company to agree to the principles of the BBC4SR and produce an action plan with Social Value commitments proportionate to the value of the contract. Prior to contract award, the Action Plan will be approved by the Council for the supplier to become a certified signatory to the BBC4SR.</p>
4.2	<p><u>Financial Implications</u></p> <p>It is proposed that the technical advice and support is funded by a regional consortium of public and private organisations. The proposed contribution from the Council is up to £300k, funded from the General Policy Contingency.</p>
4.3	<p><u>Legal Implications</u></p> <p>Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.</p>
4.4	<p><u>Public Sector Equality Duty</u></p>

Cabinet is asked to have due regard to the Equality Impact monitoring assessment set out Appendix 2b

A copy of the Equality Act 2010: Public Sector Duty statement is included in Appendix 2a.

The requirements of Standing Order 9 in respect of the Council's Equality Policy and the Equality Act 2010 will be specifically included in the contract documentation.

5. Relevant background/chronology of key events:

- 5.1 Following mounting support from the region's business community, including the Midland Engine, the Combined Authority and the Birmingham Press, it was announced in October 2016, that Birmingham would carry out feasibility work into hosting the 2026 Commonwealth Games.
- 5.2 As a result, following Cabinet approval to commence the study in January 2017, and after a competitive procurement process, the work was commissioned which included a technical and financial feasibility study, an economic impact assessment and an assessment of Birmingham's capacity to win.
- 5.3 In March 2017, Durban withdrew as hosts for the 2022 Games and the Commonwealth Games Federation (CGF) announced a competition would be undertaken for a replacement host city. On 28 April 2017 Central Government agreed to submit an expression of interest to host 2022 Games, and has subsequently announced in May details of the domestic and international competition timelines, i.e. May to September which includes responding to a preliminary questionnaire by 16 June 2017 and site visits on 10 and 11 July 2017. Subject to meeting the CGF's technical requirements after assessing the questionnaire and site visits, Birmingham will be invited to make a formal bid, and respond to a secondary questionnaire in August 2017. This will conclude with further presentations in September 2017. A final decision on the successful host city is anticipated in October 2017. The Council has engaged with the process so far and is proposing to submit a response to the preliminary questionnaire and host the site visits in July. A further report will be presented to Cabinet in July once all the preparatory works, costs and benefits have been assessed before a final decision is made to enter the formal bid process in August.
- 5.4 As a consequence, there is an urgent requirement for technical advice and support to prepare for the bid submission and respond to the preliminary questionnaire. On the basis that the supplier appointed for the feasibility work, has satisfactorily completed the contract with the Council, it is proposed that this company should also be engaged to prepare and finalise the submission for the 2022 bid, subject to necessary break clauses. Engaging another company at this time would lead to duplication of work already undertaken by the supplier appointed to undertake the feasibility study, resulting in greater cost and Birmingham would not be able to meet the tight timescales set by the Commonwealth Games Federation.
- 5.5 As a result, there is now an urgent requirement to enter into single contractor negotiations with the current supplier for continuation of the work which will be funded from a West Midlands Regional Consortium of public and private organisations.

The summary of the work that will be undertaken through the contract will include:-

- Narrative to articulate why Birmingham should be the preferred choice of the CGF
- Development of a Games Village in the city

- Detailed development plans for all venues required for the Games
- Detailed assessments for media and broadcast centres and training venues
- Detailed transport and security plans
- Revising the feasibility and budget from the 2026 study for 2022
- Development of added value elements
- Development of a media relations and engagement strategy.
- Development of a bid book submission

The basis of the single contractor negotiations is to confirm the costs and to agree the terms and conditions under which the contract will be delivered. This will include the necessary break clauses based on successfully completing the preliminary questionnaire, agreement by Cabinet to submit a formal bid and the formal agreement by partners of their funding contributions

- 5.6 The exact cost of the commission will be confirmed at Contract Award stage. The contract will be managed by the Service Director – Sport, Events, Open Space and Wellbeing.

6. Evaluation of alternative option(s):

- 6.1 The Council could decide not to commission the work externally and complete the process internally. However the council has neither the capacity nor expertise to meet the requirements as set out in the preliminary questionnaire.
- 6.2 The Council could decide not to pursue further preparations to submit a bid to host the 2022 Games. However, the city and region would miss out on significant Central Government investment and the economic benefit the Games would generate. In addition it would be a missed opportunity to reposition the City in a positive way to a new audience, accelerate housing development, create new skills and jobs and reduce the gap in health inequalities.
- 6.3 Carry out a tender process – due to the urgency for the work to be completed in line with the timescales of the Commonwealth Games Federation, there is not time to complete a tender process and award a contract.
- 6.4 To call off a collaborative framework agreement – there is no framework agreement available suitable for this service.

7. Reasons for Decision(s):

- 7.1 To ensure that Birmingham is in the best position to submit a compelling and winning bid to the CGF to host the 2022 Commonwealth Games.

Signatures

Deputy Leader:

Cllr Ian Ward

Date:

Cabinet Member for
Value for Money
and Efficiency

Cllr Majid Mahmood

Date:

Chief Officer:.....

Jacqui Kennedy,
Corporate Director for Place

Date:

List of Background Documents used to compile this Report:

List of Appendices accompanying this Report (if any):

Report Version

7

Dated

13.06.2017

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation