

Birmingham City Council

Report to Cabinet

Date: 17th December 2019



Subject: **PLANNED PROCUREMENT ACTIVITIES (JANUARY 2020 – MARCH 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**

Report author: Richard Tibbatts, Head of Contract Management
Telephone No: 0121 303 6610
Email Address: richard.tibbatts@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 January 2020 - March 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 January 2020 – March 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 £181,302 and will apply from 1st January 2019 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 to Resources Overview & Scrutiny Committee and 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.

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 January 2020 - March 2020
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (JANUARY 2020 - MARCH 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 | Supply of short notice/interim Catering Workers for Cityserve | TBC | To supply temporary agency worker catering staff to ensure Cityserve can provide school meals to Birmingham Schools. | 1 year, 6 months | Finance and Governance | Finance and Resources | Toyin Bamidele | Jane Piovesana | 13/01/2020 |
| Strategy / Award | Provision of Microsoft Enterprise Agreement | TBC | There is for a requirement to purchase 11,670 software licenses and associated products from Microsoft to support the Council's IT service. | 3 years | Digital & Customer Services | Deputy Leader | Toyin Bamidele | Michael Lackman | 13/01/2020 |
| Approval to Tender Strategy | Owner-Controlled Construction Insurance for the Development of the Alexander Stadium | TBC | The provision of owner-controlled insurance for the development of the Alexander Stadium to cover the construction and all liabilities arising from the project | | Finance and Governance | Finance and Resources | Toyin Bamidele | Matthew Davies / Charlie Short | 13/01/2020 |
| Strategy / Award | Framework Agreement for Investment Advice in relation to the Delivery of the Property Investment Strategy | TBC | To provide investment advice in relation to opportunities presented to the City Council | 26 months | Inclusive Growth | Leader | Simon Ansell | Allyson Marke-Wilson | 13/01/2020 |

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES **CABINET – 17th December 2019**

| | |
|---|---|
| Title of Contract | Supply of short notice/interim Catering Workers for Cityserve |
| Briefly describe the service required | To supply temporary agency worker catering staff to ensure Cityserve can provide school meals to Birmingham Schools. Temporary staff are required to cover holiday & sickness absence for permanent staff and also to fill vacant posts whilst a recruitment exercise is undertaken. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | No statutory duty, however under Section 512 of the Education Act 1996, as amended, places a duty on maintained schools, academies and free schools to provide free school meals to pupils of all ages that meet the criteria. Cityserve provide permanent catering staff to schools to provide school meals for children. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | There is currently a framework in place to provide temporary agency workers through Hays, as the Managed Service Provider, which expires 3rd September 2021. However, the online portal used by Hays has presented some operational difficulties for Cityserve and a short-term solution is required until these difficulties are resolved. |
| What is the estimated annual value and what is the basis for this amount? What budget is the funding from? | Based on historic spend and projected usage, the estimated annual value is £573k. This will be funded from the Cityserve budget envelope or schools' budgets. |
| What is the proposed procurement route? | To award a call off contract under the Crown Commercial Services Framework RM6160 – (Non-Clinical Temporary and Fixed Term Staff) |
| 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 | 1 st February 2020 for 12 months with a possible 6-month extension. |

| Title of Contract | Provision of Microsoft Software Licenses and Associated Products |
|---|---|
| Briefly describe the service required | There is a requirement to purchase 11,670 software licenses and associated products from Microsoft to support the Council's IT service. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | There is a not a statutory requirement. However, the Microsoft software used within the Council underpins the delivery of the majority if not all Council statutory and/or discretionary services. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | The current contract is with Microsoft and expires on 31 st March 2020 and the licences and associated products for this financial year (2019-20) were ordered under by ICT&DS under the Council's ICT contract. |
| What budget is the funding from for this service? | The funding will be from the IT&D budget. |
| What is the proposed procurement route? | An award will be undertaken using the Crown Commercial Services G-Cloud Digital Marketplace framework agreement for the software licenses. A further competition exercise will be undertaken by Crown Commercial Services for the delivery of a reseller call-off contract under the Technology 2 Framework Agreement and an enterprise agreement with Microsoft. |
| 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 date is 1 st April 2020 for a duration of 3 years. |

| | |
|---|---|
| Title of Contract | Owner-Controlled Construction Insurance for the Development of the Alexander Stadium |
| Briefly describe the service required | The provision of owner-controlled insurance for the development of the Alexander Stadium to cover the construction and all liabilities arising from the project. This is considered to be a more cost-effective route rather than the contractor to buy this insurance. |
| 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 this service. However, insurance is required as the values at risk are too high for the Council to absorb and fall outside of the existing insurance policies. |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | This is a one-off contract. |
| What budget is the funding from for this service? | The insurance premium will be funded from the Commonwealth Games budget. |
| What is the proposed procurement route? | An open procurement process will be undertaken advertised in OJEU, Contracts Finder and www.finditinbirmingham.com . |
| 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 date is 1 st April 2020 for the duration of the construction period and defects period. |

| | |
|--|---|
| Title of Contract | Framework Agreement for Investment Advice in relation to the Delivery of the Property Investment Strategy |
| Briefly describe the service required | <p>To provide investment advice in relation to opportunities presented to the City Council in relation and conjunction with the Property Investment Strategy, agreed by Cabinet in July 2019, in order to assist in the positive delivery of the initiative.</p> <p>Investment advice may fall into two categories:</p> <ul style="list-style-type: none"> • General Advice - In supporting overall delivery of the property investment strategy; and • Specific Investment Acquisition Advice – In progressing specific investments. |
| Is the Council under a statutory duty to provide this service? If not what is the justification for providing it? | <p>There is not a statutory requirement for this service. However, property advice is required to support the Property Investment Strategy which is designed to secure long term and sustainable income streams for the City Council and to increase its resilience over time in order to be less reliant on Central Government funding. All income ultimately goes towards the successful operation of the City Council and the statutory services that it provides.</p> |
| What are the existing arrangements? Is there an existing contract? If so when does that expire? | There is no current contract in place as this will be a new commission. |
| What budget is the funding from for this service? | <p>General Advice – Costs will be funded from invest to save resources as approved as part of the Council's 2019/20 financial plan.</p> <p>Specific Investment Acquisition Advice - Eligible costs will be included as part of the overall capital cost of investment acquisitions and be capitalised. Total capital costs of acquisition will be funded from capital receipts generated from the disposal of existing investment assets in line with the approved property strategy.</p> |
| What is the proposed procurement route? | A further competition exercise will be undertaken using the Homes England Property 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 1 st February 2020 for a duration of 26 months. |