

Birmingham City Council

Report to Cabinet

Date: 10th November 2020



Subject: **PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2020 – FEBRUARY 2021)**

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 December 2020 – February 2021. 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 December 2020 – February 2021 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 inform Cabinet and the Resources Overview & Scrutiny Committee of planned procurement activities over the following quarter and to act as a sounding for Members for the planned activities where decisions are delegated to Chief Officers/Directors.
- 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 Requests for individual procurements decision reports will be determined by Cabinet. Requests for an individual decision can be made by Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where they believe that 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 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.

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 December 2020 – February 2021
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (DECEMBER 2020 – FEBRUARY 2021)

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 Cleaning Services for Temporary and Shelter Accommodation	P0254	The service is for cleaning services (including out of hours cleaning for housing management) for sheltered housing blocks, low rise blocks, and homeless disbursed temporary accommodation sites around the city. The requirement will be tendered by lot by geographical area: <ul style="list-style-type: none"> • South and East Quadrants and • North and West Quadrants 	1 year, 6 months	Neighbourhoods	Homes and Neighbourhoods	Carl Tomlinson	Andrea Webster	08/01/2021
Strategy / Award	Office Supplies	F0162R_2020	The supply and delivery of office and stationery products including: <ul style="list-style-type: none"> • Stationery • Reprographic paper • Ink cartridges 	4 years	Finance and Governance	Finance and Resources	Lee Bickerton	Raja Chowdhury / Andrea Webster	04/01/2021
Strategy / Award	Provision of IT Hardware and Software Solution	TBC	Provision of IT hardware equipment (laptops, Monitors)and software licencing to enable the council to have an e-catalogue of standard approved equipment items.	5 years with a break clause in Years 3 and 4	Digital and Customer Services	Deputy Leader	Lee Bickerton	Rhona Bowditch	04/01/2021
Strategy / Award	Relocation Works for the Wholesale Market	TBC	For the supply and installation of storage cages for the retail market traders and for building works within the complex to enable these parts of the Birmingham Smithfield Development site to be cleared. The works are: <ul style="list-style-type: none"> •Supply and installation of 30 storage cages •Building Works <ul style="list-style-type: none"> <input type="checkbox"/>Ground levelling to Rag Market car park <input type="checkbox"/>Installation of frozen storage units <input type="checkbox"/>Refrigerated storage units <input type="checkbox"/>Two outdoor goods lift <input type="checkbox"/>Fork lift truck parking space and charging point 	2 months	Inclusive Growth	Leader	Guy Olivant	Marlene Slater / Charlie Short	04/01/2021

APPENDIX 2

BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES CABINET – 10TH NOVEMBER 2020

Title of Contract	Provision of Cleaning Services for Temporary and Shelter Accommodation (P0254)
Director / Assistant Director	Robert James - Director, Neighbourhoods
Briefly describe the service required	<p>The service is for cleaning services (including out of hours cleaning for housing management) for sheltered housing blocks, low rise blocks, and homeless disbursed temporary accommodation sites around the city.</p> <p>The requirement will be tendered in lots by geographical area:</p> <ul style="list-style-type: none">• South and East Quadrants and• North and West Quadrants
How will this service assist with the Council's commitments to Route to Zero?	The tender specification and evaluation process will incentivise the use of low emission vehicles and cleaning materials that are certified as environmentally-friendly.
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, the service supports the Council duty to provide accommodation to persons within the city and for Housing Revenue Account (HRA) dwellings under the powers in Part II Housing Act 1985
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing framework agreement expires on 19 th April 2021. The value of the previous call-off approval under the Council's governance has become exhausted and therefore a further approval is required for the latest contract.
What budget is the funding from for this service?	<p>The budget for the cleaning of low rise and sheltered accommodation is contained within the Housing Revenue Allocation (HRA). This cleaning service is recoverable from the service charge payable by tenants and leaseholders living in the accommodation.</p> <p>The budget for the cleaning of temporary accommodation forms part of the overall homelessness budget provision and represents a direct cost to the Council.</p>
What is the proposed procurement route?	To call off the Council's existing Cleaning Services (Housing) Framework Agreement.
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 call off contracts will commence 20 April 2021 for a duration of 18 months.

Title of Contract	Office Supplies (F0162R_2020)
Director / Assistant Director	Alison Jarratt – Assistant Director, Development and Commercial
Briefly describe the service required	The supply and delivery of general office stationery, office paper and equipment. The direct award is in line with the framework agreement's call off direct award criteria with the most economically advantageous solution being recommended for award. An assessment of framework prices of all suppliers using the Council's current basket of items purchased and contract prices was undertaken and Banner Group Ltd was the most competitive. The value of the contract is below the contract for the BBC4SR.
How will this service assist with the Council's commitments to Route to Zero?	Under the call off contract, the supplier is required to reduce environmental impact within the lifecycle of the arrangement Contract. The supplier shall be required to provide information on new or improved environmentally preferable products and demonstrate their measured progress against the Council's commitments to Route to Zero. This will be monitored through contract management activities.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	There is not statutory duty for these products. However, there is need for the Council to purchase office supplies to support its day to day operations and services.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing contract with Banner Group Limited expired on 31 st March 2020. This is due to the lack of available procurement resource to undertake the tendering activity and the prioritisation on key Council projects. Banner Group Limited has continued to provide the service in line with the terms and conditions of this contract.
What budget is the funding from for this service?	The cost of the products purchased will be met from individual Directorate's approved budgets.
What is the proposed procurement route?	To award a call off contract by direct award using the Crown Commercial Service Office Supplies framework agreement.
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 February 2021 for a period of 4 years.

Title of Contract	Provision of IT Hardware and Software Solution
Director / Assistant Director	Peter Bishop – Director, Digital and Customer Services
Briefly describe the service required	Provision of IT hardware equipment (laptops, monitors) and software licencing to enable the council to have an e-catalogue of standard approved equipment items. The requirements of the Birmingham Business Charter for Social Responsibility will be incorporated with commitments proportionate to the value of the contract.
How will this service assist with the Council's commitments to Route to Zero?	The equipment supplied will meet the latest environmental standards and seek to minimise the carbon footprint in transportation.
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, the service supports the Council Standard support of all IT end user equipment and devised via a preferred supplier and product set.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The existing arrangements are through the Capita Retained Services contract, following transition of the outsourcing contract back into BCC in August 2019. Service commenced 1 st April 2006 as part of the JV with Service Birmingham. It is due to expire 31 st March 2021.
What budget is the funding from for this service?	This is funded from internal directorate charging, following a monthly ICT invoice from the vendor.
What is the proposed procurement route?	The service will be procured through the Crown Commercial Service: Technology Products and Associated Service (RM6068) via a Further Competition.
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	Proposed start date is 1 st April 2021 for a duration of 5 years with a break clause in 4 th and 5 th year. (3+1+1).

Title of Contract	Relocation Works for the Wholesale Market
Director / Assistant Director	Ian MacLeod – Director, Inclusive Growth
Briefly describe the service required	<p>Cabinet approved the Wholesale Market and Adjacent Area Asset Management – Procurement Strategy report dated 8th September. Part of the works required was for the supply and installation of storage cases for the retail market traders and for building works within the complex to enable these parts of the Birmingham Smithfield Development site to be cleared. The works are:</p> <ul style="list-style-type: none"> • Supply and installation of 30 storage cages • Building Works <ul style="list-style-type: none"> ➢ Ground levelling to Rag Market car park ➢ Installation of frozen storage units ➢ Refrigerated storage units ➢ Two outdoor goods lift ➢ Fork lift truck parking space and charging point <p>There are 6 less storage cages and no polystyrene waste recycling facility required by the Markets Team from the original approval.</p> <p>The technical advisory services are being delivered by Acivico Ltd and at the commencement of the project, the recommended procurement route was for individual tender exercises to be undertaken. However, on review and to ensure the fixed deadline is achieved, a revised procurement route is required. This approach will enable the works to be delivered concurrently with one contractor managing the sub-contractors.</p>
How will this service assist with the Council's commitments to Route to Zero?	The equipment to be installed will be to the latest environment standards.
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, these works are necessary to facilitate the clearance of the site for the use as a venue for the Commonwealth Games 2022 and for the development of the Smithfield site.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new requirement.
What budget is the funding from for this service?	This cost forms a part of the anticipated costs of the Smithfield regeneration project but are being accelerated in order to accommodate the requirement to utilise the site for the Commonwealth Games 2022. The expenditure will be funded from prudential borrowing, the interest on which will be repaid by Commonwealth Games Organising Committee, with the principal repayment being funded as a part of the overall funding package for the Smithfield redevelopment project.
What is the proposed procurement route?	It is proposed to carry out a further competition using the Acivico Ltd's Constructing West Midlands 2 Repair and Maintenance 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 February 2021 for a period of 2 months.