

# Birmingham City Council

## Report to Cabinet

Date: 11<sup>th</sup> February 2020



**Subject:** **PLANNED PROCUREMENT ACTIVITIES (MARCH 2020 – MAY 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 March 2020 – May 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 March 2020 - May 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 1<sup>st</sup> 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 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 March 2020 - May 2020
- 2. Appendix 2 – Background Briefing Paper
- 3. Appendix 3 – Exempt Information

**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (MARCH 2020 – MAY 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
Single Contractor Negotiation	City Centre Public Realm Works	TBC	Public realm works for the Combined Heat and Power (CHP) scheme is installing new pipework from the Council House along Colmore Row to the Newhall Street junction.	9 months	Inclusive Growth	Transport and Environment	Simon Ansell	Peter Parker / Charlie Short	02/03/2020
Approval to Tender Strategy	Transition Service for Young People - Vulnerable Adults Housing and Wellbeing Support Procurement	P0577A	To deliver the recovery and resilience element of the Vulnerable Adults Housing Support and Wellbeing (VAHSW) Pathway, using strength-based approaches which promote wider health and wellbeing with outcomes relating to loneliness and isolation, financial inclusion and connections into local community assets in order to regain or maintain independence.	1 year	Adult Social Care	Health and Social Care	Mark Astbury	Marie Kennedy / Linda Harper	02/03/2020
Single Contractor Negotiation	Contract Extension for the following Insurances: Public Liability, Right to Buy Property, Property Damage, Industrial & Commercial Property and Terrorism Policy	TBC	The provision of insurance protection against the major insurable risks arising from the Council's activities.	12 months	Finance and Governance	Finance and Resource	Toyin Bamidele	Matthew Z Davies / Charlie Short	02/03/2020
Strategy / Award	Project Management Services for the Clean Air Zone (CAZ) Programme	TBC	To support the development and delivery of the CAZ Programme and its various workstreams.	9 months	Inclusive Growth	Transport and Environment	Simon Ansell	Siobhan McDonald / Stephen Arnold	02/03/2020
Single Contractor Negotiation	Accessible Community Support for Vulnerable Adults	TBC	There is a requirement for the development of sustainable micro-enterprises across Birmingham, creating employment opportunities and an increased range of activities for people eligible for support from Adult Social Care to access.	2 years	Adult Social Care	Health and Social Care	Mark Astbury	John Freeman	02/03/2020
Strategy / Award	Supply, Installation and Maintenance of Automatic Number Plate Recognition Cameras	TBC	There is a requirement for the supply and installation of up to 200 automatic number plate recognition cameras (ANPR) to support bus lane enforcement and the forthcoming Clean Air Zone. <ul style="list-style-type: none"> <li>Supply and installation of new and replacement ANPR cameras (including the supporting infrastructure to enable the information from the camera to be used for enforcement)</li> <li>Maintenance of the ANPR Cameras</li> </ul>	4 years	Inclusive Growth	Transport and Environment	Simon Ansell	Peter Parker / Charlie Short	02/03/2020
Strategy / Award	Southside Public Realm Works	TBC	The Southside Public Realm improvements scheme forms part of the Council's wider Enterprise Zone Connecting Opportunities Programme (EZCOP) – a key infrastructure programme recognised as part of the Greater Birmingham and Solihull LEP Enterprise Zone Investment Plan. The focus of this programme is to enhance links between EZ sites, as well as the main transport hubs within the city centre. There is a requirement for the works to be undertaken to complete the improvements.	1 year	Inclusive Growth	Transport and Environment	Simon Ansell	Peter Parker / Charlie Short	02/03/2020

## APPENDIX 2

### BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES CABINET – 11<sup>th</sup> February 2020

<b>Title of Contract</b>	<b>City Centre Public Realm Works</b>
Briefly describe the service required	Cabinet approved the Outline Business Case for the public realm works on 29 <sup>th</sup> October 2019 that included the procurement strategy for the works across the city centre. During the drafting of the Full Business Case, further information has come to light that affects the procurement strategy. Engie – Urban Energy Ltd, the Council's contractor for the Combined Heat and Power (CHP) scheme is installing new pipework from the Council House along Colmore Row to the Newhall Street junction. To prevent construction work being carried out by two organisations in the same area, it is proposed that Engie – Urban Energy Ltd undertake the public realm works. This will ensure reduced disruption, provide continuity of paving, improve upon construction times and co-ordinate with the Frankfurt Christmas Market to meet the project deadlines.
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, the city centre public realm scheme is required for completion to improve the visitor experience to the city centre and assist with the facilitation of economic growth.
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 budget from the works is funded from the Transforming Cities Fund and the Commonwealth Games Public Realm budgets (the latter being subject to the submission of a bid and subsequent approval under the CWG governance).
What is the proposed procurement route?	To enter into single contractor negotiations and conclude the award of contract with Engie – Urban Energy Limited.
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)?	<p>This requirement is not being tendered as this would result in two different organisations undertaking work on the public realm at different times during a similar time period with the resulting benefits as stated above.</p> <p>The rates will be submitted in accordance with CHP contract and will have been market tested within a budget cost estimate.</p> <p>Engie – Urban Energy Ltd will be required to produce a BBC4SR action plan with actions proportionate to the value of the proposed contract.</p>
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> April 2020 for a duration of 9 months.

<b>Title of Contract</b>	<b>Transition Service for Young People - Vulnerable Adults Housing and Wellbeing Support Procurement (P0577)</b>
Briefly describe the service required	<p>The Transition Service for Young People is a new service to deliver the recovery and resilience element of the Vulnerable Adults Housing Support and Wellbeing (VAHSW) Pathway, using strength-based approaches which promote wider health and wellbeing with outcomes relating to loneliness and isolation, financial inclusion and connections into local community assets in order to regain or maintain independence.</p> <p>Cabinet approved the commencement of the procurement in the report of 16<sup>th</sup> April 2019 Putting Prevention First: Commissioning and Procurement Strategies for Vulnerable Adults Housing &amp; Wellbeing Support.</p> <p>Since these approvals, further opportunities have been identified pending the agreement of an Investment Proposal that will increase the volume of the service requirement. In the event of the funding not being approved, the contract will not be awarded.</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 target prevention activity focussing on earlier investment in order to prevent or delay more costly statutory interventions for vulnerable adults.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	This is a new service that Cabinet approved the procurement strategy of on 16 <sup>th</sup> April 2019.
What budget is the funding from for this service?	The additional funding is from the Adult Social Care Budget, pending the agreement of an Investment Proposal.
What is the proposed procurement route?	The proposed procurement route is the Innovation Partnership Route. The reason for using this route is that the problem we are seeking to address is better understood than the solution. Although a general service specification is possible, there is more value and opportunity in engaging with the market and wider partners via this route to encourage innovation and multi-agency working while developing and testing the solution.
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 <sup>st</sup> June 2020 for a period of 2 years 5 months, with an option to extend for a further period of 2 years, subject to funding availability. The option to extend will only be taken up if the funding is available.

<b>Title of Contract</b>	<b>Contract Extension for the following Insurances: Public Liability, Right to Buy Property, Property Damage, Industrial &amp; Commercial Property and Terrorism Policy</b>
Briefly describe the service required	The extension of the contracts for the provision of insurance protection against the major insurable risks arising from the Council's activities. The replacement for the following policies: <ul style="list-style-type: none"> <li>• Public Liability</li> <li>• Right to Buy Property</li> <li>• Property Damage</li> <li>• Industrial and Commercial Property</li> <li>• Terrorism</li> </ul>
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. The arrangement of insurance is provided in support of the performance of the Council's primary functions which are contained in a raft of legislation according to the services areas in which the buildings / assets facilitate service delivery.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The contracts for the insurances listed above were entering into without undertaking a procurement process and will expire on 31 <sup>st</sup> March 2020.
What budget is the funding from for this service?	This is funded within a specific budget within Corporate Finance.
What is the proposed procurement route?	To enter into single contractor negotiations to the companies listed below.
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)?	<p>To enter single contractor negotiations with:</p> <ul style="list-style-type: none"> <li>• Griffiths &amp; Armour for Public Liability Insurance</li> <li>• Alford Bourton for Right to Buy Property</li> <li>• Zurich for Property Damage</li> <li>• Zurich for Industrial and Commercial Property</li> <li>• Charles Taylor for Terrorism</li> </ul> <p>Contracts will be extended by one year at previously negotiated expiring rates, ensuring value for money. This will achieve a single renewal date for all the Council's insurance policies (including employer's liability, motor vehicle and engineering inspection where contracts expire on 31<sup>st</sup> March 2021) enabling a combined tender in 2021 which will maximise economies of scale and purchasing power as well as ensuring that the optimal balance between retained and transferred financial risk is achieved.</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>
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> April 2020 for a period of 12 months.

Title of Contract	<b>Project Management Services for the Clean Air Zone (CAZ) Programme</b>
Briefly describe the service required	<p>There is a requirement to extend the current contract for project and programme management to support the delivery of the CAZ programme and its various workstreams. There are not the skills, experience or availability within the Council for these services therefore there is a requirement for suitably qualified resources to be engaged externally.</p> <p>Turner &amp; Townsend has been engaged to provide project management and programme delivery services on the CAZ programme since the early days. There is a requirement to extend the contract for a further period to ensure continuity of service delivery and knowledge transfer to the CAZ team as it establishes its substantive workforce.</p> <p>Any further external resource requirement for the project will be subject to a further procurement exercise.</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?	The Council is not under a statutory duty to deliver the service. However, project management services are required to support the delivery of the programme to meet the Clean Air initiatives deadline of 1 <sup>st</sup> July 2020 and to meet the funding obligations.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract with Turner & Townsend Project Management Ltd was approved under Chief Officer delegation on 11 <sup>th</sup> August 2019 and expired on 30 <sup>th</sup> November 2019. The services have continued to be delivered under the terms of the existing contract.
What budget is the funding from for this service?	This is funded from the CAZ budget.
What is the proposed procurement route?	It is proposed that a direct award is made to Turner & Townsend using the Crown Commercial Services Project Management and Design Services 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 from February 2020 until November 2020. The new contract will be for a duration of 9 months.

Title of Contract	Accessible Community Support for Vulnerable Adults
Briefly describe the service required	<p>There is a requirement for the development of sustainable micro-enterprises across Birmingham, creating employment opportunities and an increased range of activities for people eligible for support from Adult Social Care to access.</p> <p>The first phase of work is due to be completed on 31<sup>st</sup> March 2020 and there is a requirement for the project to be extended for a further period to support the proposals of the draft Day Care Opportunities Strategy to be presented to the Cabinet meeting on 11<sup>th</sup> February 2019.</p> <p>The increase in the value of the extension requires Cabinet approval following the PPAR process.</p>
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	<p>The Council is not under a statutory duty to deliver the service. However, the activity to be carried out through the contract is aligned to the draft Day Opportunities Strategy which proposes that there will be an improved offer of activities and support for disabled adults to access in their own communities, moving away from the traditional day care model.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>A contract was entered into with Community Catalysts CIC approved under Chief Officer delegated authority on 18<sup>th</sup> April 2018 and extended 31<sup>st</sup> March 2020 due to further time being required to complete the first phase of work. There is an option to extend the contract within the delegated limit should the work not deliver to timescale hence the extension for three months to 31<sup>st</sup> March 2020 at no additional cost. The request to approve SCN for a two year extension is due to the total contract value falling outside of delegated powers.</p>
What budget is the funding from for this service?	<p>This will be funded from existing Adult Social Care Budget (cost centre RV41C)</p>
What is the proposed procurement route?	<p>To enter into single contractor negotiations with Community Catalysts CIC.</p>
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)?	<p>The service to be provided is specialist and with satisfactory performance for the work undertaken to date. Extending the contract will enable the Council to benefit further from the work completed with a stronger focus on providing support to micro-enterprises that provide services for those citizens who already have a funded care package in place. Soft market testing has indicated that there are no other providers that could provide this service.</p> <p>The service will be carried out on the terms of the existing contract.</p> <p>Community Catalysts CIC will be required to produce a BBC4SR action plan with actions proportionate to the value of the proposed contract.</p>
Proposed start date and duration of the new contract	<p>The proposed start date is 1<sup>st</sup> April 2020 - 31<sup>st</sup> March 2022.</p>

<b>Title of Contract</b>	<b>Supply, Installation and Maintenance of Automatic Number Plate Recognition Cameras</b>
Briefly describe the service required	<p>There is a requirement for the supply and installation of up to 200 automatic number plate recognition cameras (ANPR) to support bus lane enforcement and the forthcoming Clean Air Zone.</p> <ul style="list-style-type: none"> <li>• Supply and installation of new and replacement ANPR cameras (including the supporting infrastructure to enable the information from the camera to be used for enforcement)</li> <li>• Maintenance of the ANPR Cameras</li> </ul>
Is the Council under a statutory duty to provide this service? If not what is the justification for providing it?	No, there is not a statutory duty. However, this service facilitates the Council's powers to undertake the civil enforcement of bus lanes and the Clean Air Zone area to support existing investment in these infrastructure projects.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	The current contract is with Siemens and is due to expire in March 2021 This contract covered the supply and installation of the existing asset register of ANPR cameras and the maintenance element was novated from Capita ICT&DS under the Council's ICT contract on 1 <sup>st</sup> August 2019 when the service came back in-house.
What budget is the funding from for this service?	The funding for the ANPR cameras will be from the capital budgets for the individual infrastructure schemes.
What is the proposed procurement route?	Cabinet approved the procurement strategy in the PPAR dated 26th November 2019 where it was proposed to use the Crown Commercial Service Traffic Management Technology 2 Framework Agreement. However, after further consideration of the market place, it is now proposed to carry out an open procurement process advertised in OJEU, Contracts Finder and <a href="http://www.finditinbirmingham.com">www.finditinbirmingham.com</a> . This will enable better value for money to be demonstrated as further investigation has identified new suppliers have entered the market place since the framework agreement was awarded. Opening the opportunity to the wider market should also ensure that the most appropriate technology solution and product is in place. The award of the contract will be reported to Cabinet as agreed at the 26 <sup>th</sup> November 2019 meeting.
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.

<b>Title of Contract</b>	<b>Southside Public Realm Works</b>
Briefly describe the service required	<p>The Southside Public Realm improvements scheme forms part of the Council's wider Enterprise Zone Connecting Opportunities Programme (EZCOP) – a key infrastructure programme recognised as part of the Greater Birmingham and Solihull LEP Enterprise Zone Investment Plan. The focus of this programme is to enhance links between EZ sites, as well as the main transport hubs within the city centre. There is a requirement for the works to be undertaken to complete the improvements.</p> <p>The Outline Business Case for the Southside public realm works is scheduled for Cabinet on 17 March 2020. The award of the contract is subject to the approval of the Full Business Case expected April/ May 2020.</p>
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 duty to provide this service. However, the Southside public realm scheme is required for completion to improve the visitor experience to the city centre and assist with the facilitation of economic growth.</p>
What are the existing arrangements? Is there an existing contract? If so when does that expire?	<p>This is a one-off contract.</p>
What budget is the funding from for this service?	<p>The scheme will be funded by the Greater Birmingham and Solihull Local Enterprise Partnership Economic Zone (EZ), Section 106 and Third Party contributions. The GBSLEP approved EZ development funding of £475,499. On 11<sup>th</sup> December 2019 GBSLEP approved Outline Business Case, additional development funding of £216,203 for expenditure in 2019/20. EZ funding request of £6.5m is subject to approval of GBSLEP FBC. S106 and Third Party funding subject to confirmation and FBC approvals.</p>
What is the proposed procurement route?	<p>To carry out a further competition exercise using the Council's Highways and Infrastructure Works Framework Agreement.</p>
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)?	<p>Not applicable.</p>
Proposed start date and duration of the new contract	<p>The proposed start date is 1<sup>st</sup> August 2020 for a duration of 12 months.</p>