

**Decision Maker:** EXECUTIVE

**Date:** 24 October 2012

**Decision Type:** Non-Urgent Executive Key

**Title:** **PROCUREMENT STRATEGY FOR MULTI DISCIPLINARY CONSULTANCY SERVICES FOR CAPITAL BUILDING PROGRAMME**

**Contact Officer:** Catherine Pimm, Head of Asset Management and Strategic Projects  
Tel: 020 8461 7834 E-mail: Catherine.Pimm@bromley.gov.uk

Rob Bollen, Education Strategic Capital Manager  
Tel: 020 8313 4697 Email: robert.bollen@bromley.gov.uk

**Chief Officer:** Marc Hume, Director of Renewal and Recreation  
Tel: 020 8461 7987 Email: marc.hume@bromley.gov.uk

**Ward:**

---

1. Reason for report

The Council's multi disciplinary services consultancy agreement with Frankham Consultancy Group came to an end in July 2010. Since that period the Council has been without a framework consultant.

The Council's spend on consultancy services to assist in delivering the capital programme over the next 4 years is estimated to be in the region of £3-4 million.

The Authority, along with other London Council's has been involved in initiatives to create pan-London purchasing agreements for this type of service.

This report seeks agreement from the Executive to utilise these purchasing agreements and to enter into the Haringey Council led Construction Related Consultants Services (CRCS 2012) Framework Agreement and the LB Lewisham Framework Agreement for Construction-Related Consultancy Services.

---

2. **RECOMMENDATION(S)**

- 2.1 To agree the proposed strategy for the procurement of multi disciplinary consultancy services for the delivery of the Council's Education Capital Programme and other capital building works.

2.2 To authorise the Director of Resources to negotiate and enter into the Access Agreements under the Construction Related Consultants Services (CRCS 2012) Framework Agreement led by Haringey Council and the LB Lewisham Framework Agreement for Construction-Related Consultancy Services in accordance with clauses 3.6.1 and 13.1 of the Council's Contract Procedure Rules.

### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Children and Young People Excellent Council Supporting Independence Vibrant, Thriving Town Centres
- 

### Financial

1. Cost of proposal: Estimated Cost £3-4m over a 4 year period
  2. Ongoing costs: Non-Recurring Cost:
  3. Budget head/performance centre: Capital programme (Various Portfolios)
  4. Total current budget for this head: £9,769,662 (Education confirmed 2011/13) with a possible £24m across ECS and other Departments over the next 4 years.
  5. Source of funding: Basic Need Capital Grant/ other project funds within the capital programme
- 

### Staff

1. Number of staff (current and additional):
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: None:
  2. Call-in: Applicable:
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The Council uses architectural consultancy services to deliver its capital building projects. The Council previously had a services consultancy agreement with Frankham Consultancy Group, which came to an end in 2010. Since then the Council has been without a framework consultant and has tendered each contract separately in line with its Contract Procedure Rules.
- 3.2 Over the next 4 years the Council is planning to deliver up to £19 million of capital projects through Basic Needs Capital Grant as part of its programme to deliver sufficient school place across the borough and potentially up to £5 million of schemes for other departments. The framework will be available to other Council divisions seeking to source multi-disciplinary consultancy services.
- 3.3 Due to the pressure for pupil places and transformation of the Council's capital estate, some of these projects have already been initiated and it is critical to their successful completion that the Council is able to secure suitable consultancy services.
- 3.4 The Council's spend on consultancy services to deliver the capital building projects over the next 4 years is estimated to be in the region of £3-4 million.
- 3.5 Several different options have been considered to procure these services. They are:
- Option 1: Carry out an in house tendering exercise to procure a new framework agreement
- Option 2: Tender consultancy services for each project separately
- Option 3: Enter into Access Agreements for existing Consultancy Services frameworks with L B Haringey and L B Lewisham.
- 3.6 The advantages and disadvantages of each option are shown in the following table:

	Advantages	Disadvantages
<b>Option 1</b>	Bespoke framework to suit Bromley's particular requirements  Standardised documentation and increased efficiencies through reducing the time that officers spend agreeing specifications and producing contracts.	Time, staff resources and expertise are not available to prepare the necessary documentation and carry out a tendering exercise.  If a single consultant arrangement was chosen, concerns about the ability to demonstrate value for money and continuous improvement.
<b>Option 2</b>	Competitive tenders  Greater market choice	The time delays and resources required to procure consultancy services for each project would be unacceptable. EU procurement rules apply to services over £173k. This means that EU procurement would have to be undertaken for consultancy services on any construction project over approximately £1.1m Compliance with EU procurement rules could take 3-6 months to complete and add a cost £5,000 -10,000 to each project.  Non compliance with Contract Procurement Rules relating to sub division of similar works and aggregated spend.  Having to negotiate new contract documentation with each consultant.
<b>Option 3</b>	Suitable Framework Agreements are in	Compliance with the lead authority's reporting/KPI

	<p>existence.</p> <p>Framework Agreements have been advertised in the Official Journal of the European Union (OJEU) and comply with relevant EU procurement regulations</p> <p>Standardised documentation, increased efficiencies through reducing time officers spend agreeing specifications and producing contracts.</p> <p>Collaborative working with other local authorities to deliver improved consultant performance.</p> <p>Mini Competitions within the framework secure competitiveness and less time consuming than a full tendering process.</p>	<p>requirements.</p> <p>Mini competitions also have time and resource implications, although not as extreme as those under Option 2.</p>
--	---	--

- 3.7 On analysis, taking the advantages and disadvantages into account, officers have concluded that Option 3 is the preferred option. It is proposed that the procurement strategy adopted is the procurement of professional consultancy services through existing London frameworks. The use of mini-competition under one or other of the frameworks will reduce the time taken to procure consultants whilst maintaining competition as a key aim of delivering best value. Project Officers in liaison with the client departments will determine, which Framework and Lot is most appropriate for the proposed project. Entering into either Access Agreement does not tie the Council into exclusively using either the Haringey or Lewisham Frameworks if value for money cannot be achieved or the Council's requirements of a specific project demand a different approach.
- 3.8 The Construction Related Consultants Services (CRCS 0212) Framework Agreement led by Haringey provides access to leading consultancy services providers. It is available from March 2012 to February 2016. The framework is split into 11 Lots that cover:
- Multi-Disciplinary Consultants x 3(in three different cost bands)
  - Architect and Associated Supply Chain for Education Projects x 2(in two different cost bands)
  - Project Management
  - Quantity Surveying
  - CDM Co-ordinators
  - Clerk of Works
  - BREEAM Assessors
  - Client Design Advisors
- 3.9 Management of the framework is led by the Boroughs of Haringey, Barnet and Enfield and their respective ALMOs (Arms Length Management Organisations). A comprehensive performance management framework is central to the framework based on Constructing Excellence KPIs including cross framework monitoring of time, cost, quality and customer satisfaction to ensure

that the framework delivers value for money. This will involve the Council in delivering certain reports to Haringey which may have limited cost and resource implications.

3.10 The LB Lewisham Framework Agreement for Construction Related Consultancy Services is available for use by other Councils within the South East London Procurement Group. It runs for a period of 4 years from 30 April 2012. It is broken down into 22 Lots as follows:

- a. Architect Led Multi Disciplinary Team
- b. Building Surveyor led multi disciplinary team
- c. Building Services Engineer lead multi disciplinary team
- d. Landscape Architect led Multi disciplinary team
- e. Architect
- f. Civil and Structural Engineer
- g. Building Services Engineer
- h. Landscape Architect
- i. Building Surveyor
- j. Quantity Surveyor
- k. Employer's Agent
- l. CDM Coordinator
- m. Kitchen Design(School Related)
- n. Planning Policy
- o. Conservation
- p. Urban Design
- q. Development Management(planning related)
- r. Environmental(planning related)
- s. Legal(planning related)
- t. Chartered Valuation Surveyor-financial appraisal(planning related)
- u. Flood Risk Management and Assessment(planning related)
- v. Real Estate Adviser-agency and commercial property advice

3.11 It is proposed that Bromley enters into Access Agreements with both framework providers.

3.12 L B Bromley signed a confidentiality agreement with L B Lewisham and has received copies of its framework documents and an appraisal has been undertaken. There is a joining fee which amounts to £1,000 per annum.

- 3.13 L B Haringey does not grant access to its documents unless an Access Agreement has been entered into. It is proposed to carry out a full appraisal of Haringey's framework once the Access Agreement has been signed and the documents are available. There is no joining fee, but a percentage of the consultants' fee is paid to the framework provider in lieu of this.
- 3.14 The officer team carrying out the appraisals includes officers from Recreation and Renewal (Strategic Property Services), Education Care Services (Education) and Resources (Legal and Procurement).

#### **4. POLICY IMPLICATIONS**

- 4.1 The capital building programme contributes to a number of priorities within the Council's Strategy, "Building a Better Bromley". A significant proportion of the projects proposed support the Children and Young Person's priority of ensuring sufficient school places. Other projects are undertaken to achieve Supporting Independence, A Vibrant, Thriving Borough and An Excellent Council objectives.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 In order to deliver £24m capital projects over the next 4 years, the Council will spend an estimated £3-4m on various construction related consultancy services.
- 5.2 This report is proposing that the Council enters into Access Agreements to procure these services from the existing Construction Related Consultancy frameworks with the LB Haringey and the LB Lewisham.
- 5.3 Work will only be given to consultants that meet the required performance standards set by the framework but the Council reserves the right to carry out further checks to ensure a consultant's financial robustness and performance.
- 5.4 There is a joining fee for the LB Lewisham framework in the sum of £1,000 per annum, which will be 100% funded from the DfE Basic Need Capital Grant. A percentage of the consultants' fees will be paid to LB Haringey in respect of services procured under their framework on a project-by-project basis.
- 5.5 Consultancy Services fees will vary for each project, depending on the value of the project, the Lot used and value for money will be achieved by the use of mini competitions within the frameworks.
- 5.6 Consultancy Services fees are built into the estimated cost of each capital project and are funded from the agreed capital funding as part of the total project cost.

#### **LEGAL IMPLICATIONS**

- 6.1 The Director of Resources will enter into the Access Agreements, both of which can be terminated by giving three months written notice. Despite the value of services which may potentially be procured under either or both of the framework agreements the Council's procurement rules recognise at CPR 3.6.1, 7.3 and 13.1 recognise that the prior advertisement and evaluation of suppliers under the framework agreements means that any further waiver of financial regulations is not required. However dependent upon the likely value of individual consultancy services the opportunity may be taken to conduct a mini competition where a number of suppliers on the relevant framework will be invited to submit quotations to the Council in respect of individual building projects.

6.2 The Call off contracts will be between the supplier and the Council and the form/s of contract used will be specified in the framework. This minimises staff time in managing any mini competition or award.

## 6. PERSONNEL IMPLICATIONS

There are no personnel implications.

## 8 PROCUREMENT IMPLICATIONS

8.1 The implications of not proceeding with the procurement of professional consultancy services via the route outlined in this report is delay to the Council's capital programme.

8.2 The two frameworks have slightly different scope and requirements and therefore provide additional flexibility in being able to meet the Council's needs, this includes, within the Lewisham framework coverage of some locally based organisations.

## 9 CUSTOMER PROFILE

9.1 Capital Projects are undertaken on behalf of various departments to facilitate the implementation of the Council's strategic and operational objectives.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	L B Haringey Access Agreement LB Lewisham Access Agreement and Framework Agreement(Circulation restricted by confidentiality agreement) Frameworks Evaluation Matrix