

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet

DATE: 18th October 2021

SUBJECT: Proposed Professional Services Framework

CHIEF OFFICER: Executive Director of Place

CONTACT OFFICER: Fin Garvey,

WARD(S): All

PORTFOLIO: Leader of Council and Lead Member for Financial Governance, Economic Development & Council Plans-
Cllr Swindlehurst

Lead Member for Housing, Highways, Planning & Place
– Cllr Mann

KEY DECISION: YES

EXEMPT: NO

DECISION SUBJECT TO CALL IN: YES

APPENDICES: None

1 Summary and Recommendations

1.1 This report seeks approval to develop a four year Framework of Architect/Design led Professional Services. The framework will be for internal use within the council but is principally targeted at HRA developments, General Fund works coming through the Place Delivery team and the Highways and Planning teams. It will also provide access to relevant consultants to input into planning decisions.

2.0 Recommendations:

The Cabinet is requested to resolve:

- (a) That the development and introduction of a four year professional services framework to enable the cost effective procurement of essential consultants across a range of services be approved.
- (b) That it be noted that as part of the procurement exercise, Officers will publish the notice in the *Find a Tender* to invite Expressions of interest from Suppliers wishing to tender.
- (c) That it be noted that having followed and satisfied all the legal, regulatory and statutory requirements the framework agreement is set to commence in 2022 and run for a period of 4 years (the maximum period for a Framework).

- (d) That delegated authority be given to the Director of Place to approve the appointment of suppliers to the award of the Professional Services Framework agreement.

Reason:

The Framework Agreement provides a cost effective route to procure essential consultancy services and will help manage the variable workload resulting from a number of capital projects/grants and will improve the Council's capability and capacity by providing specialist services that are not available in-house.

2 Report

Introductory paragraph

2.1 The successful set up of a Framework Agreement will enable Officers to commission services from Consultants who will assist with the delivery of projects/schemes that help fulfil the Council's vision and corporate priorities that include the Five Year Plan and Infrastructure Projects Service Plan through:

- Outcome 1 Slough children will grow up to be happy, healthy and successful by delivering cycling and walking schemes that help improve air quality.
- Outcome 2 Our People will be healthier and manage their own care needs by supporting works under the General Fund and HRA that are associated with healthy lifestyles and also managing grant funds that providing cycle training and cycle related events that promote healthier activities and facilitate active travel for the community.
- Outcome 3 Slough will be an attractive place where people choose to live, work and stay by supporting works under the General Fund and HRA that improve the physical environment and also assisting in designing cycling and walking schemes that will encourage residents to use alternative sustainable modes of transport.
- Outcome 4 Our Residents will live in good quality homes by supporting key residential development projects.
- Outcome 5 Slough will attract, retain and grow businesses and investment to provide opportunities for our residents – by ensuring designs and construction works deliver fit for business transport infrastructure.

Options considered

1. Option 1. Recruit additional in-house resources: The option to recruit additional in-house resources to support the requirements of the current and projected workloads has been considered. This would create additional and permanent employee costs to the Council for what is a fluctuating resource requirement. This option would not allow for project design work or analysis where specialist knowledge is required. Furthermore, funding for capital budgets is time-restricted and ringfenced to deliver specific schemes. This option provides limited capacity and restricted capability and matches long term resource and costs to short-term projects. This option is not recommended.
2. Option 2. Procure professional services on a project-by-project basis: This option provides maximum choice in terms of capability and experience although it provides

limited agility in terms of responding to requirements and procurement. This would result in delays to project delivery and add costs to the project. This option is not recommended.

3. Option 3. Use of established external Framework Agreements from other Local Authorities, Government departments and National Contract such as ESPO or the Crown Contract Services. This approach is currently being used but there are fee implications for Slough to access the agreements and additional administration fees from Local Authorities i.e., Hampshire contract administration costs are set at 10%. The existing Framework Agreements do not offer the opportunity to use Slough's own terms or develop our social value contributions with the suppliers/contractors. Whilst offering some capacity, this option has limited flexibility and is likely to be expensive compared to other options due to fee arrangements. This option is not recommended.
4. Option 4. Develop a bespoke Council Framework Agreement with multiple small and medium enterprises (SMEs). The bespoke Council framework agreement will provide a long term, innovative and compliant service appointment, with the ability to demonstrate value for money and improve social value for the Council. This option will allow the Council to seek competition within a shorter timescale where external funding timescales require a tighter turnaround. The professional services framework agreement will set out the scope and specification of the services to ensure that they can be delivered efficiently and effectively that supports the delivery of projects within the directorate. In establishing the framework agreement, the Council does not commit in any way to awarding any volume or value of contract work to any of the framework providers. This provides reassurance should there be fluctuations (either up or down) in Capital programmes or no Revenue funding. In addition, the Slough Framework agreement will enable Slough to use their own specific contract terms, own KPI's and agree on social values that will benefit the Council and its residents. **Recommended Option.**

Background

Place Delivery had a very successful framework in place between 2014 and 2018. This extended across Corporate, Residential and Education lots. The most important lessons learned from the framework was not to underestimate the requirement for services and not to limit the participation to too low a number as this may reduce competition.

Housing Development have a Procurelink framework with a single operator which has proven very expensive to operate. The framework has a very broad ranging service delivery mechanism which provides a simple mechanism for call-off but provides no mechanism for cost control, value for money and competition.

As discussed above in Option 3, there are third party frameworks available elsewhere, some of which are currently in use by the Council's highways team. These generally attract a substantial fee and do not provide the critical control measures which typically arise from setting up an independent framework.

The scope of this framework has been discussed with internal departments to ensure that lessons learnt are factored into the preferred option with a view towards establishing a high quality, competitive, inclusive and high value-adding framework.

General Construction

It is proposed to have a single lot to cover all construction related to professional services for Residential, Education and Corporate works. This will ensure that core services can be procured for any such needs and all qualifying firms are capable of such delivery, have

sufficient capacity and can provide a wider value-added service to the Council. We are also aware that there may be ancillary services that are required from time to time that all parties will not necessarily be able to provide but which can be procured through this mechanism where appropriate.

Place Operations

The Council, as a Transport Authority, has a duty to develop and apply policies to promote and encourage safe, integrated, efficient, and economic transport facilities and services to, from and within Slough. This includes statutory duties related to road safety and the development of strategic documents.

The introduction of the Framework Agreement will help Slough deliver the schemes that satisfy these requirements.

The Transport and Highways Team, now positioned in the Place Directorate, undertook a procurement exercise and awarded Atkins the professional services contract for five years plus a maximum of (5 x1 year) extensions. Following the contract's expiration in March 2017, the Transport and Highways Team has used the existing framework agreements at Hampshire County Council and Wokingham Borough Council Both Framework Agreements attract a 10% access fee based on contract value.

For major schemes the Council has also used the Eastern Shire Purchasing Organisation (ESPO) to procure technical design services. Similarly, the additional access/administration fees have motivated the team to explore alternative delivery options.

The formation of our in-house Framework will deliver savings against the access fee (10%) as a proportion of works contracted through this mechanism. In addition, the rates provided within the new framework will provide another means of determining value for money when compared with the external frameworks.

The need for a bespoke framework agreement will help;

- (i) Provide capability - bridge the gap in skills required to deliver projects within the service area
- (ii) Improve delivery and quality - enable the delivery of projects within agreed timelines due to suitability and certainty of capability and due diligence on suppliers
- (iii) Value for money - allow continued competition in terms of cost and quality
- (iv) Ensure capacity and agility - enable SBC to respond flexibly to unforeseen issues or changes in government requirements (i.e LTN 1/20)
- (v) Support wider economic objectives - Improve business opportunities for SMEs
- (vi) Support social value and benefits to Slough's residents – require businesses to be more innovative especially in relation to added value to the Council and its residents.

To deliver the services in the most efficient way and enable multiple and local small and medium enterprises (SMEs) to tender for the works, the categories of the professional services will be divided into two lots.

Lot 1 Multidisciplinary Services

To generate the optimum number required for further competition responses, it is expected that a maximum of three suppliers will be appointed to cover all disciplines in each service area. Suppliers in Lot 1 can bid for additional services in Lot 2 – specialist/technical services area.

Lot 2 Specialist /Technical Services

Due to the nature of the work undertaken within these disciplines, it is expected that a maximum of three suppliers will be appointed to cover each discipline under each technical area. This will enable small to medium specialist companies to compete with multi specialist companies.

Planning & Policy Team

In addition to the above, a range of Consultancy services are being discussed with Planning for inclusion into the Framework, such as Archaeology advice, Ecology Studies, Flood Risk Assessments, Viability and Valuation Studies, Daylight/Sunlight Reports and Conservation.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no immediate financial implications to the Council of developing this framework as the Council is only required to pay for consultancy services as they are required. However it is envisaged that once the Framework is in place and these services are called upon, expenditure on each Lot over the 4 year period will be in the region of:

Construction	£9m
Transport & Highways	Lot 1 £6m and Lot 2 £1.5m
Planning & Policy	£tba

*these estimates are based upon current expected changes to the capital programme and are provided as a guide only

3.1.2 The Finance Team will be engaged throughout the development of the Framework Agreement including agreeing the key evaluation criteria (financial, value for money and commercial) that will be used to evaluate consultants.

3.1.3 The Finance Team will also be engaged throughout to ensure that appropriate arrangements are established to monitor Framework costs and continued value for money. This includes agreement for consultancy spend outside of the Framework Agreement on an exceptional basis.

3.2 Legal implications

3.2.1 The Framework Agreement will be developed in conjunction with Legal Services to allow for the relevant works to be called off primarily but not limited to using the NEC4 Engineering and Construction Contract Options (to be confirmed). Options will also include using the JCT Design & Build Contract and the JCT Pre-Construction Services Agreement as-and-when required. Project Managers will manage the call-offs within the Place Directorate and a call-off process will be detailed within both Framework Agreements. No legal implications have been cited at the time of writing this report.

3.2.2 All procurement requires compliance with the council's contract procedure rules and procurement at this level of spend (where the proposed total spend is above the relevant threshold of £189,330) needs to comply with the Public Contracts Regulations 2015 in full.

3.2.3 The internal requirements are for a formal, compliant tender process to be run, led by the authorised officer in the service area with support from the procurement team. The contract should be advertised and the use of the shared services e-portal system is mandatory.

3.2.4 The council's high value terms and conditions should be used as the basis for both the framework terms and the call off contract terms.

3.2.5 Cabinet approval will be sought before going to market and post tender report with recommendation to award, significant decision to be declared to cabinet on award. Cabinet approval is required to award also and the service lead, procurement review board and director of service.

3.2.6 The final framework contract must be sealed.

3.3 Risk management implications

Summary of risks.

Category	Risk/Opportunity	Controls	Residual Risk Score (1 (Low) to 10 (high))	Additional Controls
Economic/Financial	Increased fees due to inflation, lack of competition and choice and other external factors	Risk reduced by ability to appoint from a framework of consultants who have demonstrated strong value for money Anticipated maximum of 3 consultants per lot	3	No commitment to use the framework if other routes are more economic
Procurement	Inconsistency in procurement documentation	Utilising the framework will standardise documentation and governance across the service areas Rapid comparison across consultants	2	
Procurement	Non-adherence to policies and procedures due to unclear responsibilities and/or lack of knowledge	Governance will be set out within the framework, giving greater clarity and over procurement activities. This will also cover appropriate tender evaluation panels.	2	Once in place designated staff within each service area with specific responsibilities Standard T&Cs
Procurement	Services required that are out of scope	Detailed scopes produced with all service areas to cover core and non-core areas that need to be covered, utilising best practice from previous successful framework	2	Under exceptional circumstances, specialist services can be procured in line with the Council's procurement policy

Procurement	Poor interest from consultants to participate in the framework Tender resulting from proposed cuts to the capital programme and S114.	By good quality marketing coupled with offering a view on the future pipeline of work which will include a large % of externally/grant funded work it is expected that greater interest will be generated than with individual procurement exercises, providing the cost benefits of economies of scale.	4	Standardised appointments
	Difficulty in comparing suppliers	Use of a multi-team approach (legals/finance/technical) to agree on key criteria	4	Good quality documentation and records in the evaluation process.

3.3.2 If a decision were made not to agree the above, this would likely result in a less efficient means of procuring related services. Such a decision would also mean that additional resources would be required to meet the Council's statutory obligations and the Council's policy requirements in respect of the Transport services. This would also be likely to increase the cost to the local authority of procuring such transport related services from a marketplace that is less competitive.

3.4 Environmental implications

3.4.1 The framework will enable our teams to actively include environmental considerations within both the framework participation and each contract award. In addition, there is scope to include carbon footprint, energy efficiency and sustainability within the KPIs for all participants. scope within procurement rules to consider environmental aspects, ie carbon footprints, energy efficiency and sustainability. Carbon Strategy – delivering the services.

3.5 Equality implications

3.5.1 The framework will be constructed to ensure equality of access and non discrimination. This will be captured within the procurement documentation and agreed with procurement before the process is commenced. process of awarding can be assured that it meets equality duty etc. Accessible, equitable, no discriminating.

3.6 Procurement implications

3.6.1 This report sets out the range of procurement options considered from recruitment, ad hoc appointments, use of other frameworks and a bespoke framework. It is recommended that this bespoke framework route provides the most cost effective and practical solution for the procurement of professional services for the forthcoming period where it is expected that there will be fluctuating demands.

3.7 Workforce implications

3.7.1 Officer resources – This approach will be more efficient in time perspective rather than Officers having to procure independently by project requirement.

3.8 Property implications

3.8.1 This Framework has no direct implication on properties.

4. Background Papers

None