

**CAMBRIDGESHIRE COUNTY COUNCIL FRAMEWORK & TERM CONTRACTS:**

- **TEMPORARY BUILDINGS MULTI-DISCIPLINARY FRAMEWORK**
- **DESIGN & BUILD CONTRACTOR FRAMEWORK**
- **RELOCATION OF TEMPORARY BUILDINGS AND ASSOCIATED GROUNDWORK TERM CONTRACT FRAMEWORK**
- **MINOR WORKS FRAMEWORK**

*To:* Children and Young People's Committee

*Meeting Date:* 12 June 2017

*From:* Wendi Ogle-Welbourn, Interim Executive Director:  
Children, Families and Adults Services

*Electoral division(s):* All

*Forward Plan ref:* 2017/001      *Key decision:* Yes

*Purpose:* To advise the Committee of the need to:

- a) Re-procure the following frameworks which have either expired or are due to expire in the next 12 months:
  - Design & Build Contractor Framework (expired 31 March 2017)
  - Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 31 March 2018)
  - Minor Works Framework (due to expire 31 March 2018)
- b) Procure a Temporary Buildings Multi-disciplinary Framework to assist in the management and delivery of the design, health and safety compliance and town planning requirements relating to the provision of mobile accommodation.

*Recommendation:*      **Members are asked to endorse:**

- a) The re-procurement of the following frameworks which have either expired or are due to expire in the next 12 months:
- Design & Build Contractor Framework (expired 31 March 2017)
  - Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 31 March 2018)
  - Minor Works Framework (due to expire 31 March 2018)
- b) The procurement of a Temporary Buildings Multi-disciplinary Framework to assist in the management and delivery of the design, health and safety compliance and town planning requirements relating to the provision of mobile accommodation.

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## **1.0 BACKGROUND**

- 1.1 The Council, as the local Children's Services Authority, has a statutory duty to provide a school place for every child living in its area of responsibility who is of school age and whose parents want them educated in the state funded sector. It also has a duty to secure sufficient and suitable early years and childcare places for children aged three and four and eligible two year olds. To achieve this, the Council has to keep the number of places under review and to take appropriate steps to manage the position where necessary. This includes maintaining a rolling programme of capital investment for the provision of educational facilities for Cambridgeshire's children and young people (CYP). This forms part of the Council's Business Plan approved by Council each February.
- 1.2 To ensure that the Council is able to continue to meet this statutory responsibility it needs to be able to secure the timely and cost-effective delivery of the projects identified as priorities in its capital programme. This is currently achieved through three construction-related frameworks:
  1. Design & Build (D&B) Constructor Framework
  2. Relocation of Temporary Buildings and Associated Groundwork Term Contract
  3. Minor Works Framework
- 1.3 Given that the D&B Framework expired on 31 March 2017 and the other two are due to expire on 31 March 2018, there is an urgent need to proceed with the re-procurement of these frameworks/term contracts in order to ensure that the Council continues to be meet its duty to secure sufficient early years and childcare and school places.
- 1.4 The need for a fourth framework to assist with the management and delivery of design, health and safety compliance, and town planning requirements relating to the provision of mobile accommodation.
- 1.5 Under the Council's Constitution and Principles of Decision Making, the re-procurement of the existing frameworks and the procurement of the new framework meet the Key Decision criteria. This is because each one is likely to result in expenditure in a related series of transactions in excess of £500,000.
- 1.6 In all cases, the frameworks/term contracts are predominantly used and will be managed by the 0-19 Place Planning & Organisation Service in the Learning Directorate. It is considered appropriate, therefore, that the CYP Committee be asked to take this Key Decision. The frameworks/term contracts will, however, be open to other Council directorates/services to use. The management arrangements for those projects will be subject to the size and scale of the planned programme of work. Other local authorities, schools/academies and public sector organisations are also open to use the proposed frameworks/term contracts, subject to signing up to an access agreement and paying a fee to cover resourcing and management costs.

## **2.0 THE FRAMEWORKS/TERM CONTRACTS**

### **2.1 Temporary Buildings Multi-disciplinary Framework**

- 2.1.1 This Framework provides for the management and delivery of the design, health and safety compliance of temporary buildings. The manager responsible for overseeing the associated work programme retired in January 2017. A temporary contract worker is covering the role at a cost of £7,540 per month. In addition, in order to meet the requirements for the Construction (Design and Management) Regulations (2015), the Council is employing a Principal Designer for the summer 2017 programme at a cost of £18,000. The current arrangements, which result from the difficulties encountered in recruiting and retaining staff with the specialist skills to support a programme of work that is cyclical (the majority of the work falls during January to September) do not provide value for money or continuity of service. It is considered more cost effective, therefore, to secure the necessary technical services (listed below) through a framework rather than the Council directly employing someone to undertake this work. The scope, scale and complexity of a project will determine the services required. For example, if it is simply a case of renewing an existing planning consent, the Council would only need Planning Consultancy Services. However, if it needs to establish temporary school provision on a greenfield site, then it is likely that all of the services listed would be required.

#### **2.1.2 Core Services**

Project Management/Contract Administrator  
Quantity Surveying/Cost Management  
Building Surveyor/Architect including Landscape Architecture  
Fire Engineer  
MEP Engineer  
Structural & Civil Engineering  
Planning Consultancy including Highways  
Principal Designer

#### **Additional Services**

Flood Risk Assessment  
Topographical Survey  
Drainage and Ground Penetrating Radar Survey  
Utility Searches  
Arboriculture & Ecology  
UXB (Unexploded Bomb) Survey

- 2.1.3 In order to achieve the best value for money for the Council it is proposed that the fee basis for the Core Services will be on a % capped fee against construction costs for the following Lots:

Lot 1 £0-£50k  
Lot 2 £50k-£150k  
Lot 3 £150k-£300k  
Lot 4 £300k+

Any Additional Services will be based on a capped hourly rate.

- 2.1.4 The tender process would be undertaken in compliance with EU procurement rules. It is proposed that Alcatel and contract awards will be made from Christmas 2017 onwards.

## 2.2 Design & Build Contractor (D&B) Framework

- 2.2.1 The current Framework (originally procured in 2012/13 following approval from Cabinet <http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=5465>) is used to procure large construction projects ranging in value from £500k to £15m plus. Over the past 4 years, the majority of the Council's new schools and largescale expansions of existing schools have been procured using this Framework. Contractors who wish to be approved to be part of the framework are subject to a rigorous assessment process, with 50% of the possible total score being based on quality and the other 50% on cost. Contractors are required to provide examples to demonstrate how they can deliver high quality projects which are also cost effective.
- 2.2.2 Compared to previous procurement methods used by the Council, the Framework together with the Local Government Shared Services (LGSS) Consultants Framework has produced improved performance, cost and time savings on projects through economies of scale and by avoiding the need to undertake numerous tendering processes for every major capital project. In addition, contractors tend to perform better under a D&B Framework model as they have more control of the project and responsibility for risk management. Time and cost issues can be managed with more certainty and conflict and disputes eliminated. This in turn assists with budgeting and final accounts are agreed sooner, since variations are minimised. Over the last four years projects have been delivered on or ahead of programme and are achieving zero or minimal defects. This is a crucial requirement of any partnership arrangement which is responsible for ensuring safe and suitable teaching and learning environments. This does, however, come at a price. In recognition of this, design risk is one of the competitive cost evaluation items included in the tender process. The usual rate for this is the order of 1%.
- 2.2.3 This does mean that Cambridgeshire's build costs are likely to be higher when compared to those of other authorities who use single stage competitive tendering and/or who set lower standards in terms of the quality of materials and internal specifications. For example, Cambridgeshire's policy is for fire sprinklers to be fitted as standard, other authorities do not.
- 2.2.4 Officers' assessment is that the benefits of the D&B Framework outweigh those higher costs. There would be significant risk to programme and project delivery should the Committee not agree to re-procure the framework as it would be necessary to undertake a full tender and evaluation process in all cases.
- 2.2.5 It is not proposed to make any significant changes to the existing framework and contract arrangements. To deal with the needs of the capital programme moving forward the Lots are as follows:

<b>Lot Number</b>	<b>Construction value between</b>
Lot 1	£1m - £2.99m
Lot 2	£3m - £6.499m
Lot 3	£6.5m - £9.99m
Lot 4	£10m - £14.99m
Lot 5	£15m+

2.2.6 It is proposed that Alcatel and contract awards will be made from June 12<sup>th</sup> 2017 onwards.

### 2.3 Relocation of Temporary Buildings and Associated Groundwork Term Contract

2.3.1 This contract underpins and will operate hand-in-hand with the Temporary Buildings Multi-Disciplinary Framework to provide a seamless delivery service. The award of the contract will ensure that the Council has a single supplier to undertake all work in relation to the relocation of temporary accommodation. This will include preparing sites, laying trackway for cranes, transporting mobiles from one location to another, installing utilities and services, installing ramps and steps; and reinstating the site following removal.

2.3.2 It is not proposed to make any significant changes to the existing framework and contract arrangements. Each piece of work that goes to the term contractor will have its own specification. Value for money will continue to be assured as with the current framework via a schedule of rates arrangement, with an annual increase for inflation. Contractors will be evaluated on their technical capability, financial probity, Health and Safety and insurance arrangements.

2.3.3 It is proposed that Alcatel and contract awards will be made from April 2018 onwards.

### 2.4 Minor Works Framework

2.4.1 This Framework provides for minor building, engineering works, maintenance, refurbishment and improvement projects up to a value of £1m. Annual spend is forecast to be in the order of £2m. It is not considered value for the Council to procure these smaller scale projects using the D&B Framework as the expectation is that the contractors on this framework would submit higher tender prices in order to cover their design, overhead costs and risks as they do not consider these projects to be profitable.

2.4.2 In order to complement the Minor Works Framework it is considered better value for money to procure technical/design and contract management via the ESPO (Eastern Shire Purchasing Organisation) Consultants Framework. This is a national Framework available to all public bodies. This has already proved successful in reducing the amount of time required to procure individual projects.

2.4.3 Following an internal lessons learned review (including engagement with suppliers), and given the wide-ranging scale and value of general building works likely to be procured under this framework, the proposed Lots are:

<b>Lot Number</b>	<b>Construction value between</b>
Lot 1	£0 - £124k
Lot 2	£125k - £499k
Lot 3	£500k up to £1m
Lot 4	Mechanical and Electrical Works only

- 2.4.4 It is not proposed to make any significant changes to the existing framework and contract arrangements. It is proposed that Alcatel and contract awards will be made from April 2018 onwards.

### **3.0 ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

Capital investment in public infrastructure provides employment and supports economic development. Providing access to local and high quality educational provision and associated children's services should enhance the skills of the local workforce and provide essential childcare services for working parents or those seeking to return to work. Schools and early years and childcare services are also providers of local employment.

#### **3.2 Helping people live healthy and independent lives**

If pupils have access to local schools and associated children's services, they are more likely to attend them by either cycling or walking rather than through local authority-provided transport or car. They will also be able to access more readily out of school activities such as sport and homework clubs and develop friendship groups within their own community. This should contribute to the development of both healthier and more independent lifestyles.

#### **3.3 Supporting and protecting vulnerable people**

Providing sufficient and suitable school places to match local demand as closely as possible will ensure that services can be more easily accessed by families in greatest need.

### **4.0 SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

- 4.1.1 As stated in section 1.5, under the Council's Constitution and Principles of Decision-making, procurement of the four construction-related frameworks and term contracts represent a Key Decision, requiring Committee approval. This is because, although the frameworks themselves do not hold any value, each is likely to result in expenditure in a related series of transactions in excess of £500,000.
- 4.1.2 It is proposed that the financial assessment for each of the frameworks is carried out by an external consultant. It is estimated that this will cost in the region of

£100k to £150k, depending upon whether there are any challenges from potential suppliers. This cost will be met from the CYP Capital Programme.

4.1.3 Technical support will be required for some aspects of the frameworks, in particular the mechanical and electrical specification for the Minor Works Framework and the pricing mechanisms associated with all four the frameworks.

4.1.4 All the 0-19 Education Capital team costs are charged against the CYP Capital Programme.

#### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

4.2.1 Prior to October 2016, the LGSS Property Development teams had responsibility for the procurement and management of construction-related frameworks. This responsibility reverted to the Council following the decision to cease that arrangement. The procurement, evaluation and award of the new framework/term contracts will be undertaken by the 0-19 Education Capital Team, working in partnership with LGSS Procurement and Legal to ensure that the relevant compliance measures are met.

4.2.2 Contract performance will be managed, monitored and, where appropriate, challenged, against a set of Key Performance Indicators and regular engagement meetings. This will be undertaken in close liaison with the Council's Town Planning Team, LGSS Procurement and Legal to ensure that performance is managed and monitored throughout the length of the framework arrangements.

4.2.3 Tender processes will be undertaken in compliance with EU procurement rules. It is proposed to award contracts on a three year (plus one) basis.

4.2.4 Each month a Capital Programme monitoring report is produced, which currently tracks 70 projects. All of these projects are either in design, in construction or at defects stage. Projects are rag-rated and mitigating action taken where necessary to address programme slippage, emerging cost pressures and performance standards.

#### **4.3 Statutory, Legal and Risk Implications**

4.3.1 The Council has a statutory responsibility to ensure that every child whose parents want them educated in the state-funded sector is offered a school place. In addition, it has a duty to secure sufficient and suitable early years and childcare places.

4.3.2 The vast majority of the schemes within the CYP capital programme are focused on creating additional capacity to provide for the identified need for new places for Cambridgeshire's children and young people in response to demographic need and housing growth. The re-procurement of the existing frameworks and the procurement of the new framework will ensure that the Council continues to be able to deliver the planned level of infrastructure investment and meet its statutory responsibilities.



#### **4.4 Equality and Diversity Implications**

- 4.4.1 All accommodation, both mobile and permanent has to be compliant with the provisions of the Public Sector Equality Duty and current Council standards.

#### **4.5 Engagement and Communications Implications**

- 4.5.1 Significant levels of engagement and consultation take place with all schools and early years settings identified for potential expansion to meet the need for places in their local areas over the development and finalisation of those plans. Schemes are also presented to local communities for comment and feedback in advance of seeking planning permission.

#### **4.6 Localism and Local Member Involvement**

- 4.6.1 Local Members are kept informed of planned changes to provision in their divisions and their views sought on emerging issues and actions to be taken to address these.

#### **4.7 Public Health Implications**

- 4.7.1 It is Council policy that schools:

- should be sited as centrally as possible to the communities they serve, unless location is dictated by physical constraints and/or the opportunity to reduce land take by providing playing fields within the green belt or green corridors;
- should be sited so that the maximum journey distance for a young person is less than the statutory walking distances (3 miles for secondary school children, 2 miles for primary school children)
- should be located close to public transport links and be served by a good network of walking and cycling route
- should be provided with Multi-use Games Areas (MUGAs) and all weather pitches (AWPs) to encourage wider community use of school

- 4.7.2 School design specifications for new schools includes provision for suitable and sufficient outdoor play spaces, natural ventilation and opportunities to maximise use of daylight in preference to artificial light sources. Discussions are underway with colleagues from Public Health to determine how to ensure that the specifications for future schools can further support and promote physical activity and mental wellbeing.

<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Financial Officer: Martin Wade
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	Yes Name of Financial Officer: Chris Malyon via Procurement Board
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Keith Grimwade
<b>Have any engagement and communication implications been cleared by Communications?</b>	Response awaited. Name of Officer: Matthew Hall
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Keith Grimwade
<b>Have any Public Health implications been cleared by Public Health</b>	Yes Name of Officer: Tess Campbell

### **SOURCE DOCUMENTS GUIDANCE**

<b>Source Documents</b>	<b>Location</b>
Business Plan 2017/18, which includes the CYP capital programme	<a href="https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/475/Committee/20/Default.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/475/Committee/20/Default.aspx</a>