

Re-procurement of Minor Works Contractor Framework and Relocation of Temporary Buildings & Associated Groundworks Term Contract

To: Strategy and Resource Committee

Meeting Date: 21st September 2021

From: Director of Resources

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/050 & 2021/051

Outcome: To advise the committee of the need to re-procure the following frameworks which are due to expire in the next 12 months:

- a) Minor Works Contractor Framework (due to expire 31 March 2022)
- b) Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 30 April 2022)

The outcomes, if agreed would enable officers to undertake minor building works across the Councils estate utilising both frameworks, within agreed budget constraints and without the need for further open market tendering. This in turn enables the County Council to fulfil its statutory duty by maintaining the supply of school places and meet a range of regulatory requirements which apply to its public buildings.

Recommendation: The Committee is asked to:

- a) Endorse the re-procurement of the following frameworks which are due to expire in the next 12 months:
 - i) Minor Works Contractor Framework (due to expire 31 March 2022)
 - (ii) Relocation of Temporary Buildings and Associated Groundworks Term Contract (due to expire 30 April 2022)
- b) Endorse the appointment of contractors once the re-procurement process has completed in the Spring of 2022 in conjunction with the Councils procurement team (both frameworks).

- c) Delegate the award of the new Framework to the Director of Resources in consultation with the Chair and Vice Chair of the Strategy and Resources Committee.

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1. 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.
- 1.2 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. In addition to major investment in new and expanded schools, the plan also includes capital funding for a programme of works to maintain identified local authority schools and ensuring that schools are able to stay open and not be forced to close due to condition/maintenance situations. Examples of the types of works would be re-roofing, replacement windows and doors, heating pipe work replacement and boiler replacement.
- 1.3 The Council also has a duty of care to ensure the health, safety and welfare at work of all employees and non-employees (E.G Members of the Public). To achieve this, all corporate and non-corporate buildings under the Council's control have to comply with appropriate statutory, regulatory, and corporate standards. The capital funding also supports a programme of works to ensure they are able to stay open and not be forced to close due to non-compliance with statutory buildings related responsibilities (E.G., management of asbestos, management of fire safety related issues, ventilation requirements (COVID related etc.)
- 1.4 The Council also needs to be able to respond to the provision of educational places at schools within Cambridgeshire when there is an identified places planning need for additional spaces for a temporary period of time, or prior to an expansion of a school on a permanent basis. A temporary increase in a school's pupil roll could require an urgent response and the existence of the Relocation of Temporary buildings & associated groundworks Term Contract would enable the Council to respond to this demand in an efficient and expedient manner.
- 1.5 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 capital funded projects identified as priorities in its capital programme and Condition/Maintenance programme of works. This is currently achieved through two construction related frameworks:
 - 1: Minor Works contractor Framework
 2. Relocation of Temporary Buildings and Associated Groundworks Term Contract

2. Main Issues

2.1 Minor works Contractor Framework

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 £4m (across both education and corporate buildings). This sum is made up of roughly £3m DfE condition funding grant with a further estimated allocation of £1m for maintaining the Council's corporate estate. This is in line with current normal budget expenditure when using the existing framework.

2.2 The existing minor works Framework expires on 31st March 2022, necessitating a new procurement route to be established. The proposed new framework would run for a maximum period of 4 years up to April 2026, with the likely scenario being for a period of 3 years, with the option of extending the framework for a further 1-year period if the Council wishes to do so. This decision will be linked to considerations around the overall performance of the framework.

2.3 The Authority does not possess the internal resources to undertake these works in-house to cover the breadth of skills and the number of suppliers that maybe required over the life of the framework, this proposed framework structure provides opportunities for locally based Small and Medium Enterprise (SME) organisations to bid for a place on the framework which, in turn, will provide opportunities to the local supply chain.

2.4 It is not considered value for money for the Council to procure these smaller scale projects using alternative frameworks (the Councils Design & Build (D&B) Framework for example), nor to go out to the open market on each occasion. The rationale behind this is:

- The contractors on the D&B framework would likely submit higher tender prices in order to cover their design, overhead costs, and risks as they generally do not consider these lower value projects to be profitable given their current business model, and:
- If the Council were to go out to the open market for each smaller scale projects, this would add significant time to the overall project timescale, and require lengthy assessment processes to be undertaken, leading to increased time and cost arising from the need for more officer resource.
- A Council framework would allow those contractors on the framework to better plan their resources around likely peak demand for their services by having sight of a programme of works to enable them to plan internal resources and gear up their supply chain to ensure supply of materials (especially in the current climate where certain building materials are in short supply or on long lead times).
- A Council framework would enable the benefits of forming longer term relationships with those contractors on the framework, which in turn leads to better understanding of the Council's needs, likely peak demand for building services and improving the quality of service delivery which, ultimately benefits the end users of the Councils buildings.

For these reasons, establishing a new Council framework for such works continues to be the best procurement option for the Council.

2.5 To support the delivery of a new Minor Works Framework the technical/design and contract administration/management functions will be procured 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 and to ensure suitable professional advice is provided for each scheme undertaken via the Minor Works Contractor Framework. This process has been used during the lifetime of the current minor works framework.

2.6 **Framework Structure:** To seek up to date market views on the framework structure a soft market engagement exercise was undertaken. This generated 20 written responses in relation to the structure of the framework and subsequent tender process, Given the wide-ranging scale and value of general building works likely to be procured under this framework, the proposed Lots (and the suggested number of contractors per lot) for the Framework are:

Lot Number	Construction value	Type of project	No. of proposed contractors
Lot 1	£0 - £149,999	Building	6
Lot 2	£150,000 - £499,999	Building	6
Lot 3	£500,000 - £1m	Building	6
Lot 4	£0 - £75,000	Mechanical & Engineering (M&E)	6
Lot 5	£75,001 - £250,000	Mechanical & Engineering (M&E)	6

These lots would then enable Council departments to undertake a wide range of condition and maintenance schemes across the Councils portfolio of buildings to ensure buildings are maintained to a high standard and are suitably compliant.

The Lot structure proposed is an increase of two lots (Lot 4 and 5 do not currently exist) from the current framework agreement and shall allow specialist Mechanical and Engineering Contracts to bid for the Framework.

2.7 It is not proposed to make any major changes to the contractual arrangements in relation to this framework as these have functioned satisfactorily throughout the duration of the existing framework. All tendered schemes over a value of £20,000 will be accompanied by a Joint Contracts Tribunal (JCT) contract which would be issued by LGSS Law and is a standard form of contract within the construction sector.

2.8 The Soft Market Engagement also included questions on the potential to deliver Social Value, particularly related to carbon reductions and environmental standards. The responses indicated that readiness of the market to deliver carbon reductions is mixed and will vary based upon the specific works undertaken. To accommodate this the framework specification will include only high-level commitments to deliver carbon reductions, with more detailed questioning and specifications reserved for the mini competitions required to award specific works to contractors. This will give the Council the opportunity to set

objectives at the commencement of individual projects and respond to policy and technical advances in this area over the life of the framework.

2.9 Relocation of Temporary Buildings and Associated Groundworks Term Contract

This contract exists to undertake the movement of temporary buildings (mobiles) across the Councils Education and corporate estate. Temporary accommodation is frequently required to deal with sudden, unexpected, or planned temporary increases in a school's admission number (to cope with a bulge year for example). Temporary accommodation would generally be on a school site for a number of years to deal with the increase in numbers, or prior to a planned capital scheme to provide permanent expansion at a school site. Temporary accommodation could also be required to support the Council's corporate estate, where temporary office space may be required to aid building refurbishment or redevelopment (as was required for the recent 2020 programme of works).

2.10 The award of this contract will ensure that the Council has a single supplier to undertake all work in relation to the relocation of Council owned temporary accommodation. This will include preparing sites, laying trackway for cranes/lorries, transporting mobiles from one location to another, installing utilities and services, installing ramps and steps: and reinstating the site following removal.

2.11 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. The process during the Invitation to tender (ITT) process will include an assessment on quality and price, thus ensuring the contractors providing the most economically advantageous offer, will be selected (in line with the Councils normal tender assessment process).

2.12 The Current Term Contract would have run for 4 years by May 2022, and the requirement for the future framework is for that to run for a maximum of 4 years also (so up to May 2026). This would likely be for a period of 3 years, with the option of extending the Term Contract by an additional 1 year.

2.13 The current framework has a maximum budget of £1m to deal with the requirement for temporary buildings across the Councils education portfolio. The new framework will have a similar budget figure of £750,000 - £1m per year (in line with the Councils business plan).

3. Alignment with corporate priorities

3.1 Communities at the heart of everything we do
There are no significant implications for this priority.

3.2 A good quality of life for everyone
There are no significant implications for this priority

3.3 Helping our children learn, develop and live life to the full
The following bullet points set out details of implications identified by officers:

- The two frameworks described provide an effective means of delivering the respective works. Efficient delivery of these works is fundamental to the continued and safe provision of these services supporting education within Cambridgeshire and ensuring the Councils public buildings are maintained in a safe and compliant manner.

3.4 Cambridgeshire: a well-connected, safe, clean, green environment

The following bullet points set out details of implications identified by officers:

- These contracts support the delivery of a safe and accessible educational environment for Cambridgeshire's children

3.5 Protecting and caring for those who need us

The following bullet points set out details of implications identified by officers:

- These contracts support the delivery of a safe and accessible educational environment for Cambridgeshire's children.

4. Significant Implications

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers.

- Section 2.1 and 2.13 confirms proposed spend across education and corporate directorates as circa £4m/year and £1m/year across the two frameworks.

The capital programme for schools is prioritised on the basis of service need. The various frameworks operated by the service are the means for delivering this programme.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The following bullet points set out details of significant implications identified by officers:

- We have and continue to receive advice and guidance from the Procurement team in relation to these tender processes.

4.3 Statutory, Legal and Risk Implications

The following bullet points set out details of significant implications identified by officers:

- These frameworks enable the County to meet its statutory duty to provide a sufficient number of pupil and childcare places across the County and further ensure that its school buildings comply with statutory and regulatory requirements which apply to buildings.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Environment and Climate Change Implications on Priority Areas:

The following bullet points sets out the details of significant implications identified by officers:

- Procurement of these contracts will not, in themselves, have a significant impact for climate change and the environment. Rather the implications will emerge on a project-by-project basis and will depend on the types of works being undertaken. These projects will be awarded via a mini competition from the Minor Works framework, with specifications that will seek to deliver the Council's policies in respect of climate change and reduced energy use.

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

Explanation: See response under 4.8 above

4.8.2 Implication 2: Low carbon transport.

Neutral

Explanation: See response under 4.8 above

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral

Explanation: See response under 4.8 above

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

Explanation: See response under 4.8 above

4.8.5 Implication 5: Water use, availability and management:

Neutral

Explanation: See response under 4.8 above

4.8.6 Implication 6: Air Pollution.

Neutral

Explanation: See response under 4.8 above

4.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive

Explanation: These frameworks will aid in maximising the longevity of our existing infrastructure, with works sequentially improving the standards to which our properties are delivered. This contributes to ensuring continued service delivery into the future.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Eleanor Tod

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the CCC Head of Procurement? Yes
Name of Officer: Henry Swan

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? Yes
Name of Legal Officer: Amy Brown

Have the equality and diversity implications been cleared by your Service Contact? Yes
Name of Officer: Jonathan Lewis

Have any engagement and communication implications been cleared by Communications? Yes
Name of Officer: Simon Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Jonathan Lewis

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Iain Green

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer? Yes
Name of Officer: Emily Bolton

5. Source documents

- 5.1 Source documents – Current framework documents
 - Responses to Soft market Testing