

PFCC Decision Report

Report reference number: 070-22

Classification: Official Commercial

Title of report:

Award of the 7F Multi-Disciplinary Construction Consultancy Contract
ref:7F-2021-P036

Area of county / stakeholders affected: County / Region Wide

Report by: Esther Beaumont (Head of Category Management)

Chief Officer: Mark Gilmartin (Director of Support Services)

Date of report: 01/06/2022 (re-submitted 18/07/2022)

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1. Executive Summary

This report seeks approval for the 7F Multi-Disciplinary Construction Consultancy Contract award for Essex Police and requests that authorisation be given for the award and the application of the PFCC's electronic signature to the Contract Agreement.

2. Recommendations

The PFCC for Essex is recommended to:

(i) Award a framework agreement to Baily Garner for Multi-Disciplinary Construction Consultancy Services. The agreement is for an initial two-year period from 20th June 2022, with options to extend for a further 2 + 1 years, the maximum duration being five years in total.

(ii) Authorise the application of the PFCC's electronic signature to the Framework Agreement attached to this report.

This is a demand-led service, and the signing of the framework agreement does not commit the Authority to any spend, as volume through this agreement is not guaranteed. When specific consultancy contracts are needed, these will be procured via a call-off arrangement under this framework, the financial approval of which will be in line with the Contract Standing Orders.

The cost of this service to Essex over the initial two-year contract period is estimated to be between £1.368 and £1.5 million, with a potential whole contract life cost of between £3.42 and £3.76 million. These are estimates based on historic usage as this contract is demand led and will vary according to the capital programme (further details in section 9).

3. Background to the Proposal

Each of the seven forces of the eastern region contract for a varied range of construction consultancy disciplines, managed via an equally varied set of routes to market e.g. via longer-term formal contractual arrangements, or services are typically procured on an ad-hoc, project-led basis, via known agencies or national frameworks. There are a number of issues with the current approach, which have caused concern for both the Heads of Estates across the region and 7F Commercial Services:

1. Vetting is required on consultancy personnel, which either increases the time taken for a consultant to come on board, leading to delayed programmes of work, or results in a reduced pool of pre-vetted consultants bidding for project opportunities
2. National frameworks typically contain large consultancy organisations, limiting local SME opportunities for winning force consultancy business
3. Consultancy fees and the quality of services delivered varied significantly across the region and across projects.
4. Lack of visibility on actual spend for construction related consultancy services, due to budgets being allocated on a project basis rather than a service basis.

This framework agreement will provide Essex Police with a multi-disciplinary delivery partner, able to provide consultants across all construction related disciplines, pre-vetted and able to undertake all projects (irrelevant of cost) quickly and efficiently.

Following approval from the Commercial Executive Board (CEB) in January 2021, a Restricted Procurement procedure was conducted, dividing the regional service requirement for the seven forces, into four separate lots:

Lot 1 – Bedfordshire, Cambridgeshire and Hertfordshire Police Forces

Lot 2 - Essex Police and Essex County Fire and Rescue Service

Lot 3 - Kent Police Force

Lot 4 – Norfolk and Suffolk Police Forces

This enabled each geographical area to encourage and explore tender submissions from local, regional and national organisations, maximising competition.

4. Proposal and Associated Benefits

The award of these four framework agreements will enable Estates teams and their respective delivery partners to plan, coordinate and move at pace when requiring specialist consultancy services.

Following evaluation of the tenders it is recommended that framework agreements are awarded as follows:

Lot 1 – Bedfordshire, Cambridgeshire and Hertfordshire Police Forces - *Ingleton Wood*

Lot 2 - Essex Police and Essex County Fire and Rescue Service - *Baily Garner*

Lot 3 - Kent Police Force - *Baily Garner*

Lot 4 – Norfolk and Suffolk Police Forces - *Ingleton Wood*

These suppliers submitted the highest scoring tenders (per Lot) as per the published evaluation criteria and are able to meet the contract requirements, as per the specification and terms and conditions of the agreement.

The scope of the service provision includes:

Archaeological Services	Heritage
Architects	Highways consultancy services
Building Services Engineering	Landscape Architectural Design Services
Building Surveying	Principal Designer Services
Civil and Structural Engineering	Lead Consultant / Programme and Project Management
Cost Consultancy / Quantity Surveyor	Site Supervisor / Clerk of Works
Fire Engineer	Sustainability and Environmental Consultancy
Flood Risk Assessment	Transport Consultants
Health and Safety Consultant / CDM	

These framework agreements also provide flexibility for Estates teams as to how they resource their capital programmes as follows:

- a) Core to this exercise and awarded automatically to the successful delivery partner are contracts where the professional services fee values are between £50k - £250k.
- b) There is also the option for Estates teams to require the delivery partner to procure all sub-£50k consultancy fee value projects on the force's behalf, from the local supply chain, in accordance with the 7 Force Contract Standing Orders.

- c) In addition, for any large-scale projects, where consultancy fees exceed £250k, there are the options to award these to the delivery partner (prices can be negotiated down from the contract rate) or forces reserve the right to utilise a national framework if this provides improved value.

A standardised specification across the seven forces was developed, to ensure quality service provision is delivered consistently across the region, underpinned by 7 Force standard consultancy terms and conditions, with the additional option of using industry standard NEC or JCT terms and conditions where projects dictate.

Key Performance Indicators will be monitored and managed by Estates teams, with the support of a Supplier Relationship Manager from the 7F Commercial Services team, who will have oversight of performance across the region.

In addition to the variety of disciplines covered, the improved speed of engagement and increased flexibility, the successful organisations would also be contracted to deliver significant levels of social value to the local area. This includes apprenticeships, spend in local supply chain, CO2 emission reduction and donations to local charities.

5. Options Analysis

Do Nothing

Force contracts currently in place are for dedicated projects only.

These services are required frequently across the region and are significant for enabling the delivery of capital programmes to time and budget.

Doing nothing leaves our forces at risk if a swift and compliant route to market does not exist. It also places significant burden on resources to procure multiple low value contracts of a similar nature across the region.

The potential impact would lead to ad-hoc, non-compliant spend, with service requirements disaggregated and cost benefit opportunities missed. Consultants would be engaged on the basis of vetting, rather than best value.

Option 1 - In-house team

An in-house team delivering multi-disciplinary services would provide the seven forces with greater control and ownership across all projects and would significantly reduce vetting delays.

However, the challenge is the ability to recruit and retain local expertise across such a diverse range of disciplines. The forces would be required to pay them consistently, regardless of the volume of work and the fluctuating capital programmes.

Option 2 - Procure from a framework

National frameworks such as Pagabo, Perfect Circle and Scape are already set up with the ability to directly award or run mini competitions within their lots, and some provide flexibility between forms of contract. However, these Frameworks are limited in their ability to attract and appoint local SMEs which can meet our requirements.

7F Commercial Services performed a benchmarking exercise to compare the costs of using a national framework versus previously used local consultants and saw no additional value to be gained by using a national framework.

The national frameworks were appointed pre-Covid19 and there is a significant risk that organisations on these may no longer be responsive, are at capacity or can no longer honour prices detailed.

Option 3 - Procure a 7F Framework with flexibility for low-level spend and large projects

RECOMMENDED OPTION

Procuring a 7F framework means setting up partners per region (Bedfordshire / Cambridgeshire / Hertfordshire, Essex, Kent and Norfolk / Suffolk). The benefits of this are that the seven forces can set their own award criteria and have the framework operate under their own terms and requirements.

This option can also address the need to give opportunities to local SMEs to bid to be a partner or for work on low-level spend or to sub-contract.

The seven forces will have the opportunity to negotiate or use frameworks for larger projects. Creating competitive tension at this level will ensure that the delivery partner has to demonstrate best value.

6. Consultation and Engagement

Heads of Estates across the seven forces, along with representatives from the Essex County Fire and Rescue Service have been fully engaged and consulted throughout the procurement process to ensure the business needs are met by the new contract. These colleagues formed the evaluation panel for the two written submission stages and were in attendance at the presentation stage, which provided opportunity for further clarifications and questions regarding service delivery and capacity, specific to each Lot.

Bluelight Commercial has also been engaged and updated with regards the procurement, ensuring alignment at the national level.

7. Strategic Links

This contract will significantly enable the Essex Estates Capital Programme, as well as supporting several themes within the Police and Crime Plan.

8. Police operational implications

This contract will support the delivery of Essex Estates Capital Programmes, ensuring that Essex Police's and the Essex County Fire and Rescue Service's estate is developed, improved and provides a fit for purpose environment for all aspects of operational deployment.

9. Financial implications

The current estimated contract value for this service is between £684,000 and £750,000 per annum for Essex. As this is a demand led service, it is extremely difficult to forecast the usage, due to the nature of the service and the fluctuating capital programme. As a result, historical usage and current project consultancy costs, alongside a review of the Capital Programme, have been used to determine the estimated spend through this contract.

The data below is an analysis based on spending over three full financial years. This does include one-off HQ construction projects.

	Essex Spend (£000's)
FY19/20	657
FY18/19	780
FY17/18	614
Total	2,052

The estimated contract value ranges from a minimum of £684,000 (based on the table above £2,052,000/3 years = £684,000) and a maximum +10%, based on observations from current project costs, increasing NI contributions and other rising costs.

The overall value for five years across Essex only, should the extension options be utilised, is between £3.42 and £3.75 million, but this is estimated, as extensions are subject to price negotiations.

Whilst we are unable to predict usage and therefore overall costs, there will be methods through which the seven forces will work with the supplier to ensure we are obtaining best value, such as benchmarking fees across the region's delivery partners and national frameworks.

The usage and spend will form part of the contract review meetings where trends can be identified from the monthly management information obtained.

10. Legal implications

The procurement has been carried out in accordance with the Contract Standing Orders and the Public Contracts Regulations 2015 using a compliant Restricted Procurement procedure.

11. Staffing implications

There are no staffing implications to this procurement.

12. Equality, Diversity and Inclusion implications

The delivery partner is required to ensure that all personnel assigned under this contract comply with their legal obligations with regards to equality and diversity.

13. Risks and Mitigations

Procurement risks will be managed and mitigated via regular liaison with the delivery partner, via individual Estates teams and across all forces via the Supplier Relationship Manager allocated to monitor these contracts.

14. Governance Boards

- Commercial Executive Board Gateway 1 – January 2021. CEB decision number D040
- Commercial Executive Board Gateway 2 – May 2022.
Essex Strategic Board - June 2022.

15. Links to Future Plans

N/A

16. Background Papers and Appendices

- 7F-2021-P036- Regulation 84 Award Report
- Contract terms and conditions (issued as part of tender pack)

Regulation 84 Report



Construction
Consultancy Reg84 R

Terms & Conditions



VOL 3 C1 General Ts
& Cs .docx



VOL 3 C2 Service
Specific Ts & Cs.docx

Report Approval

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign: 

Print: P. Brent-Isherwood

Date: 1 August 2022

Chief Finance Officer

Sign: 

Print: Janet Perry **

Date: 01 August. 2022

*** Signed subject to the agreement that all future meetings to review Value for Money (VFM) in procurement (no matter how simple it might seem), should include a suitably qualified financial professional.*

Publication

Is the report for publication?

YES	<input checked="" type="checkbox"/>
NO	<input type="checkbox"/>

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

Subject to redaction, as detailed below

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?	YES	<input type="checkbox"/>	2. Of Appendix?	YES	<input checked="" type="checkbox"/>
	NO	<input checked="" type="checkbox"/>		NO	<input type="checkbox"/>

If 'YES', please provide details of required redaction:

Terms and conditions can be published as these are not restricted. The Regulation 84 Report is marked as Official – Commercial – Sensitive and so should not be published.

Date redaction carried out:

Chief Finance Officer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign:

Print:

Chief Executive / Chief Finance Officer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: R. C. HIRST

PFCC/Deputy PFCC

Date signed: 3 August 2022

I do not agree the recommendations to this report because:

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.....
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Sign:

Print:

PFCC/Deputy PFCC

