

## **Cabinet –17 March 2021**

### **Professional Services Provider for Capital Construction Projects**

<b>Portfolio:</b>	Councillor Chattha
<b>Service:</b>	Resources and Transformation
<b>Wards:</b>	All Wards
<b>Key decision:</b>	Yes
<b>Forward plan:</b>	Yes

#### **1. Aim**

- 1.1 This report seeks approval to enter into a contract with a single service provider for the supply of technical resources, including programme managers, project managers, architects, engineers etc. to support the construction of multi-disciplinary capital projects as they occur to ensure that consistent and wide ranging skills are available to meet the various and ongoing capital project needs of the Council.

#### **2. Summary**

- 2.1 The Council proposes to enter into a contract with a single service provider Faithful+Gould Limited through Lot 1 of the PAGABO Professional Services Framework, a national framework for the supply of a full range of professional services, including but not limited to: civil & structural engineering, architectural design services, landscape design services and sustainability & environmental consultancy related to the technical delivery of construction projects. The PAGABO Professional Services Framework is compliant with all procurement regulations and directives and open to public sector organisations via either a mini-competition or direct award.
- 2.2 Faithful+Gould are the awarded supplier on the PAGABO Framework Lot 1 and will act as programme manager for all multi-disciplinary projects to ensure consistency of procedures and reporting and will provide other technical teams either directly or utilising sub-contractors under the terms of the PAGABO Framework. The choice of Architects will be agreed with client departments and will be sub-contractors to Faithful+Gould under the terms of the Framework.
- 2.3 The contract will be for an initial period of 1 (one) year with the option to extend for a further 2 (two) periods of up to 12 months each, subject to satisfactory performance and approval.

2.4 It is not currently possible to predict accurately the level of throughput for this supplier as the extent of capital works is as yet unquantified. No additional funding is required as these same services are already provided by external bodies for construction projects and it is anticipated that a cost reduction and efficiencies will be possible through a partnership working. Based on previous throughputs, a likely total value of £15m per annum will be placed through Corporate Landlord Services and therefore the cost of technical advisors will be fee based set against and included within the project cost allowance, this is expected to be in the region of £1.8-£2.25m per annum. This arrangement will allow flexibility should the level of capital spending increase or decrease in future.

### **3. Recommendations**

3.1 That Cabinet approves the appointment of Faithful+Gould Limited as the Professional Services Provider for Capital Construction Projects for a maximum period of up to 3 years (1+1+1) subject to satisfactory performance and delivery.

3.2 That Cabinet delegate authority to the Interim Executive Director for Resources and Transformation to enter into the contract, and to subsequently authorise the sealing, signing or variation of any deeds, contracts or other related documents for such services.

### **4. Report detail - know**

#### ***Context***

4.1 The proposal contained within this report follows the guidance and recommendations as contained within the WPP Corporate Landlord Blueprint whilst also incorporating improvements to better align and accommodate council-wide requirements.

4.2 This will provide the robust governance which is required for the consistent programme and project management delivery of all council-wide projects.

4.3 The needs and requirements of the council-wide Services and Directorates will be central to the delivery of this arrangement.

4.4 This arrangement is supplemental to the ongoing transformational change within Corporate Landlord Services which is bringing additional capacity, skills, knowledge and experience into the service which further contributes towards the successful delivery of programmes and projects whilst providing the confidence and safeguards to all Services and Directorates.

4.5 Throughout the year Corporate Landlord Services are asked to manage construction projects ranging from small minor works to large complex schemes. Currently each new project requires a separate Procurement exercise to appoint technical advisors which has proved time consuming and extended lead times for commencement. This practice is inefficient as it

requires additional input from Corporate Landlord Services and Procurement to ensure compliance with standing orders and legislation and adds to the overall length of a project.

- 4.6 The appointment of a single source arrangement was explored which included the various procurement routes to market both pre and post OJEU or via an existing fully OJEU compliant framework agreement.
- 4.7 Although an open tender process could be pursued it would require the development of a detailed specification and due to the time required, uncertainty of the level of throughput and exact nature of some of the services that may be required going forward there is a risk that not all of the future requirements will be accounted for and therefore there is a possibility that not all of the Council's needs could be delivered through this contract.
- 4.8 Frameworks provide a distinct advantage where the scope of works are varied and the value of works is not accurately known as it allows services to be bought on-board and dropped off as required. They also provide the flexibility to appoint individual technical teams that are suitably qualified and experienced for the works they are to undertake. They are Public Contract Regulations 2015 compliant and thereby give immediate access to pre-tendered suppliers reducing the time to appoint a provider whilst ensuring value for money.
- 4.9 The following frameworks were assessed to determine the most appropriate route:
- PAGABO provides two options to access the framework, further competition via mini competition or direct award.
  - SCAPE has an established joint venture option to cater for works of this nature which has the heading of Perfect Circle.
  - Crown Commercial Services operates a Professional Services framework, however this is provided via a number of Lots with numerous providers on each Lot. In order to engage the providers on these Lots several mini competitions would need to be run so that a final selection can be undertaken. This would not only be time consuming and labour intensive, it would take some considerable time and would inevitably delay the appointment and therefore the commencement of any works.
- 4.10 Having considered the above options in conjunction with procurement, it is considered that the most appropriate route to market for this service is the PAGABO Professional Services Framework Lot 1. PAGABO undertook a PCR 2015 compliant procurement process and have selected the single provider who offered the best value solution based on a 40% Price/60% Quality criteria. The Framework can accommodate all of the disciplines needed, it can be engaged quickly, it has the benefit of flexibility around the use of specialist

sub-contractors and local SMEs which widens the opportunity of expenditure and safeguarding employment within the borough of Walsall.

- 4.11 It is anticipated that efficiencies will be made due to consistency of supply, established processes and a reduction in the need for meetings with multiple suppliers.
- 4.12 KPI's for performance elements will be developed and used for each project to include but not limited to task completion within agreed time frame, variance from cost estimates (both increases and decreases), engagement of local suppliers, added social value, work experience, etc.
- 4.13 This contract will ensure the project managers understand the Council's policies and procedures, applying them and ensuring compliance for all client departments. This will also provide added governance for the programme management, monitoring, and reporting of pipeline projects.
- 4.14 All services and departments across the council who have commissioning requirements for programme and project works will be invited, engaged, and involved in the procurement of technical teams for their specific works or projects and will be invited to input into quality questions and evaluation scoring.

## **5. Council Corporate Plan Priorities**

- 5.1 Internal Focus: the Corporate Landlord Service will deliver quality and adapt to meet the needs of customer facing services;
  - To drive a more effective approach to project management of capital schemes;
  - To drive better value for money on capital schemes.

## **6. Risk Management**

- 6.1 The appointment is based on an initial period of 1 (one) year with an option to extend for 2 (two) further periods of up to 1 year each making a total of 3 (three) years which will be subject to a strict performance and delivery review before any extension on the initial year is entered into.
- 6.2 The proposed arrangement is non-exclusive and Corporate Landlord Service can choose to deliver works via alternative arrangements should it be felt that this would provide better value for money or legislation requires it.
- 6.3 To accurately evaluate the value for money a baseline cost for similar projects undertaken in the past, for each service area, will be used for a comparison on overall costs.
- 6.4 All projects will be reported to the relevant service capital boards and will not proceed without their approval

## **7. Financial Implications**

- 7.1 The costs of the advisors will be accommodated from the approved capital budget for each scheme.
- 7.2 There is no fixed capital expenditure for the next 3 (three) years, the total proposed length of the contract. Based on previous project history, it is anticipated that approximately £15m of construction projects will be undertaken per annum, with the average cost of engagement of consultants in the range of 12-16%, dependant on complexity and value of the scheme, assuming all RIBA stages are used. Based on this the average expenditure would be £1.8-£2.25m per annum.

## **8. Legal implications**

- 8.1 The PAGABO Framework is compliant with the Public Contract Regulations 2015 was retendered in 2019 and commenced in April 2020.
- 8.2 The Council will use the Framework terms and conditions which form part of the requirements of PAGABO to use the framework.

## **9. Procurement Implications/Social Value**

- 9.1 The award of this contract is in accordance the Council's Contract Rules and is fully compliant with the Public Contracts Regulations.
- 9.2 Since 2016 PAGABO Framework projects have generated over £2.83bn of construction projects improving the social, economic and environmental well-being of the areas in which they have been delivered. Throughout the contract and by use of the Social Profit Calculator, PAGABO Framework can forecast the social value for client's projects at design stage, evaluate social value objectively using desired KPIs during tender stage, and monitor this throughout construction and post-completion.

## **10. Property Implications**

- 10.1 Corporate Landlord Service will undertake a consistent project delivery approach across the estate, for school and non-school assets; adopt best practice business case methodologies (Full Business Case) and align gateways with RIBA Plan of Work.
- 10.2 The service will adopt a clearly defined governance process, setting out the responsibilities of the relevant stakeholders and the steps in the process where their engagement will be required.
- 10.3 The programme management function will take the lead on the delivery of capital projects across the estate from feasibility stage onwards, engaging with

relevant stakeholders as appropriate, based on the brief provided by the client department.

## **11. Health and Wellbeing Implications**

- 11.1 Compliance with health and safety legislation related to construction projects to ensure safe working sites and members of the public are not at risk from construction works.
- 11.2 The proposal supports the principles of Walsall's Health and Wellbeing Plan (2017 –2021) and its priorities to increase economic prosperity through increased growth, and to create healthy and sustainable places and communities. The proposal will aid the delivery of strategic plan, such the Town Centre Master Plan, by facilitating timely and cost-effective access to a range of professionals and experts. Thereby supporting the objectives in the Health and Wellbeing Plan to build a strong business environment and develop a strong and sustainable infrastructures.

## **12. Staffing Implications**

- 12.1 There are no staffing implications as no additional duties, technical input or workload are present as this is a replacement for an existing contract.

## **13. Reducing Inequalities**

- 13.1 The PAGABO Framework will ensure the Council's social value and equalities clauses are written into all technical specifications for contractor procurement.

Corporate Landlord Service will report on the social value contained in each contract awarded and how inequalities are being addressed

## **14. Consultation**

- 14.1 Consultation has been undertaken with Children's Services, EE&C, Finance, Public Health and Procurement.

## **15. Decide**

- 15.1 That Cabinet approves the appointment of Faithful+Gould as the Construction Project Technical Advisor for a maximum period of up to 3 years (1+1+1) subject to satisfactory performance and delivery.

## **16. Respond**

- 16.1 Subject to Cabinet approval a contract will be made with Faithful+Gould.

## **17. Review**

- 17.1 Monitoring of the performance will be via a set of KPI's designed to capture both quality and delivery performance and will be reported to each Directorate via their capital boards.
- 17.2 An annual review of contract performance will be undertaken by Corporate Landlord.
- 17.3 Cost of the providing the services will be reported against the established averages previously achieved. This will be reported on an ongoing basis to the contracting department and annually across all projects to CMT for review

### **Background papers**

None

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