

Agenda item:

**Cabinet Procurement Committee**

**On 27<sup>th</sup> April 2010**

Report Title. **Consultants for Construction Works framework agreement extension**

Report of **Director of Corporate Resources**

Signed :

Contact Officer : David Mulford, 020 8489 1037

Wards(s) affected: **All**

Report for: **Key Decision**

**1 Purpose of the report**

- 1.1 To seek Cabinet Procurement Committee approval to extend the Consultants for construction works framework agreement for a period of 1 year.

**2 Introduction by Cabinet Member**

- 2.1 I concur with the recommendations set out in this report.

**3 State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1 The procurement of long term agreements for construction consultancy fits in with the Council's Category Management strategy.

**4 Recommendations**

- 4.1 In accordance with CSO 13.02 that the Consultants for construction works framework agreement be extended for NPS Property Consultants Ltd.
- 4.2 That the framework agreement be extended for a period of 1 year with an estimated total value of £2.5million.

## **5 Reason for recommendation(s)**

- 5.1 The extension of the existing framework agreement will enable the Construction Procurement Group to conduct a procurement exercise for the subsequent arrangements to be put in place for the provision of construction consulting. Consultation with key client groups has already begun in order to shape the structure of mechanism to be used under these arrangements.

## **6 Other options considered**

- 6.1 The Construction Procurement Group examined the option of using other public sector arrangements for the provision of construction consulting. There are public sector framework agreements in place that may be used for the provision of construction consulting, whereby the user can select consultants through a tender competition. However, the current framework agreement provides the opportunity for consultant performance to be monitored closely through regular programme review meetings with the single service provider. The single service provider has been trained in the Council's internal processes and procedures, so the use of the in-house framework also provides efficiency savings in terms of the time officers would otherwise spend training new consultants.

## **7 Summary**

- 7.1 The Consultants for construction works (CfCW) framework agreement was awarded in March 2008 for a period of 2 years, with the option to extend for up to a further 2 years subject to satisfactory performance. The current framework agreement expires on 27<sup>th</sup> April 2010.
- 7.2 The framework agreement provides a one-stop-shop service for the provision of project management, architecture, building surveying, mechanical, electrical, civil and structural engineering and quantity surveying.
- 7.3 Separate framework agreements were awarded to run concurrently with the CfCW framework agreement to provide cost, quality and health & safety assurance to the work carried out by the one-stop-shop service provider.
- 7.4 The performance of the single service provider has been satisfactory throughout the initial term of the framework agreement.
- 7.5 The use of this framework agreement provides a robust contract management process, with key performance indicators used to monitor performance.

## **8 Chief Financial Officer Comments**

The Chief Financial Officer has been consulted over the contents of this report and has no further comments to add.

## **9 Head of Legal Services Comments**

- 9.1 The framework agreement which the report relates to was advertised in the Official Journal of the European Union in accordance with the Public Contracts Regulations 2006.
- 9.2 As stated in paragraph 7.1 above the framework has provision for extension for up to a further 2 years.
- 9.3 The value of the extension which this report relates to is above £250,000 therefore it may only be approved by Members in accordance with CSO 13.02.
- 9.4 The Head of Legal Services sees no legal reasons preventing Members from approving the recommendations in paragraph 4.

## **10 Head of Procurement Comments**

- 10.1 The current framework for Consultants for Construction works (CfCW) was procured following an advert in the Official Journal of the European Union and subsequent award by Cabinet Procurement Committee in March 2008.
- 10.2 The framework allows for extending for up to two further years subject to satisfactory performance.
- 10.3 The framework is monitored through a number of meetings including a core group of key directorates.
- 10.4 The Head of Procurement therefore supports the extension of this framework for a further year.

## **11 Equalities & Community Cohesion Comments**

- 11.1 NPS were evaluated in terms of equality and diversity in the original procurement process used to select them to the framework agreement.
- 11.2 The framework agreement will benefit all wards within the borough.

## **12 Consultation**

- 12.1 The Construction Procurement Group will consult with key client groups from all directorates in order to shape the contract mechanism for the arrangements that will be procured to replace this framework agreement.
- 12.2 Clients regularly provide feedback on the service provided by NPS and are involved in regular progress meetings held between the Construction Procurement Group and NPS.

**13 Service Financial Comments**

13.1 The costs involved in the use of the framework agreement for future minor construction works may come from external funding, revenue or capital budgets for the directorates for which work is being carried out.

13.2 The framework agreement was awarded against a schedule of rates based on percentage rates against construction cost. Hourly rates will be adjusted in line with the average Retail Price Index (RPIX) figure from 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.

13.3 From the inception of the framework agreement in April 2008 to March 2010 NPS has been awarded work worth £5.01million against 325 commissions. Assuming a similar level of commissioning over the next year the amount to be spent will total approximately £2.5million.

**14 Use of appendices /Tables and photographs**

14.1 N/A

**15 Local Government (Access to Information) Act 1985**

15.1 N/A