

Peterborough City Council Construction Framework
Councillor Seaton, Cabinet Member for Resources
November 2016
Deadline date: N/A

Cabinet portfolio holders:	Cllr Seaton, Cabinet Member for Resources
Responsible Director:	Wendi Ogle-Welbourn, Corporate Director People and Communities
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: Yes Unique Key decision Reference from Forward Plan: KEY/30MAY16/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO

RECOMMENDATIONS

The Cabinet Member is recommended to :

1. Approve the award of a Framework Agreement for the provision of construction contractors to operate from the 1 January 2017 for a period of four years.

The Framework Agreement will include the following contractors :

Lot 1 (Value up to £1m)

- Burmor Construction Limited
- D Brown Building Contractors Limited
- Garfield Builders Limited
- Lindum Group Limited
- RG Carter Cambridge Limited

Lot 2 (£1m to £2m)

- Coulson and Son Limited*
- Jeakins Weir Limited
- Lindum Group Limited
- Morgan Sindall Construction and Infrastructure Limited
- RG Carter Cambridge Limited

Lot 3 (£2m to £5m)

- Coulson and Son Limited*
- Jeakins Weir Limited
- Kier Construction Limited
- Morgan Sindall Construction and Infrastructure Limited
- RG Carter Cambridge Limited

2. Authorise the Director of Governance or delegated officers to enter into any legal documentation on behalf of the Council in relation to this matter.

*typographical error, corrected March 2017

1. SUMMARY OF MAIN ISSUES

- 1.1 This report is submitted to the Cabinet Member for Resources to consider and approve the creation and award of Framework Agreement for the provision of construction services following a competitive tender exercise. This new Framework Agreement will create a mechanism to enable the Council to award construction contracts to local contractors with pre agreed maximum fixed rates for their overheads and profits for the duration of the Framework.
- 1.2 In recent years, the Council has accessed national frameworks to appoint contractors to expand existing schools and build new schools. These frameworks have included the Education Funding Agency (EFA) Academies Framework, the London Housing Corporation (LHC) Framework and the East Midlands Purchasing Agency (EMPA) Framework. The contractor appointments from these frameworks have been through a mini-competition or by direct award. The value of such contracts has ranged from £500k up to £30m.
- 1.3 One of the objectives of the Council is to create a stronger link with local businesses. The purpose therefore of creating a local Council Construction Framework for local contractors is to :

- Bring SMEs in to the supply chain and to allow them to deliver capital works / projects for the Council for schemes up to £5m
 - To create a formal link and partnership between the Council and local construction contractors that allows more of the Council's capital funds to be kept in the local economy
- 1.4 The new Framework Agreement will be utilised and owned by the Council and will run for four years. The Framework is divided into 3 Lots (i.e. up to £1m, £1m - £2m and £2m - £5m).
- 1.5 The Framework will be for major and minor construction works contracts and include new build and refurbishments of the following building types :- housing, education, universities and colleges of further education and training establishments, leisure recreation and culture, health, library, fire, ambulance and police, day care, nursery care, social care, elderly homes, specialist facilities, transport depots, bus stations, farms, recycling facilities, offices and other contracting authority operational, residential, industrial and commercial buildings.
- 1.6 It is expected that the Framework will provide an excellent opportunity for SME contractors in the delivery of works in Peterborough. It is intended the Framework Agreement will be capable of being used by contracting authorities throughout the UK.

2. PURPOSE OF THIS REPORT

- 2.1 The purpose of this report is to provide background information and seek the Cabinet Member's approval in relation to the recommendations.
- 2.2 This decision is proposed in accordance with the delegations for the Cabinet Member for Resources exercising delegated authority under paragraph 3.4.8 (a) of Part 3 of the constitution in accordance with the terms of his portfolio (i).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4 DETAILS OF DECISION REQUIRED

- 4.1 A restricted tendering process was adopted for this procurement. In a restricted process the contract notice invites suppliers to express and interest in the opportunity by completing a Pre-Qualification Questionnaire (PQQ). The returned PQQs are evaluated and a number of suppliers meeting the Council's standards for financial, technical, social and environmental capabilities are selected and invited to tender.
- 4.2 The Framework was procured in open competition using the restricted route pursuant to a contract notice submitted to the Official Journal of the European Union and in line with the Public Contract Regulations 2015.
- 4.3 Information required for the Invitation to Tender (ITT) to the Framework was issued at the same times as the PQQ. The key procurement stages based on the 2015 Public Contracts Regulations were as below :
- Publish Notice in OJEU 5 May 2016
 - PQQ return deadline 4 June 2016
 - PQQ evaluation 11 June 2016
 - Shortlist 27 June 2016
 - ITT return 10 August 2016
 - ITT evaluation 12 September 2016
 - Framework Decision 12 September 2016

- Issue intention to award notice 12 September 2016
- Stand still period – 10 days 22 September 2016
- Contract Award 22 September 2016

Tender Evaluation Summary

- 4.4 A total of 75 suppliers expressed an interest and 24 PQQs were returned complete. These were evaluated and 18 suppliers were invited to tender. Of the 6 suppliers not selected to tender all failed to meet the minimum requirement of 50% as required by the PQQ evaluation criteria.
- 4.5 The PQQ evaluation took place between the 27 June 2016 and 10 August 2016. Legal and Procurement were consulted throughout the process. The ITT evaluation took place between 1 August 2016 and 23 September 2016. Again, Legal and Procurement were consulted throughout the process.
- 4.6 As part of the process of evaluation clarifications were sought. Within the evaluation process two separate areas were evaluated. 40% of the marks were awarded for price and 60% for quality. Qualitative scoring was undertaken first and once this was completed the financial marks were reviewed and added to the qualitative marks to produce an overall score from which the top five suppliers in each Lot were selected to go on the framework. The table of results for each Lot is shown below :

Lot 1 (£0 - £1m)

Contractor	Qualitative score	Overhead & profit score	Combined score	Position
Supplier A	40.20	19.83	60.03	4
Supplier B	36.00	35.58	71.58	2
Supplier C	33.00	13.11	46.11	8
Supplier D	43.20	9.34	52.54	7
Supplier E	37.20	19.83	57.03	5
Supplier F	3.60	40.00	43.60	10
Supplier G	44.40	22.69	67.09	3
Supplier H	43.80	35.63	79.43	1
Supplier I	17.40	26.71	44.13	9
Supplier J	41.40	14.30	55.70	6

Lot 2 (£1m - £2m)

Contractor	Qualitative score	Overhead & profit score	Combined score	Position
Supplier A	40.80	29.86	70.66	6
Supplier B	34.20	40.00	74.20	4
Supplier C	36.60	33.28	69.88	7
Supplier D	35.40	12.26	47.66	14
Supplier E	43.20	24.85	68.05	9
Supplier F	37.20	21.24	58.44	11
Supplier G	46.80	30.35	77.15	2
Supplier H	33.60	35.28	68.88	8
Supplier I	7.20	37.41	44.61	15
Supplier J	46.20	24.81	71.01	5
Supplier K	44.40	30.33	74.73	3
Supplier L	43.80	37.97	81.77	1
Supplier M	29.40	27.25	56.65	12
Supplier N	40.80	14.74	55.54	13
Supplier O	39.00	19.82	58.82	10

Lot 3 (£2m - £5m)

Contractor	Qualitative score	Overhead & profit score	Combined score	Position
Supplier A	34.2	36.31	70.51	4
Supplier B	35.4	8.15	43.55	14
Supplier C	43.2	19.84	63.04	7
Supplier D	37.2	16.51	53.71	10
Supplier E	46.8	28.19	74.99	2
Supplier F	33.6	23.44	57.04	9
Supplier G	51	40.00	91.00	1
Supplier H	7.2	28.46	35.66	15
Supplier H	46.2	18.01	64.21	6
Supplier J	44.4	25.26	69.66	5
Supplier K	43.8	30.68	74.48	3
Supplier L	29.4	19.92	49.32	13
Supplier M	40.8	10.91	51.71	12
Supplier N	39	13.1	52.17	11
Supplier O	34.2	23.44	57.64	8

5 CONSULTATION

- 5.1 Working with the Peterborough Chamber of Commerce, presentations were made to the Chamber and local suppliers on 16 November 2016, 19 February 2016 and 22 April 2016. At these presentations the vision and aspirations for the Council to create the Framework were explained as well as the processes, timescales and technical requirements of the Framework.

- 5.2 On 15 May 2016 a Bidders day was held that enabled suppliers to raise any questions and clarify any part of the process or requirements.

6. ANTICIPATED OUTCOMES

- 6.1 The new Framework will enable the Council to create a stronger link with local businesses. It will create a formal link and partnership with local contractors bringing SMEs in to the supply chain and allow them to deliver capital works / projects for the Council for schemes up to £5m.

7. REASONS FOR RECOMMENDATIONS AND ANY RELEVANT BACKGROUND INFORMATION

- 7.1 The new Framework will enable the Council to create much stronger link with local businesses and bring SMEs in to the supply chain to allow them to deliver capital works / projects for the Council.
- 7.2 The Framework will provide the opportunity to deliver value for money for the Council for the build of new and expanded schools with pre agreed fixed rates for overheads and profits.
- 7.3 The Framework will enable the Council to accelerate the procurement timeline by either direct award to contractors or mini competition.

8. ALTERNATIVE OPTIONS CONSIDERED

The following options were considered and rejected:

- 8.1 To do nothing. This option was rejected as the Council is committed to creating stronger link with local businesses and bring SMEs in to the supply chain to allow them to deliver capital works / projects for the Council.
- 8.2 To continue to use existing regional and national Frameworks. The Council will still have access to these Framework in particular for works that exceed £5m but the proposed new Framework for projects less than £5m in value provides an additional opportunity both for the Council and the local Peterborough supply chain.

9. IMPLICATIONS

- 9.1 Financial – The procurement process was based on suppliers agreeing to maximum fixed rates for their overheads and profits for the duration of the Framework.
- 9.2 Legal – The Local Government (Contracts) Act 1997 makes provisions relating to the powers of local authorities to enter into contracts. Every statutory provision conferring or imposing a function on a local authority confers powers on the local authority to enter into a contract with another person for the provision of making available assets or services, or both, for the purposes of, or in connection with, the discharge of a function by the local authority. The Framework was procured using the restricted route pursuant to a contract notice submitted to the Official Journal of the European Union and in line with the Public Contracts Regulations 2015.
- 9.3 Equalities – The Construction Framework has been drafted in line with human rights and equalities legislation.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

None.