

04 October 2016

**Name of Cabinet Member:**

Councillor J Innes

**Director Approving Submission of the report:**

Executive Director of Place

**Ward(s) affected:**

All

**Title:**

Shared Professional Services Contract 2017

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**Is this a key decision?**

Yes - The proposal in this report is a key decision because it could result in the Council spending more than £1m per annum. The key decision is to take part in a collaborative procurement which will be run by Warwickshire County Council (WCC) to let a multi-supplier framework agreement for the provision of professional services for the planning, design and provision of highway, transport and flooding infrastructure and management.

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**Executive Summary:**

Coventry City Council uses the existing Shared Professional Services Contract (SPSC) which commenced in June 2013 as a suitable procurement vehicle for the planning, design and provision of highway, transport and flood risk infrastructure and management.

Use of the SPSC has enabled Coventry to deliver a large amount of work against tight delivery timescales, in particular, scheme designs for projects associated with ERDF.

By using the same framework agreement for the majority of our design and engineering requirements over the last four years, we have been able to develop collaborative relationships which have allowed better understanding of the drivers and the requirements of both parties, allowing for more efficient delivery, cost savings and innovation. It is hoped that the new framework will allow the same collaborative style of working to be continued.

The current arrangement expires on 31<sup>st</sup> May 2017 and therefore new arrangements must be in place for 1<sup>st</sup> June 2017.

Cabinet is being asked to approve this decision as the spend per annum is in excess of £1million.

**Recommendations:**

The Cabinet is requested to approve:

- (1) Proceeding with the procurement process which will be led by Warwickshire County Council in conjunction with Solihull Metropolitan Borough Council and Telford and Wrekin Council to set up a multi-supplier framework for Professional Services.
- (2) Authorises the Executive Director of Place to approve the appointment of Suppliers to the Framework and to award the Professional services contracts and, in conjunction with the Executive Director of Resources, enter into them on behalf of CCC on terms and conditions agreeable by CCC.

**List of Appendices included:**

None

**Background Papers**

None

**Other useful documents:**

Proc 2 approval to procure – Shared Professional Services Contract 2017 – please contact procurement services for a copy of this document via [procurement.services@coventry.gov.uk](mailto:procurement.services@coventry.gov.uk) or telephone 02476 833557.

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **Report title: Shared Professional Services Contract 2017**

### **1. Context (or background)**

- 1.1 In June 2013, Coventry City Council along with Warwickshire County Council (WCC) and Solihull Metropolitan Borough Council (and subsequently Telford and Wrekin) entered into the current Shared Professional Services Contract (SPSC) following a competitive tendering process led by WCC.
- 1.2 Atkins were appointed as the primary or Tier 1 supplier and Atkins, WSP and Jacobs were appointed as Tier 2 suppliers. Packages of work under £50k could be awarded directly to the Tier 1 supplier with packages over this amount being subject to a mini-competition between all 3 tier 2 suppliers.
- 1.3 Spend on the framework, across all 3 suppliers, was £4.5million last financial year 2015/16, £5.2million in 2014/15 and £1.6million in 2013/14.

### **2. Options considered and recommended proposal**

- 2.1 In 2012, an independent appraisal considered alternative options to resource the requirements of the three authorities and concluded that the SPSC provided the best way of delivering the requirements and maintaining collaboration between the authorities.
- 2.2 The option to recruit additional in-house resource to support the requirements of the current and projected workloads was investigated, however, this would create additional and permanent employee costs to the authorities and therefore is not considered an option at this time. Also, this approach would not allow for project specific design work to be undertaken when larger consultant project teams are needed to deliver complete solutions.
- 2.3 Due to the success of the previous framework, it is proposed that a two tier framework solution is used under the new framework. This will allow the efficient procurement of lower value, lower risk requirements whilst ensuring competition is in place for larger, higher risk projects, to drive value for money, innovation and continuous improvement.
- 2.4 This approach also allows us to seek competition within a shorter timescale where external funding timescales require a tighter turnaround.

### **3. Results of consultation undertaken**

None

### **4. Timetable for implementing this decision**

- 4.1 The existing Shared Professional Services Contract expires on 31st May 2017 and has no option to extend.
- 4.2 A new framework will need to run concurrently with this so will need to commence on 1st June 2017.
- 4.3 To enable this to be in place on time, an OJEU notice will need to be released in September/October of 2016.
- 4.4 The new framework will run for a period of 4 years until 31st May 2021.

## **5. Comments from Executive Director of Resources**

### **5.1 Financial Implications**

This is a framework agreement which means the Council only pays where it has a service requirement.

Over the first 3 years of the current SPSC agreement, the Council has spent a total of £11.225million with the 3 suppliers. The vast majority of this spend has been on capital and grant funded capital works and projects, however the contract has also been used to resource revenue funded services on a short term basis where for example, the Council have not been able to recruit to key posts.

No assignment is awarded to any supplier unless an approved budget exists for the works concerned.

### **5.2 Legal implications**

The Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

The value of this contract for services mandates that a fully EU compliant procurement process needs to be undertaken. This process will be led by Warwickshire County Council Procurement team and the resulting contract will therefore be a legally compliant route to supply for the services being procured. There are no other legal or propriety comments to the report at this time.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

Having suppliers on a framework contract for the planning, design and provision of highway, transport and flooding infrastructure services will help address the Sustainable Communities Strategy (SCS) priority of making streets and open spaces more attractive and enjoyable places to be as well as the SCS transport priority of encouraging more walking and cycling.

### **6.2 How is risk being managed?**

Each Authority operates financially independently of the others and has separate contracts with each of the three suppliers. The Authorities meet twice a year as a board to allow a shared approach to be taken regarding lessons learned and sharing good practice.

### **6.3 What is the impact on the organisation?**

Accessing this framework allows the Council to manage the peaks and troughs of the work required in this area and thus mitigates the Councils requirement to take on permanent employees for externally funded schemes unnecessarily.

**6.4 Equalities / EIA**

No impact

**6.5 Implications for (or impact on) the environment**

None directly, although the work carried out under this framework will have due regard to the environment and as such where design work is being carried out this will look to make environmental improvements and reduce environmental impact as appropriate.

**6.6 Implications for partner organisations?**

This is a collaborative procurement with other Local Authorities.

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