

**To:** Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

**From:** Rebecca Spore, Director of Infrastructure

**Subject:** Implementation of an independent Construction Consultancy Services Framework to support the implementation and delivery of the Capital Works Strategic Programmes

**Decision no:** 24/00031

**Key Decision:** Decision affects more than 2 Electoral Divisions and involves expenditure or savings of maximum £1m – including if over several phases.

**Classification:** UNRESTRICTED

**Past Pathway of report:** Policy and Resources Cabinet Committee - 9 March 2023

**Future Pathway of report:** Cabinet Member Decision

**Electoral Division:** Countywide

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**Is the decision eligible for call-in?** Yes

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**Summary:** This report updates the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services on progress regarding the independent Construction Consultancy Services Framework and seeks approval for the implementation of the Framework to support the delivery of the Capital and Minor Works Programmes.

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**Recommendation(s):**

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse, or make recommendations on the proposed decision to:

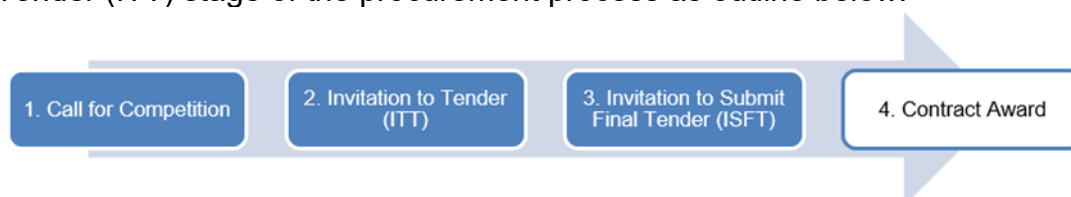
1. The implementation of a new Independent Construction Consultancy Services Framework to support the delivery of the Capital and Minor Works Programmes over a 6-year (4 year+1+1) contract period and includes the following disciplines:
  - Lot 1 – Multi-discipline (including client delegated duties)
  - Lot 2 – Project Manager (including client delegated Quantity Surveying duties)
  - Lot 3 – Supervisor
  - Lot 4 – Technical Advisor
  - Lot 5 – Construction Design and Management Advisor

2. Delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to take relevant actions, including but not limited to, awarding, finalising the terms of and entering into the relevant contracts or other legal agreements, as necessary, to implement the decision.
3. Delegate authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services to award extensions of contracts for commissioned services in accordance with the extension clauses within the contract (4 years + 2 x 1 year extensions).

## 1. Introduction

### Procurement - The tender process

- 1.1 As set out in the report presented to Policy and Resources Cabinet Committee on 9 March 2023, the recommended delivery model (establishment of a framework) has been progressed and is at the tail end of the Invitation to Tender (ITT) stage of the procurement process as outline below:



- 1.2 Following the evaluation and moderation of the Selection Questionnaire, tenders were issued to 45 suppliers, across the 5 lots, on 23rd January 2024. A tender briefing meeting was held on 7th February 2024 to ensure all the suppliers understood the tender and how the pricing model etc worked. There were several supplier clarifications during the tender which were all responded to. Two suppliers asked for an extension of time, which was not permitted (both these suppliers subsequently submitted tenders).
- 1.3 When the tender deadline was reached KCC received a total of 33 out of a possible 42 responses to the Invitation to Tender stage across all Lots as follows:

Lot	No. tenders returned (expected)	SME's based in Kent
Lot 1 – Multi-Discipline	11 (11)	6
Lot 2 – PM/QS	10 (13)	9
Lot 3 - Supervisor	2 (3)	1
Lot 4 – Technical Advisor	3 (4)	1
Lot 5 – CDMA	7 (11)	4
<b>Total</b>	<b>33 (42)</b>	<b>21</b>

- 1.4 Of the 33 tender returns received, 21 tenders (64%) have been received by small and medium-sized enterprises (SME's) and Companies with Kent based offices.
- 1.5 The tender process included:
- Quality Questions – included as part of the tender, these were forward facing questions for the suppliers to demonstrate how they will deliver against requirements and included a question on commercial compliance against the issued Terms and Conditions. These questions were weighted and scored in accordance with the pre-determined scoring system set out at the tender stage.
  - Price – the supplier's notional tender value is based on approximate volumes of project types and values with the supplier's fee percentages or lump sums applied to the notional quantities.
  - Price per Quality Point (PPQP) - The overall evaluation model is based on Price per Quality Point whereby the supplier's total notional tender value is divided by the Suppliers overall quality score. This model provides a way of ensuring that quality is a strong contribution to the evaluation model and the lower the PPQP the better value for money.

### **Next Steps**

- 1.6 At the time of this report, we are at the tail end of the Invitation to Tender stage currently undertaking the evaluation and moderation of quality and commercial elements of tender returns. Each evaluator will undertake an independent evaluation and all scores and comments will be consolidated. The qualitative and commercial evaluations will not be undertaken by the same people, the commercial evaluation will be undertaken by the Commercial and Procurement Division.
- 1.7 Moderation meetings will be taking place with the evaluators to agree overall commentary and scores for each question and each supplier.
- 1.8 The Suppliers who submit compliant bids will be ranked in order of PPQP.
- 1.9 There will be a round of negotiations followed by invitation to submit final tenders. The negotiations will take place once the evaluation and moderation has been concluded and we have a clear indication of any outstanding points within the submissions that may need clarifying e.g. any clarification regarding price, quality, understanding of the scope and any amendments to the Terms and Conditions.
- 1.10 Once the Invitation to Submit Final Tenders has concluded the suppliers will be ranked in order of PPQP and the suppliers with the lowest PPQP (if competitive) will be recommended to be awarded the contract (based on the number of awards KCC advised they would make per lot (Lots 1 & 2 – up to 3-4 suppliers and for Lots 3,4,5 up to 3 suppliers))
- 1.11 Suppliers who are successful for Lot 1 and any of lots 2-5 will only be awarded Lot 1 as clearly set out in the tender documentation.

1.12 The recommendations and award reports may be separated out across the 5 lots to enable sensible phasing of negotiations, final tender evaluations, recommendations, approvals and contract engrossment and sealing.

### **Programme**

1.13 The programme has been updated since the indicative key activities were presented previously to the March 2023 Policy and Resource Cabinet Committee. The completion date is expected to be late September/early October 2024, noting that there could be a significant number of negotiation meetings to take place and a maximum of 17 contracts to seal.

<b>Activity</b>	<b>Date</b>
<b>Selection Questionnaire Evaluation</b>	Early December 2022 – January 2023 <b>- completed</b>
<b>Selection Questionnaire Moderation complete</b>	Mid-February 2023 - <b>completed</b>
<b>Selection Questionnaire Recommendation and Approval</b>	Late February 2023 - <b>completed</b>
<b>Policy &amp; Resource Committee Update</b>	March 2023 - <b>completed</b>
<b>Invitation To Tender Out (minimum 30 days)</b>	January 2024 - <b>completed</b>
<b>Tender Return</b>	March 2024 - <b>completed</b>
<b>Tender Response Evaluation</b>	April 2024
<b>Policy &amp; Resource Committee / Key Decision</b>	15 <sup>th</sup> May 2024
<b>Negotiation &amp; Invitation to Submit Final Tender</b>	Late June 2024
<b>Tender Response Moderation complete</b>	July 2024
<b>Complete Award Report</b>	Mid July 2024
<b>Authority to Contract Granted</b>	Late July 2024
<b>Issue Award Letter</b>	Late July 2024
<b>Contract Award (standstill over)</b>	Mid-August 2024
<b>Contracts drafted signed/sealed</b>	Mid – September 2024
<b>Service Commencement Date</b>	Late September / Early October 2024

## **2. Key Considerations**

2.1 The proposed decision will support the objectives of the Framing Kent's Future – Our Council Strategy 2022-2026 by:

- Supporting the delivery of the Council's Capital and Minor Works Programmes.
- Supporting the delivery of the Kent Commissioning Plan for Education Provision 2020-2024, including the Basic Need programme.
- Supporting the KCC Corporate Estate maintenance programme.
- Supporting the KCC Education Estate maintenance programme.

### **3. Background**

- 3.1 Kent County Council (KCC) have previously appointed consultants on a project-by-project basis via the Property Services Consultancy Framework to provide professional consultancy services to support construction projects. However, the Framework expired in June 2020 and procurement of such services has since been conducted on a project-by-project basis, tendered or by direct award procurements in-line with Spending the Council's Money Policy and Public Contract Regulations.
- 3.2 The current method of procuring consultancy services is time consuming and resource intensive and requires a more efficient approach. In addition, KCC need a professional consultancy services framework that aligns to the new construction partnership framework and can support the delivery of the minor works programme.
- 3.3 A progress update on the establishment of the independent Construction Consultancy Framework was provided to the Policy and Resources Cabinet Committee on 9 March 2023. This confirmed the lotting strategy for each discipline required to support project delivery, the outcome of the supplier qualification (SQ), for shortlisting suppliers for the tender stage. The update also included the future programme and tender evaluation criteria for those invited to tender.

### **4. Options considered and dismissed and associated risk.**

- 4.1 A range of options were previously presented to the Policy and Resources Cabinet Committee including:
- Option 1 – Insource of consultancy provision.
  - Option 2 – Continuing with current arrangement of tendering/direct award for each requirement.
  - Option 3 – Establishing a new Construction Consultancy framework.
- 4.2 Option 3 was the preferred option as this would provide a pre-qualified framework of consultants to efficiently support the projects procured via the new Construction Consultancy Services Framework and support the delivery of the minor works programme on behalf of Kent County Council (KCC).

### **5. Financial Implications**

- 5.1 The resources involved in this multiple procurement exercise are as follows:
- KCC Procurement resource from within Commercial and Procurement Division

- Internal KCC Operational resource from within Infrastructure
- Other KCC teams (e.g. Financial Accounts, and relevant Business Partners)
- External Legal support from Browne Jacobson
- External NEC Technical support from Stradia Consultancy.

5.2 The estimated cost of the procurement is shown in the table below. There is also an internal cost whereby we are utilising resources within existing teams across Commercial and Procurement, Infrastructure, and other teams. No additional resources are being brought into these teams with business activity being re-prioritised to support the procurement of the framework. The legal and technical costs are associated with third-party organisations and will be funded from infrastructure budgets.

<b>Resource</b>	<b>Notional Cost – Sept 2022 to Jan 2023</b>	<b>Notional Cost - Feb 2023 to Oct 2023</b>	<b>Notional Cost - Oct 2023 to Sept 2024</b>	<b>Estimate Cost over 24 months</b>
Procurement	£42,391	£76,303	£124,506	£243,200.10
Infrastructure	£36,000	£108,000	£97,000	£241,000
Other KCC	-	£8,000		£8,000
<b>Resource</b>	<b>Cost – Sept 2022 to Jan 2023</b>	<b>Cost - Feb 2023 to Oct 2023</b>	<b>Cost - Oct 2023 to Sept 2024</b>	<b>Estimate Cost over 24 months</b>
Legal (External)	-	£12,664.60	£7,335.40	£20,000
Technical (External)	£3,006.39	£ 3,873.62	£20,004.99	£26,885
<b>Total Forecast Cost</b>	<b>£79,576</b>	<b>£229,003</b>		<b>£539,085.10</b>

5.3 It is worth noting that these contracts will be nil let no commitment contracts and there is no guarantee of volumes under this framework. Each order raised under the framework will be subject to its own financial and operational approvals and budgets.

## 6. Legal implications

6.1 KCC as Education authority is required to undertake relevant works or activities to meet its obligations to provide school places in compliance with building and planning regulations. In addition, as an employer under the H&S Work Act 1974 etc KCC has a duty of care to ensure all employees and visitors can undertake their day-to-day activities in a safe working environment across the Kent estate. This decision supports KCC's compliance by delivering against its obligations to provide compliant properties for staff, visitors, and pupils.

## 7. Equalities implications

7.1 An Equality Impact Assessment (EqIA) was completed in March 2022, and it is not felt that this procurement activity presents any impact on any of the nine areas specified by KCC.

## **8. Data Protection Implications**

8.1 No Data Protection implications are anticipated because of this procurement activity.

## **9. Other corporate implications**

9.1 No foreseen implications with the implementation of the independent Construction Consultancy Services Framework. The framework will benefit project delivery across the Infrastructure Directorate.

## **10. Governance**

10.1 Delegated authority to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, to finalise, agree, award and enter into contracts following the procurement process to deliver the new independent Construction Consultancy Services Framework.

## **11. Conclusions**

11.1 The PCR Compliant procurement process for the establishment of the new Construction Consultancy Services Framework, as endorsed by the Policy and Resources Cabinet Committee, is making good progress. The tender process has resulted in a positive number of tender returns including a high percentage of SME's. The creation of this Construction Consultancy Services Framework, through agreed rates and Terms and Conditions, will ensure that the process to appoint consultancy services to support the Capital works Major and Minor projects, will be far more efficient than the current time consuming and resource intensive process. In addition, with a reduced pool of consultants they will become familiar with KCC, the project types, processes and procedures which will result in a slicker pool of suppliers who can work in partnership with KCC sharing best practice and knowledge. The framework also creates resilience as there will be a maximum of 3 suppliers for each lot except for lots 1 and 2 which will have a maximum of 4 suppliers.

11.2 The framework will be nil let no commitment so no financial risk to KCC.

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**Recommendation(s):** The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse, or make recommendations on the proposed decision to:

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### 13. Background Documents

- 13.1 Appendix A – Proposed Record of Decision
- 13.2 Appendix B - Equality Impact Assessment

### 14. Contact details

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