

	<p style="text-align: center;">Executive 18th June 2007</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Action	Wards Affected: None
<p style="text-align: center;">Authority to Tender Property Consultancy and Related Services</p>	

1.0 SUMMARY

- 1.1 This report requests approval to invite tenders for Framework Agreements in respect of Property Consultancy and Related Services as required by Contract Standing Orders 88 & 89.

2.0 RECOMMENDATIONS

- 2.1 The Executive give approval to the pre-tender considerations and the criteria to be used to evaluate tenders as set out in paragraph 3.13 of the report.
- 2.2 The Executive give approval to officers to invite tenders and to evaluate them in accordance with the approved evaluation criteria referred to in paragraph 2.1 above.
- 2.3 That the Executive note the collaboration with London Borough of Hounslow for the procurement of the framework agreements in respect of property consultancy and related services as set out in the report.

3.0 DETAIL

- 3.1 Since 1994, following an outsourcing arrangement, Brent Council has procured Property Consultancy and Related Services from the private sector.
- 3.2 The current contracts were re-tendered in 2002 when the following Framework Agreements were awarded:

Architectural and Engineering (Owen Williams and Jacobs);
 Building and Surveying (Sanderson & Weatheralls, Hunter and Partners, and Allen Construction Services);
 Plant and Facilities (Amey Property Services);
 Mechanical & Electrical (NIFES);

Asbestos Consultancy (Dearle and Henderson)

- 3.3 £2m of property consultancy services were placed through the framework agreements during the financial year ended 31 March 2005 to deliver £10m of construction work in that year.
- 3.4 The existing Framework Agreements were due to expire on 31 March 2006 but the option to extend the frameworks through to 31 March 2008 was triggered by the Council in 2005.
- 3.5. The Council awards a large number of contracts for property consultancy services. Tendering each contract separately is both time consuming and a substantial demand on Council's resources. Framework agreements provide a means of awarding contracts which is compliant with Procurement Regulations and has the following benefits:
- substantially reduced time for awarding contracts
 - reduced burden on procurement and customer resources
 - longer term relationship with one or small number of high quality suppliers
 - financial incentives to reduce costs through a greater volume of work awarded to suppliers.
- 3.6 Another contract to be re-let soon is the disability access contract, currently let to Vectra. The value of this contract is likely to be small although if the Planning Service wish to use this service it is likely to be above EU Procurement threshold. It will be tendered at the same time as the other property related consultancy frameworks noted above
- 3.7 Performance of framework suppliers has varied during the term of the contract. Some companies have performed below acceptable standards and consequently in some cases this has led to the Council ceasing to use those suppliers and appointments being made outside the Framework Agreements.
- 3.8 To summarise the lessons learnt from the existing frameworks, the new frameworks are being designed to address the following aspects:
- Mechanism for commissioning of service to be clarified (and simplified) for all customers
 - Guidance for ensuring quality of service provided to customers
 - Improved management and feedback on supplier performance
 - Maximising competition and securing value for money
 - Better planning, coordination and specification of service requirement by the Council
 - Better integration of professional services and responsiveness to customers
 - Project management and procurement of works and services.
- 3.9 Market research indicates that re-tendering of the Property Related Framework Agreements is likely to result in a better quality, lower cost service being delivered. In short performance and value-for-money is likely to be increased and provides the best available option to the Council. It is anticipated that the vast majority of asset related capital projects will go

through this framework and could include large-scale projects such as new school build projects and also incorporate the Civic Centre project beyond March 2008. However, as appropriate, the Council may also choose to utilise other frameworks already in place such as the OGC framework.

3.10 Lessons learnt from operating the current frameworks is being incorporated into the proposals for establishing new frameworks; the principal lessons relate to mechanisms for commissioning of services improving management and feedback on supplier performance, better planning and specification of service requirements and integration of the various consultants' services.

3.11 The West London Alliance (WLA) boroughs were invited by Brent to participate in this consultancy framework. The London Borough of Hounslow, as a member of the WLA, has expressed a strong interest in adopting the frameworks being tendered by Brent Council for their programme of work. Hounslow are planning to seek their Executive's approval simultaneously with this submission so that the OJEU Notice will also name Hounslow as a Contracting Authority for these frameworks. The OJEU will be worded such that the frameworks are open to use by other members of the WLA.

3.12 In terms of resource commitment, these frameworks will be procured using Brent resources with only minor input from Hounslow. In exchange, frameworks for minor works contracts (planned to be in place by September 2008) will be procured by Hounslow with only minor resource commitment from Brent.

3.13 In accordance with Contract Standing Orders 89 & 90 pre-tender considerations have been set out below for the approval of the Executive:

REF	REQUIREMENT	RESPONSE
i)	The nature of the service	The provision of property consultancy and related services
ii)	The estimated value	£12m over four year period comprising £8m for the London Borough of Brent and £4m for the London Borough of Hounslow.
iii)	The contract term	Three years with effect from 1 April 2008, extendable by a further 1 year and containing a break clause.
iv)	The tender procedure to be adopted	a) Restricted Procedure/Two stage Tender notice to be placed in the Official Journal of the European Union (OJEU). Division into lots: Lot 1: Lead Consultant Lot 2: Architecture Lot 3: Civil and Structural Engineering Lot 4 Mechanical and Electrical Engineering Lot 5: Building Surveying Lot 6: Quantity Surveying Lot 7: Planning Supervision

vii)	The Council's best value duties	Review of service provision is consistent with Best Value recommendations.
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4.0 FINANCIAL IMPLICATIONS

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 or works contracts exceeding £1 Million shall be referred to the Executive for approval to invite tenders in respect of other matters in Standing Order 90.
- 4.2 The total (aggregated) value of the services to be awarded under the agreements is £8 million over a four year period. It is anticipated that the cost of the contracts will be contained within the 2007/8 and subsequent budgets. The cost forms part of service unit's operational budgets. The profile of expenditure is wholly dependent on the timing of approval for capital works. Based on the most recent record of expenditure on property consultancy services (2005/06), £2m annually is forecast for the life of the proposed new frameworks. With various major projects being planned - principally in education and the civic centre - this may rise to £2.5m.
- 4.3 In terms of resource commitment, these frameworks are being procured using Brent resources with only minor input from Hounslow. In exchange, frameworks for minor works contracts (planned to be in place by September 2008) will be procured by Hounslow with only minor resource commitment from Brent.

5. LEGAL IMPLICATIONS

- 5.1 The estimated value of the framework agreements over their lifetime is higher than the EU threshold for Services and the contracts are therefore governed by the full application of the Public Procurement Regulations 2006. The contracts are also subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.2 The Public Procurement Regulations allow the use of framework agreements (call-off contracts) and prescribe rules and controls for their procurement and use. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. There are however strict rules which apply to the call-off process to ensure fairness and transparency.
- 5.3 Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the framework agreements and recommending award.
- 5.4 As this procurement is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar day standstill period imposed by the EU Regulations before the framework agreements can be awarded.

- 5.5 The requirements include notifying all tenderers in writing of the Council's decision to award and providing additional debrief information to unsuccessful tenderers on receipt of a written request.
- 5.6 The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderers and the new framework agreements may commence.

6.0 DIVERSITY IMPLICATIONS

- 6.1 Encouraging competition and advertising widely is likely to attract a diverse range of suppliers. The Consultants diversity policies will be considered at the time of short listing.

7.0 STAFFING IMPLICATIONS

- 7.1 There are no implications from Council staff arising out of this tender exercise however TUPE may apply between outgoing and incoming consultants.

8.0 CONTACT OFFICERS

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