

## Cabinet Member for Finance and Resources

### Replacement of Existing Building Contractors Select List With New Building Contractors Framework

March 2013

### Report by Director of Communities Commissioning and Head of Capital and Infrastructure

Ref: FR32  
(12/13)

Key Decision:  
Yes

Part I

Electoral  
Division(s):

Countywide

#### Executive Summary

This report is seeking approval to proceed with the procurement of a Building Contractors Framework for new builds, refurbishments and alterations to County Council buildings. This includes schools, fire stations and libraries.

The Framework would replace the current Select List that is now out of date and in need of renewal. It is anticipated that the Framework would commence in January 2014 and operate for a period of four years.

This Framework is required to fulfil statutory requirements related to school placements within West Sussex.

The Framework would be procured utilising sustainability questions and other measures that would mean local companies would score highly for their location within West Sussex.

The spend through the Framework, over the 4 year period, would be between £150-£350 million (m). The Framework would follow an OJEU procurement process, which is mandatory for this level of spend. The Framework will consist of 24 companies in total, on four separate tiers.

#### Recommendations:

1. That the Cabinet Member approves the commencement of the procurement process to establish a Buildings Contractors Framework for new builds, refurbishments and alterations to County Council buildings to commence in January 2014 for a period of four years.
2. That authority is delegated to the Director of Communities Commissioning to award the contracts to the most economically advantageous tenders.

## 1. Introduction

- 1.1 The Capital programme covers new build, extensions and alterations to buildings throughout West Sussex. The County Council currently uses a Select List of building contractors which is now in need of renewal. It is

therefore proposed to start a procurement process to create a Building Contractors Framework to replace the Select List. The new Framework would commence in January 2014.

1.2 The old Select List was created using an adhoc procurement method which cannot be guaranteed to be OJEU compliant. Therefore, it needs to be replaced as soon as possible. The new Framework will be procured following the correct OJEU procedure and it will contain sustainability questions that will allow locally based companies to score highly.

1.3 The Framework will have a total of 24 companies on it. There will be 4 separate 'lots' with contract construction values as follows:

lot 1:0-£75k;  
lot 2:£75k-£500k;  
lot 3:£500k-£2million  
lot 4:£2 million+.

1.4 The spend through the Framework will be between £150-£350 million over the 4 years that it will be running. It will be managed by an internal team that will ensure that quality, cost and time targets are achieved. There will be a number of Key Performance Indicators that all contractors must meet and falling below these minimum requirements could result in suspension from the Framework.

## 2. **Alternative Options Considered**

2.1 There are a number of alternative Frameworks and contracts that are available for the County Council to utilise but there is a strong requirement for autonomy and self-governance with a Framework. This has resulted in the need for a separate and bespoke procurement that will fully address all of the Authority's needs. The new Framework will also target companies that are using local sub-contractors and are themselves based within a short distance from the sites.

## 3. **Consultation**

3.1 Consultation has taken place with legal, procurement and financial specialists within the County Council.

## 4. **Equality - Customer Focus Appraisal**

4.1 A Customer Focus Appraisal has been undertaken and is attached as an appendix to this report.

4.2 There are no issues with equality and diversity with this procurement as it is an OJEU compliant process and therefore, will meet all requirements.

## 5. **Resource Implications and Value for Money**

5.1 All costs, for the use of a legal firm, have been covered by internal budgets and are of low value (below £20k). All internal costs are taken into account by existing members of staff and this procurement is part of 'business as usual'.

5.2 Value for money will be demonstrated by using a competitive tendering method for each and every procurement off the Framework. 'Design and Build' contracts will be used extensively with a 'guaranteed maximum price'. This will result in cost certainty from the outset and provide additional value for money on the 'Design and Build' contracts.

## 6. **Risk Management Implications**

6.1 There are no risks associated with undertaking this procurement. However, if the current 'select list' is not renewed with a new method of procuring building contractors then the County Council could face legal challenge by not having a fully OJEU compliant way to procure building companies.

**Sue Hawker**

Director Communities & Commissioning

**Colin James**

Head of Capital & Infrastructure

**Contact:** Ben Browning 0330 2228724

## **Background Papers**

None

**Appendix A:** Customer Focus Appraisal

## Appendix A: Customer Focus Appraisal 2012

<b>Title of proposal</b>	New Building Contractor Framework		
<b>Date for implementation</b>	January 2014		
<b>CFA completed by</b>	<b>Name: Ben Browning</b>	<b>Email</b>	ben.browning@westsussex.gov.uk
	<b>Tel: 0330 2228724</b>		

### 1. What information have you used to understand and analyse the impact of the proposal on customers?

The Framework does not directly affect customers, as it is merely a facilitation tool that allows the Capital Programme to be delivered. Therefore, the customers will not notice a great amount of difference between the old select list and the new Framework.

### 2. Are there any customers who are negatively affected by the proposal? If so, explain which customers and how they are negatively affected.

None

### 3. Are there any customers who are positively affected by this proposal? If so, explain which customers and how they are positively affected.

All customers should receive a better managed service from a smaller number of contractors.

### 4. How does your proposal help to eliminate discrimination, harassment and victimisation?

It is undertaken through a fair and transparent OJEU process and completely meets the equalities requirements which are mandatory for a process of this type.

### 5. How does your proposal help to advance equality of opportunity between people who share a protected characteristic and those who do not?

N/A

### 6. How does your proposal help to foster good relations between persons who share a protected characteristic and those who do not?

N/A

**7. What have you learnt from the analysis of the likely effects of the proposal on customers? What changes were made to the proposal as a result?**

There will be no effect to customers.

**8. If you did not make any changes to the proposal following the analysis please explain why not.**

There will be no effect to customers.

**9. How will the proposal's implementation be monitored and evaluated to make sure it continues to meet the equality duty owed to customers?**

The Framework will be managed by an internal team to ensure it meets all equality targets.

**10. Who will be responsible for the monitoring and review?**

The Frameworks & Procurement team in Capital & Infrastructure.

**To be signed by an Director or Head of Service to confirm that they have read and approved the content of the CFA and the Action Plan.**

Name	Colin James	Date	20/3/13
Your position	Head of Capital & infrastructure		
Telephone	07940 718344	Email	colin.james@westsussex.gov.uk