

Report to Cabinet Member for Finance and Property

May 2022

Re-procurement of the property project and programme Multi-Disciplinary Consultancy Contract

Report by Assistant Director Property & Assets

Electoral divisions: All

Summary

The County Council has an ambitious Capital Programme spanning 2022/23 – 2026/27 (rolling programme) to deliver a high-quality built environment (buildings and structures) with a construction capital cost of £329M (excluding finance, highways and infrastructure spend), £210M of which would be delivered through the professional support services of West Sussex County Council Multi-Disciplinary Consultant partnership. To support the County Council in delivering this programme a range of technical advice will be required.

The County Council does not have sufficient professional support resources in-house. From 2018 – 2023, the delivery of professional support and consultancy services was and will be carried out through the Multi-Disciplinary Consultant (MDC) partnership. The partnership has been successful and effective in reducing the Council's risk profile and enhanced staffing and resource requirements in delivery.

Prior to the implementation of the MDC arrangement, professional support and consultancy services were procured on a project-by-project basis. The Council determined this approach was inefficient and resource-intensive, which was the main driver behind the move to an MDC model of delivery.

It is proposed that a Multi-Disciplinary Consultant is appointed for a maximum 10 years' term, with an initial contract period of 5 years, plus a possible 3-year extension and subsequent 2-year extension for a maximum of 10 years. The MDC would provide the required professional support and consultancy support for the Council in the delivery of its Capital Programme. It is proposed that this MDC is procured through a compliant framework via a mini-competition process. The Crown Commercial Services (CCS) Framework is the preferred framework.

Recommendations

The Cabinet Member for Finance and Property is asked to endorse -

- (1) the procurement of a Multi-Disciplinary Consultant to provide the project management, technical and cost management advice and expertise for capital

projects by a mini competition run through the Crown Commercial Services Framework Referenced RM6165 for Construction Professional Services; and to

- (2) Delegate authority to the Assistant Director Property & Assets the award of a call-off contract to the successful bidder, to commence July 2023. A further decision report will be published at that time.
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Proposal

1 Background and context

1.1 Over the coming five years, the County Council will be delivering a high-quality built environment through a planned Capital Programme with a construction capital cost anticipated at a cost of c.£345m. This includes major programmes of multiple projects consisting of:

- Adults In-House Residential
- Children's Social Care
- Basic Need (school places)
- Children with Special Educational Needs and Disabilities (SEND) Programme
- Corporate and Schools Maintenance
- Waste
- Fire and Rescue

1.2 It is essential to secure the skilled professional support and consultancy expertise necessary in developing the design proposals for these projects. A Multi-Disciplinary Consultant will be required to provide a wide range of technical support which may vary depending on the nature of the project, but the key elements include:

- Project management as Project Lead
- Architect
- Cost consultant
- Structural engineer
- Building services engineer
- Principal Designer
- Contract Administration
- Building Surveyor
- Building Information Modelling (BIM) Information Manager

- Building Information Modelling Co-ordinator
- Development Advisor
- Construction Design and Management (CDM) Advisor Role
- Site Valuations
- Technical Advisor Role
- Clerk of Works

1.3 At present, the Council is party to a contract with Faithful + Gould (a subsidiary of Atkins Global) under the previous iteration of the Crown Commercial Services Framework. Consultants are instructed through a task order process, without the need to tender work every time. This approach is efficient and significantly reduces the time spent in procuring consultancy services. The partnership between the Council and Faithful + Gould has grown into a successful and productive partnership based on continuous improvement, mutual trust and knowledge sharing. It is due to complete in July 2023, whereupon it will have reached its maximum lifespan under the current contract of 5 years.

1.4 This proposal is to appoint a Multi-Disciplinary Consultant for a period of 5 years (Initial Term) with an option to renew for 3 years and a further 2 years, to provide the full range of professional support and consultancy expertise required to deliver the County Council's Capital Programme (excluding Highways & Transport which is a different market sector and is served by different suppliers and contractors and is subject to separate delivery arrangements).

1.5 The benefits and advantages of the MDC partnership approach are:

- Elimination of the practice of multiple *ad hoc* procurements for consultant services, saving significant time in delivery and resource requirements;
- Reduction of the Council's risk profile in delivery through effective costing and cost management;
- A common understanding and familiarity with the County Council's capital delivery objectives, delivery processes and procedures;
- Specialised, professional input into process improvement and more efficient ways of working;
- Delivery of the construction works through a sustainable, local supply chain of sub-consultants and suppliers;
- A consistent delivery approach and knowledge transfer in the County Council's project delivery;
- A single point of responsibility for design development and interfaces between the various design disciplines which reduces the County Council's resource requirements and risk profile for the project delivery;
- Ability to identify opportunities to increase and monitor social value in delivery of the Capital Programme;

- Professional support and consultancy expertise, planning and coordination in design strategy and implementation to better realise the County Council's aims in achieving Carbon Net Zero.

The benefits and advantages of a longer contractual relationship with the supplier are:

- A 5 + 3 + 2-year contract period recognises the considerable investment required by both organisations in mobilising, implementing and running a successful MDC partnership and provides enough time for the Council to get the most value from the arrangement;
- Many capital projects span a number of years. Consistency of project teams across the lifespan of a project delivers value, including: protection of information, retention of specialist knowledge, improved engagement and trust with external stakeholders, reduced risk and cost associated with mid-project handovers.

The range of multi-disciplinary consultant services to be provided from time to time will include the services listed in paragraph 1.2. The nature of the project will dictate the particular service requirements.

Other specialist activities can be incorporated into the commission via the consultant's supply chain.

2 Proposal details

- 2.1 The proposal is to appoint, by undertaking a mini competition through a compliant framework, a Multi-Disciplinary Consultant to work with the County Council over an initial period of 5 years with the option to extend for an additional three years, then the option to extend for an additional two years, maximum. The Multi-Disciplinary Consultant will provide the full range of project management, professional support, consultancy, and cost expertise required to support the County Council in developing, progressing and completing development and construction of capital projects. The specific services required for individual projects will be agreed case-by-case. The option will be retained to appoint additional specialist consultants outside the Multi-Disciplinary Appointment (such as a specialist architect), if considered appropriate, with the procurement route being at the sole discretion of the County Council.
- 2.2 Key issues that will be taken into account by officers when progressing the procurement documentation include:
- Clear definition of the required services to reflect the range of project types that may be delivered;
 - Clear definition of the contract break options;
 - Clear parameters for contract extension options;
 - Ensuring promotion and encouragement of the use of local sub-consultants and suppliers within a set distance of West Sussex;
 - Enabling the use of specialist sub-consultants to support the delivery of particular project requirements (e.g. experience for the delivery of fire

service training facilities / “master planning” consultants for large scale regeneration initiatives);

- The bidding consultant will be required to identify “key persons” within their proposed delivery teams who will be available to support the delivery of the Capital Programme and cannot be substituted without permission;
- The bidding consultant will be required to work in long-term relationships with key stakeholders for the delivery of projects including borough and district councils, development partners, construction partners and end-users.

2.3 Crown Commercial Service (CCS) is an executive agency of the Cabinet Office. The CCS is the biggest public procurement organisation in the UK and provides a professional procurement service to the public sector to enable organisations to deliver improved value for money in their commercial activities.

2.4 The CCS Framework Agreement Referenced RM6165 for Construction Professional Services is described as a flexible solution for public sector organisations to access construction professional services using collaborative working practices and via a simple route to market. The framework has recently (September 2021) completed a competitive procurement process and has been available for use since November 2021. It is supported by a team of professionals available to assist the public authority as well as a Construction Professional Services Framework Knowledge Hub which provides additional guidance and support including webinars, user guides and template documents. The framework contains 20 multidisciplinary framework suppliers each with maximum rates chargeable under the Framework arrangement. Suppliers will be subject to a rigorous procurement process in which both quality and commercial elements will be assessed to identify the “best value” supplier. The price assessment will include fees for a range of project types and value bands typically delivered by the County Council to provide a realistic assessment of future costs in the delivery of construction consultancy for the capital programme.

3 Other options considered

3.1 Options:

3.1.1 Do nothing – Upon expiration of the current MDC contract WSCC would no longer be party to a construction professional services framework. This option would result in significant delay, additional costs associated with every project in delivery, and would cause disruption across the capital programme, all due to the Council’s requirements for procurement and compliance. This is not a viable option.

3.1.2 Return to procuring consultancy services externally on an *ad hoc* basis – This is the deliberate choice to return to procurement on a project-by-project basis, which would automatically occur with the “Do nothing” option. This option is inefficient and would bring enormous resource implications on the management, procurement and legal sides of delivery. Significant work has been done to measure the resource, time and cost implications for this mode of delivery which has demonstrated this approach is wholly inefficient. Procurement on a project-by-project basis would incur significant delay to all

projects in delivery of approximately 2 – 3 months due to time spent in procurement. This is not a viable option.

- 3.1.3 Build a team of consultants and staff them in-house – This option is very expensive as it requires the Council to fund full-time salaries, pensions, insurance, professional associations and ongoing training. This option is time consuming (both in resource and in lag time) to achieve because the staff would need to be built up from nil; attracting staff with the appropriate technical knowledge and experience would be a challenge considering the current job market and the highly competitive packages offered by private organisations. Keeping an in-house team of consultants results in inefficiencies due to the nature of paying staff full-time salaries when an individual(s) may not be required on a consistent basis. For these reasons this is not a viable option.
- 3.1.4 Proceed with procurement of a supplier to create an MDC Partnership model of delivery with one external organisation – This model delivers benefits to the Council both in cost and time savings in procurement (see section 1.5 above) and generates investment and improvement through the partnership. This is the preferred choice.
- 3.1.5 Proceed with procurement of multiple suppliers to create an MDC Framework model of delivery with a pool of suppliers – This model delivers benefits to the Council through the benefits achieved by an MDC model of delivery but brings additional resource requirements due to the administration required by the selection process for every project, negating some of the time and costs savings in procurement achieved by the MDC. A multi-supplier approach does not encourage the level of investment required to achieve a well-functioning MDC because the return on investment is considerably lower where there are multiple suppliers delivering the work. A multi-supplier model does not facilitate a collaborative partnership because it does not operate as a partnership; it operates as a framework of suppliers. It is the partnership element that creates added value and provides a model of delivery tailored to the Council's requirements and processes. For these reasons it is a viable option, but not the preferred model of delivery.

4 Consultation, engagement and advice

- 4.1 Lessons Learned Workshops with County Council staff members took place in July and September 2021.
- 4.2 A market engagement exercise was carried out in July 2021. Suppliers were asked for feedback on the proposed model for delivery, commercial elements and technical requirements.
- 4.3 The appointment of a next iteration of the Multi-Disciplinary Consultant was considered by Capital and Assets Board (senior officers) on 29 September 2021. The approach was considered by Commercial Panel on 22 November 2021 and Procurement Board (procurement, legal and finance officers) on 14 December 2021.

5 Finance

- 5.1 The value of consultancy services through the Framework will depend on the type, complexity and scale of each project, and on the projected value of the

County Council's Capital Programme. Based on historic levels of spend within the Capital Programme it is estimated that the level of fees payable would be £6.7M per annum. The fees paid under the framework will form part of project costs presented through the capital programme governance.

5.2 The effect of the proposal:

(a) **How the cost represents good value**

The framework rates will be tendered, ensuring WSCC selects the supplier that represents best value overall, which means an optimization of cost and quality, with reference to requirement.

Value is achieved as a result of the development of a long-term, in-depth understanding of the Council's technical requirements in delivery, expectations and processes. This results in efficient methods for delivery, reduced time required to understand the Council's requirements and processes and the protection and transfer of knowledge.

(b) **Future savings/efficiencies being delivered**

Value is achieved through the delivery of quality projects resulting in increased certainty of costs, reduced incidents of defects and factoring in whole life cycle costs of an asset into the design.

Increased cost certainty is achieved through accurate and realistic costing and delivery timescales at the outset of a project, updated to reflect market fluctuations and any changes in scope. Effective management of risk and contingency throughout the lifespan of a project lead to improved accuracy in cost. These aims are achieved through effective project management and intelligent design.

A single supplier approach reduces the incidents of defects in capital projects due to better control over services delivered, improved knowledge transfer throughout the lifespan of a project and a collective drive to deliver high-quality projects through to close. Fewer defects mean projects can be closed sooner with reduced expense to the Council.

Whole life cycle costs are factored into the design of an asset. This is most effectively achieved as a result of a thorough briefing with the Council's requirements and management practices, as well as strategic aims and objectives for how an asset will be used over the course of its life. An MDC partnership is best placed to develop a long-term, in-depth understanding of these requirements and deliver these long-term objectives.

(c) **Human Resources, IT and Assets Impact**

There are existing staff, IT and assets commitments that support the MDC Partnership and its functions. It is not anticipated that any additional resource will be required from what is currently needed.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Poor performance by consultant	Undertake a rigorous Capability Assessment to ensure Framework Suppliers have the skill and competency to deliver the service. Robust contract management, regular monitoring and reporting against KPIs, clear issue resolution processes and implementation of a continuous improvement policy.
Poor design outputs which are non-compliant with design standards	Robust contract monitoring, adequate CDM and technical advisory, and use of competition procurements on complex projects.
Dependence on a single company creates commercial risk	Include terms in the contract that require ongoing obligations to report financial difficulties or change of control, allowing an opportunity to plan for significant changes and mitigate the impact.
Staff turnover while delivering the service	Vital consultant members of staff delivering the services are to be classed as "Key Personnel" who cannot be substitutes without permission. General staffing changes flagged up as early as possible and mitigation discussed during monthly monitoring meetings.
Data management loss after change in supplier	Effective record keeping, regular independent save down of project data, use of internal WSCC data systems rather than reliance on external systems.
Partnership culture does not sufficiently develop	Vision statement to be provided with tender to clearly communicate expectations around partnership working. Substantial mobilisation period in which training and team building occur. Regular feedback sessions and team building workshops throughout the course of the contract. Implementation of effective issue resolution techniques and management processes.

7 Policy alignment and compliance

7.1 Legal Implications

All Crown Commercial Services Framework Agreements are compliant with the Public Contract Regulations 2015 ("PCR15") and the Council's Standing Orders on Procurement and Contracts.

General Data Protection Regulation (GDPR) processes, GDPR Article 5 Principles and compliance has been and will be adhered to throughout the planning and procurement process with such data risks being managed. A Data Sharing Agreement may also be necessary with regards to the migration of personal information. A suitable Data Controller will be nominated.

7.2 Equality Duty and Human Rights Assessment

There are no direct implications as the proposal is for the procurement of consultant services; however, the tender specification will require the selected consultant to comply with all relevant statutory requirements and the policies of the County Council. Any human rights implications associated with a particular project will be considered as each project moves through the design, development, procurement and delivery phases.

7.3 Climate Change

West Sussex County Council's Climate Change Strategy feeds directly into the design and planning of the projects in the Capital Programme. Capital projects offer a direct and impactful opportunity for the Council to achieve its aims outlined in the Climate Change Strategy. The Multi-Disciplinary Consultant provides the professional support and consultancy expertise and resources to deliver on decarbonisation schemes, green energy initiatives and undertake new build projects that deliver on our sustainability objectives.

7.4 Crime and Disorder

There are no direct implications as the proposal is for the procurement of consultant services; however, the tender specification will require the selected consultant to comply with all relevant statutory requirements and the policies of the County Council. Any crime and disorder aspects associated with a particular project will be considered as each project moves through the design, development, procurement and delivery phases.

7.5 Public Health

There are no direct implications as the proposal is for the procurement of consultant services; however, the tender specification will require the selected consultant to comply with all relevant statutory requirements and the policies of the County Council. Any public health aspects associated with a particular project will be considered as each project moves through the design, development, procurement and delivery phases.

7.6 Social Value

The County Council's [Social Value Framework](#) provides a robust framework within which the Multi-Disciplinary Consultant will realise a number of social value initiatives. The MDC directly supports a number of key aspects of social value in support of Our Council Plan, particularly the priorities of a sustainable and prosperous economy, and helping people and communities to fulfil their potential.

Social value will be achieved through the development of a local, sustainable supply chain supporting Small and Medium Enterprises and businesses local to West Sussex. The Social Value Framework sets out specific actionable criteria that will be employed in procurement exercises which will achieve social value down the supply chain.

Other social value initiatives will include support into employment such as participation in school talks, career fairs, mock interviews, etc., as well as support for apprentices and work placements within the County, and charitable donations and volunteering opportunities.

Social value will be monitored throughout the life of the contract using Key Performance Indicators, and using the toolkit for measuring social value, described in the Social Value Framework.

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Appendices

None

Background papers

None