

Wards Affected:*Stony Stratford Ward and CMK Ward***ITEM 11****PROCUREMENT AND COMMISSIONING****4 APRIL 2017****AWARD OF CONTRACT - FOR PROJECT MANAGEMENT AND QUANTITY SURVEYING SERVICES FOR THE WHITEHOUSE HEALTH CENTRE AND CENTRAL MILTON KEYNES MULTI-STOREY CAR PARK SCHEMES (REF: CU2587)**

Responsible Cabinet Member: Councillor Middleton (Cabinet member for Resources and Innovation)

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Executive Summary:

This report is seeking approval to award the contract for the provision of Project Management and Quantity Surveying Services for the Whitehouse Health Centre and Central Milton Keynes Multi-Storey Car Park schemes.

The contract term is for 24 months, allowing for the provision of external professional support services throughout RIBA Plan of Work Stages 0 to 7.

Procurement and Commissioning previously agreed that prices could be sought from the LGSS Design Team Consultancy Framework and the Scape Built Environment Consultancy Services (BECS) Framework at its meeting on 7 March 2017 (Minute PC82 refers).

1. Recommendation(s)

- 1.1 That the Contract for the provision of Project Management and Quantity Surveying Services for the Whitehouse Health Centre and Central Milton Keynes Multi-Storey Car Park schemes be awarded to the bidder who has provided the most economical price using the Framework detailed in the Confidential Annex.

2. Context

- 2.1 The contracted services will provide for external professional support and financial scrutiny of the construction projects to ensure the Council delivers high quality and affordable schemes for the benefit of Milton Keynes and its residents.

3. Background

- 3.1 (a) Decision to Proceed to Tender

This procurement was approved to proceed to Tender by Procurement & Commissioning on 07 March 2017. The Council can access both the LGSS Design Team Consultancy Framework and the Scape BECS

Framework for provision of various professional consultancy services, including project management and quantity surveying.

- (b) The approval granted gave permission to seek pricing from either or both frameworks to seek the best value for money proposal, with a requirement to return to Procurement and Commissioning with the award results.

3.2 Consultation

- (a) The specification and evaluation criteria for this contract were developed through the procurement process of LGSS and Scape Consultancy Frameworks. In order to successfully be awarded a place on the frameworks, the chosen contractor had demonstrated they will meet measurable and timed commitments to the quality criteria through the evaluation process.
- (b) The quality criteria were:
 - (i) Social, economic and environmental sustainability;
 - (ii) Collaborative and partnership working;
 - (iii) Continuous improvement;
 - (iv) Improving framework efficiency;
 - (v) Improving technical specifications.
- (b) Liaison between the Place Project Team and the Capital Development Manager resulted in agreement that the required services for both schemes would be combined to efficiencies in both time and financial resource.

3.3 Tender Evaluation

- (a) As quality standards have been met in order to be awarded a place on the framework(s), price was to be the determining factor. The rates and fees provided on the LGSS framework for project management and quantity surveying services can either be called off directly from the lowest priced contractor, or a further mini-competition could be held but is not mandatory. The prices quoted in the exempt Annex are based on a direct call-off from the lowest priced contractor.
- (b) The Scape BECS Framework has been established using a single supplier through a joint venture so there is no requirement to run a mini-competition and using the direct call-off method has been used in this instance.
- (c) The prices for the project management and quantity surveying services to be commissioned are attached in the exempt paper annex to this report. A summary of the Risk Assessment is set out in section 4.2 of this report.

3.4 Contract Management

- (a) The Senior Client Officer for this contract is the Capital Development Manager. A call-off from either Framework ensures that the standard terms and conditions, in this case the NEC Professional Services Contract (PSC) terms, are adhered to.
- (b) The key governance processes include:
 - (i) Review frequency – monthly progress meetings with the project team members to ensure services are being delivered as planned;
 - (ii) Performance measurement – the appointed contractor must meet the standards framework KPI's and this will also be monitored throughout the term of the appointment;
 - (iii) The Corporate Procurement Team will collate the pricing information obtained each time either a mini-competition or direct call-off is made for audit purposes.

4. Implications

4.1 Policy

- (a) The award of this contract will progress the following priorities within the Corporate Plan 2012-16: **Cleaner, greener, safer, healthier MK:** Improve health and well-being, reduce health inequalities and work with partners to reduce crime and disorder to improve quality of life in MK. **Living in MK:** ensuring people are satisfied with Milton Keynes as a place to live and to support them effectively through the provision of high quality and efficient public services.
- (b) The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

- (a) Total resource allocation of £13.5m has been made available in the Tariff Funding programme for the Whitehouse Health Centre scheme and spend approval of £600k has been granted for 2017/18 and £6.5m for 2018/19. This includes for all professional fees.
- (b) Total resource allocation of £10.168m has been made available through prudential borrowing for the Multi-Storey Car Park scheme, with spend approval of £50k 2016/17 and 2017/18 £1m. This includes for all professional fees.
- (c) The key opportunity secured by this contract is external project management and financial scrutiny of the construction schemes. It is assessed that the delivery of this contract provides a HIGH likelihood that this will happen.
- (d) The key threats for this contract have been assessed as:

Risk	Likelihood	Mitigation	Likelihood after mitigation
Risk of challenge from other providers	L	Procured using pre-established Frameworks that the Council are signed up to access	L
Risk of prices that could be bettered via an open tender competition	L	Testing of two pre-established frameworks where Price has been a determining factor will drive down costs whilst saving on time	L

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a low likelihood of the event happening.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

4.3 Legal

The Council has powers under section 1 of the Localism Act to do anything which individuals may do. The award of this contract for professional services will enhance the Council's health related obligations under the Health and Social Care Act 2012 as it will enable the Council to develop a Health Centre serving the people of Milton Keynes.

The use of the frameworks as a means of procuring the services is permissible under procurement law provided that any such frameworks have been properly procured in compliance with the law, cover the required scope and value of contracts to be awarded under the frameworks, and can be used by the Council as one of the authorities intended to benefit from those frameworks. The framework under which the award is sought has been set up in compliance with procurement law.

In entering into contract and throughout the contract period, the Council must adhere to the terms of the framework to remain compliant with procurement law.

4.4 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: RIBA Plan of Work