



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Regeneration Executive Member for Resources
LEAD OFFICERS:	Director of Growth and Development
DATE:	14 December 2017

PORTFOLIO/S AFFECTED:	Regeneration	Resources
WARD/S AFFECTED:	All	
KEY DECISION:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

SUBJECT: Procurement of a Construction and Development Framework

1. EXECUTIVE SUMMARY

This report seeks approval for the appointment of organisations to a Construction and Development Framework, following a robust evaluation process. The proposed Framework will enable and assist the Department for Growth and Development in bringing forward Council owned sites for commercial development, in addition to procuring construction and civil engineering works for growth projects and programmes.

This report presents for Executive Board consideration of the process followed between publication of OJEU notice and conclusion of the procurement.

2. RECOMMENDATIONS

That the Executive Board:

- i) Approve the recommendation, following a robust evaluation process, to appoint 5 organisations to the Blackburn with Darwen Construction and Development Framework subject to the final negotiations being concluded with no detrimental change to the Council's commercial position or risk profile.
- ii) Delegate authority to the Director of Growth and Development, in consultation with the Executive Member Regeneration:
 - a. to finalise the negotiations and formally enter into Framework Agreements with the 5 organisations provided that the negotiations have no detrimental impact on the Council's commercial position or risk profile and
 - b. subject to a) above, to finalise the detailed contractual discussions and agree final terms and contract award

3. BACKGROUND

The Growth and Development (G&D) Programme supports Blackburn with Darwen Borough Council's economic growth aspirations with the key objectives being to:-

- Generate new tax revenues to support the Council's Medium Term Financial Strategy;
- Generate economic activity to create employment opportunities for residents;
- Support town centre growth and vitality with the development of a new evening economy; and
- Generate financial benefits from land receipts.

The G&D Programme maps the potential outcomes and delivery timescales for over 180 plus development opportunities across the Borough utilising private and public sector land and covers employment, housing and town centre opportunities.

A new Construction and Development Framework is proposed to support growth by bringing forward Council owned sites for commercial development, in addition to procuring construction and civil engineering works for growth projects and capital programmes.

It is proposed the Framework will have a minimum of three and a maximum of five contractor developers with embedded Lancashire supply chains and sufficient breadth of experience to cover civil engineering, construction and commercial development.

Projects will be called-off from the Framework through either a single stage (direct) or two stage tender process. This will be decided at the point of a project being identified to be taken through the Framework. There will also be the ability to include construction finance to allow the procuring authority flexible payment options for financing projects

The Framework will be open to public sector organisations within the Combined Authority Area of Lancashire and will operate for 4 years with options to extend by a further 4 years in total (2 plus 2) and commence in January 2018.

Previous reports to the Executive Member for Regeneration sought approval for the commencement of the procurement process, which was granted in June 2017.

The Growth and Development team has since instigated the procurement through the Open Procedure.

Market engagement

Prior to publication of the OJEU notice a Soft Market Testing Event was held on the 28th March 2017 which was well attended by 31 organisations. This resulted in positive discussions with various organisations confirming the appetite for inclusion within the proposed framework.

Procurement process

The Framework has been procured through the Official Journal of the European Union process following an open tendering process.

The key milestones for the procurement process are outlined below:

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|--|-------------------------|
| • Soft Market Testing Event | March 2017 |
| • Prepare Procurement Documents | March to September 2017 |
| • Publish OJEU Notice | September 2017 |
| • PQQ and Tender documents returned | October 2017 |
| • Evaluation Period & Approvals | November 2017 |
| • Contract award | December 2017 |
| • Commence Framework call-off for Projects | January 2018 |

A two stage process has been followed whereby bidding organisations would need to pass a pre-qualification stage before being considered for the Invitation to Tender stage.

4. KEY ISSUES & RISKS

Tenders were received on 16th October 2017.

The evaluation teams consisted of colleagues from the Growth and Development team, Legal, Finance and Procurement departments.

It was confirmed as part of the tender documentation that the ITT section would only be evaluated following successfully passing the PQQ stage.

Further detail behind the evaluation process and proposals are included in the associated Part 2 report on this agenda.

Conclusion

Following the evaluation process, and based on the scoring above it was concluded by the evaluation team that five organisations be appointed to the Framework.

The Framework will deliver benefits over traditional procurement for projects by facilitating a more integrated solution based on continuing and closer relationships with a limited number of suppliers to assist in developing the supply chain and workforce within Lancashire region.

The Framework will also accelerate construction and development activity through pre-procured delivery partners with opportunities for early contractor involvement enabling joint development of schemes.

5. POLICY IMPLICATIONS

Blackburn with Darwen's Corporate Plan 2016 to 2019 has a priority to accelerate the growth agenda create local jobs for local people and securing the outcomes from capital investments. There is also a commitment to deliver the growth plan priorities for industry, town centres and housing.

6. FINANCIAL IMPLICATIONS

The lifetime value of the Framework is estimated as £300 million (circa £150m for Blackburn with Darwen and £150 for other LAs)

The costs of procuring the Framework will be met through existing teams with any technical or commercial support costs met through existing property call off-budgets.

Colleagues from the finance department have been involved in and supported the Growth and Development team during the procurement evaluation.

7. LEGAL IMPLICATIONS

The Council has followed the Open Procedure as outlined in this report and in accordance with the under the Public Contract regulations 2015 and EU Procurement law principles. Upon notifying bidders of the Councils intent to award a ten day standstill period will be observed and after contract award a notice will be placed in the Official Journal of the European Union.

Following the expiry of the standstill period the Council will enter into Framework Agreements with the five organisations. The draft Framework Agreement was drafted by the internal legal department and shared as part of the tender documentation issued with the OJEU notice. The Council will not accept significant derogations from the draft Framework Agreement.

The Councils legal and procurement department have been involved in the drafting of all documentation and been involved in all aspects of the procurement process.

8. RESOURCE IMPLICATIONS

Costs for managing the Framework will be covered through the efficiency of procurement costs. The Growth and Development team will lead the monitoring of the pipeline of projects through the framework with support from colleagues within the property and regeneration teams as appropriate based on the type of project being called off under the three areas of the Framework. Support from colleagues in legal, finance and procurement will be sought on individual projects as appropriate.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Executive Members and Chief Officers have been consulted during the development of the initiative.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	2.0
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CONTACT OFFICER:	Simon Jones, Programme Director, Department of Growth & Development
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DATE:	27 th November 2017
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BACKGROUND PAPER:	EMD Framework Procurement – June 2017
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