

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Executive Member for Economy, Transport and Environment
<b>Date:</b>	11 June 2013
<b>Title:</b>	Procurement of Professional Services Support: Call-Off Contract
<b>Reference:</b>	4857
<b>Report From:</b>	Director of Economy, Transport and Environment

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## **1. Executive Summary**

- 1.1 The purpose of this paper is to seek approval to procure and spend under the Improvement and Efficiency South East (iESE) Highways Professional Services Framework.
- 1.2 This paper seeks to provide an update on the proposed approach to securing consultancy support which will be required to deliver the increased ETE Capital Programme over the next 18 months.
- 1.3 The proposal is to let four “work packages” through the iESE Highways Professional Services Framework for term call-off contracts with an approximate value of £4.5million. These resources have been committed to the projects by way of the Capital Programme, which already has executive approval. However, this paper seeks authority to procure the professional services necessary for the delivery of these projects in the manner outlined in the report. This will be more efficient than the usual approach, which is to hold a mini competition for each individual piece of work. The proposals in this report will thus help to ensure Hampshire County Council delivers these schemes within the timeframes set by the Local Strategic Transport Fund grant conditions.
- 1.4 The work packages will be offered in two tranches for the delivery of early stage feasibility studies, bid preparation, preliminary design, detailed design, and implementation of highways and transportation schemes.

## **2. Contextual information**

- 2.1 The County Council's in-house Engineering Consultancy team and District Council agents do not have the required capacity to support delivery of the highway element of the 2013–16 Capital Programme in its entirety. The programme is larger than it has been in previous years due to the increased emphasis on spending of developer funding held by the Council and the successful Local Sustainable Transport Fund (LSTF) bids which has increased

spending by around 20% over three years. It is also hoped that the Council will secure further capital funding through the Local Pinch Point Initiative for major schemes and the forthcoming devolved major scheme funding via the newly formed LTBs for both Solent and EM3 LEP areas.

- 2.2 Currently, consultancy support is being provided by the iESE Framework Suppliers. This is commissioned by letting individual “work packages” through mini-competitions for each project.
- 2.3 Due to the need to increase the level of external consultancy support through the iESE Professional Services Framework, it is proposed to commence direct call-off contracts to avoid having to let a mini-competition for each commission. The proposal to appoint what is effectively ‘term consultants’ will assist in the drive to improve performance by having the capacity to be prepared and thus deliver more schemes to meet planned capital expenditure. It will also allow the Department to operate more efficiently by controlling client costs.
- 2.4 The scope of the consultancy support will include the areas of work set out in Appendix 1.

### **3. Finance**

- 3.1 It is proposed that four work packages be let in two tranches. In total they are likely to be approximately £4.5million in value over the 19 month term of the call-off contract (two at £750,000 and two at £1.5million). As these packages are for the ongoing service requirements of a number of individual budget holders in ETE, the values are only estimates and actual expenditure will be determined by individual budget holders. Individual projects will continue to be subject to the existing Gateway Process and where appropriate formal approval to progress to construction phase will still be sought through the submission of the Project Appraisals. The majority of work being commissioned will be from the Strategic Transport studies revenue budget and approved schemes from the ETE Capital Programme.
- 3.2 The estimated spend set out in Paragraph 3.1 equates to approximately £2.8million per annum. For comparison the 2012/13 spend through the iESE Professional Services Framework was approximately £1.85million. The increase in spend directly reflects the increase in the size of the programme to be delivered.
- 3.3 The cost of the consultancy support through the iESE call-off contracts is expected to be broadly similar to procuring through mini-competition for each work package. The bids will be assessed in line with the iESE framework rules.

### **4. Performance**

- 4.1. The proposal to appoint iESE Professional Services Framework consultants to operate on a call-off basis aims to increase efficiency and will ensure that the development of ETE projects is prioritised, allowing the Department to meet the target spend levels set out in the Capital Programme. It will also support bid preparation work with the objective of bringing forward schemes which accord with the economic growth agenda. This will be of continued importance

as the Department for Transport is putting significant emphasis on the ability to deliver when assessing scheme bids.

## **5. Other key issues**

- 5.1. The iESE suppliers have already been asked to make submissions for the first tranche, but the decision to proceed and appoint the preferred suppliers will not take place until the recommendations in this paper are formally approved. It is hoped that the Tranche 1 suppliers can be appointed in mid to late June.
- 5.2. The Tranche 2 works package will be similar to Tranche 1 in size and scope and is likely to be commissioned in July with a view to appointing the suppliers in September.
- 5.3. The outcome of the Local Pinch Point bids will be known before commencing the Tranche 2 commission and if the Council is successful this additional workload will be included in the work package.

## **6. Future direction**

- 6.1. In a separate exercise the County Council is procuring three Strategic Partner Contracts for the provision of Professional Services for the Built Environment. The contracts will be operational from Quarter 3 2014. One of the three Lots will be for Highways and Transportation Development and Management .
- 6.2. The proposal to appoint external consultancy support through the iESE Professional Services Framework is seen as an interim solution before the new Strategic Partner contracts commence.
- 6.3. TUPE is most likely to apply to the new Strategic Partner so the consultants delivering Tranche 1 and 2 will be informed that they may well be required to provide TUPE information to companies tendering for the Strategic Partner contracts.

## **7. Recommendations**

- 7.1. That approval be given to procure and spend via four term contracts called-off through mini-competitions under the iESE Professional Service Framework. The resulting contract will be of up to 2 years duration with an approximate value of £4.5million, the commitment of which funds has already received executive approval by way of the Capital Programme.
- 7.2. That the Director of Economy, Transport and Environment be given delegated authority to agree any variations to the items approved referred to at paragraph 7.1 above, in consultation with the Executive Member for Economy, Transport and Environment.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	Yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	Yes
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1 The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. An assessment of the impacts in this service area can be found at

<http://documents.hants.gov.uk/equality-impact-assessments/ete/develop-highways-transport.doc>

- 1.2 It is considered that the issues covered by this report will not have impacts requiring further specific actions by the Council above those already established in its existing policies and working procedures.

### **2. Impact on Crime and Disorder:**

- 2.1. N/A.

### **3. Climate Change:**

- 3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

The proposal relates to the mechanism used to procure professional service support and will therefore not impact on our carbon footprint.

- 3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? N/A

## **Appendix 1**

### **Procurement of Professional Services Support - Call-Off Contract**

#### **Areas of Work**

Feasibility Studies

Highway Improvements

Highway Junction Modelling

Local Area-based Transport & Economic Modelling

Specialist Rail and Bus Studies

Bid Preparation and Cost Benefit Appraisal Work (Highways and Economic Development)

Behavioural Change

Coastal Studies

Preparation of preliminary and detailed designs for:-

- Major Highways Improvements
- TM Schemes (Traffic Calming, drafting Traffic Orders etc)
- Cycling/Pedestrian improvements
- Junction Improvements

Landscape Design & Planning

Ecology & Environmental Design

Development Infrastructure

Drainage and SUDS design

Highway maintenance, resurfacing and minor improvement schemes

Traffic Signal design

Road Safety Audit

Bridge Inspections

Structures design

Structures assessment

Cost Management

Contract Documentation Preparation

Bus Infrastructure design

Supporting the client with public consultations

Archaeology