

Summary Sheet

Council Report

Report to Overview and Scrutiny Management Board 27th September 2017.

RCP (Rotherham Construction Partnership) Framework – Progress Report

Is this a Key Decision and has it been included on the Forward Plan?

No.

Strategic Director Approving Submission of the Report

Damien Wilson – Strategic Director - Regeneration and Environment.

Report Author(s)

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Ward(s) Affected

All.

Summary

This report provides an update on the RCP Framework which was awarded on 23rd May 2017.

Recommendations

That the contents of this progress report are noted.

List of Appendices Included

Appendix A – Projects Procured Through Frameworks.

Background Papers

None.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A.

Council Approval Required

No.

Exempt from the Press and Public

Partially; Appendix A is exempt.

Title

RCP (Rotherham Construction Partnership) Framework – Progress Report

1. Recommendations

- 1.1 That the contents of this progress report are noted.

2. Background

- 2.1 The majority of the Council's building construction is procured through the YORbuild framework.
- 2.2 There are instances where it is not wholly appropriate to use the YORbuild framework for example with roofing or demolition projects. Where these projects are procured through YORbuild, the main contractor tends to sub-contract the work to a specialist contractor, and then applies a management fee. This management fee can be in the region of 10% of the tender price and clearly this does not present best value to the authority. This type of project will now be procured through the RCP Framework.
- 2.3 YORhub is the combined management organisation for the three regional frameworks (YORbuild, YORcivils and YORconsult).
- 2.4 In 2016 the Council procured just over £4m through the YORbuild framework. The projected volume of work to be procured through the YORbuild framework in 2017 is £7.5m (see Appendix A). YORbuild2 was awarded in March 2016 so a few months of procurement activity were lost hence the drop off in volume of work that was procured through the framework in 2016.
- 2.5 The Council's own approved lists (for building works up to £150k and mechanical and electrical works up to £500k) expired in May 2016. As such there was no alternative in place as a fall-back to using the YORbuild framework without issuing open tenders.
- 2.6 The decision to procure the RCP framework was approved at the Cabinet and Commissioners' Decision Making meeting on 14th November 2016.
- 2.7 The lots within the RCP framework are as follows:
- * Flat Roofing (individual contracts not exceeding £250k)
 - * Pitched Roofing (not exceeding £250k)
 - * Demolition (not exceeding £250k)
 - * Asbestos Removal (not exceeding £250k)
 - * Building Works 1 (up to £150k)
 - * Building Works 2 (between £150k-£500k)
 - * Structural Repairs (not exceeding £50k)
 - * Mechanical Works (not exceeding £200k) and
 - * Electrical Works (not exceeding £200k).

- 2.8 Expressions of interest were invited on 3rd February 2017 from contractors suitable for the categories of work. The advert was an OJEU notice and was advertised on the YORtender procurement portal. Applicants were required to complete a selection questionnaire (SQ) and provide three references relevant to the opportunity. Applications were received from 59 contractors by the closing date (8th March 2017) and they were comprehensively evaluated by technical and procurement officers.
- 2.9 A scoring mechanism was devised to assess contractors approach to health and safety, environmental management, quality management and technical ability. In addition to this the applicants were also required to demonstrate how their organisation meets or exceeds the Council's own minimum standards in terms of employment and skills, social values, safeguarding, local employment and buying Rotherham first.
- 2.10 Contractor performance will be continuously monitored and assessed, and poor performance will result in missed opportunities to tender.
- 2.11 It is intended to use the RCP framework for a period of 2 years, with the option to extend for a further two years, each on a year by year basis.
- 2.12 The RCP framework was awarded on 23rd May 2017.
- 2.13 Currently 28 projects have been tendered through the framework with an estimated value of £1.4m generating an access fee income of £9k to date. The access fees will be claimed upon award of the contracts.
- 2.14 In terms of marketing the framework, so far meetings have been held with the University of Sheffield, Sheffield City Council and South Yorkshire Fire and Rescue Service. The feedback so far has been positive and there is a will to procure from the framework should a suitable project be identified. Discussions have also taken place with St Leger Homes and internal colleagues in Neighbourhoods to promote the use of the RCP framework.
- 2.15 South Yorkshire Fire and Rescue is the first external client to use the framework and they have two projects due out to tender in the middle of September.

3. Key Issues

- 3.1 The challenge now is to identify and target other client sectors and also maintain dialogue with existing clients to promote the framework.
- 3.2 A marketing strategy is to be worked up including a brochure that highlights the advantage to clients in using the framework and also to promote the other available trading services within Asset Management and the Council as a whole.

4. Options considered and recommended proposal

4.1 The decision to procure the RCP framework was approved at the Cabinet and Commissioners' Decision Making meeting on 14th November 2016. This is a progress report.

5. Consultation

5.1 None required. This is a progress report.

6. Timetable and Accountability for Implementing this Decision

6.1 RCP is in operation. This is a progress report.

7. Financial and Procurement Implications

7.1 The target for income generated from access fees in 2017/18 (R&E ASR 15) is £20,000. Asset Management intends to stretch this target by marketing the framework to more external clients.

7.2 £9,000 has currently been generated in access fees from just over 3 months of framework activity so the R&E ASR 15 income target of £20,000 is projected to be achieved.

7.3 The projection for income generated from access fees for 2018/19 could increase by £10,000 but this will be dependent on external clients using the framework which will require a targeted marketing strategy. This has been included in the current budget setting deep dive process.

8. Legal Implications

8.1 There are no direct legal implications relevant to this report.

9. Human Resources Implications

9.1 There are no human resources implications relevant to this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 Children and Young People and Vulnerable Adults implications will be assessed as part of the tendering process.

11. Equalities and Human Rights Implications

11.1 Equalities and Human Rights Implications will be assessed as part of the tendering process.

12. Implications for Partners and Other Directorates

12.1 The framework is available for use by Rotherham MBC and other public sector and voluntary sector bodies within the South Yorkshire region.

13. Risks and Mitigation

13.1 Risk of access fees not achieving the projected income targets.

13.2 Mitigation; Current projection indicates access fee target will be met. Also Asset Management are actively marketing RCP to the South Yorkshire public sector to broaden the appeal across South Yorkshire.

14. Accountable Officer(s)

14.1 Paul Woodcock – Assistant Director, Planning, Regeneration and Transport, ext 22971, paul.woodcock@rotherham.gov.uk

Approvals Obtained from:-

Strategic Director, Regeneration and Environment:- Damien Wilson – 15/09/2017

Strategic Director of Finance and Corporate Services:- Jon Baggaley, Finance Manager: Regeneration & Environment and Capital - 7th September 2017.

Director of Legal Services:- Kavita Ladva, Contracts Solicitor, Legal Services - 7th September 2017.

Head of Procurement (if appropriate):- Karen Middlebrook, Head of Procurement, Corporate Procurement Service - 8th September 2017.

Human Resources:- John Crutchley, Human Resources Business Partner – 7th September 2017.

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