

Report to	Cabinet
Date of meeting	23 May 2023
Lead Member / Officer	Julie Matthews
Head of Service	Lisa Jones (Interim)
Report author	Karen Bellis, Helen Spafford
Title	North Wales Construction Framework (NWCF) Phase 3 – Stage 1- Initiate Project approval

1. What is the report about?

1.1. The purpose of this report is to seek approval to begin the process for the procurement of the NWCF Phase 3 to be in place for June 2024. NWCF Phase 2 is due to end May 2024. In order to ensure that all projects in the current programme of works are procured and monitored appropriately. This will allow for a smooth transition by continuing the engagement with stake holders and to secure the commitment of the North Wales Local Authorities (NWLA).

2. What is the reason for making this report?

2.1. Following the success of the NWCF and the benefits in procurement time, cost and value added provided by it, it is proposed to initiate a project that allow the NWLA to continue to have a Framework in place for the procurement of regional construction projects.

2.2. It is proposed to update the Framework and to extend its scope to cover all relevant construction projects over £250K threshold, and to incorporate the lessons learned from the current iteration.

2.3. The NWCF phase 1 and 2 have been a catalyst for engagement and upskilling of local contractors operating within the regional supply chain, this will encourage local contractors to be become part of NWCF3.

- 2.4. Alongside the regional framework, the project will continue to drive improvement in construction procurement practices across the region, to ensure consistency, driving the delivery of community benefits, develop continuous improvement and set new benchmarks for best practice.
- 2.5. It is proposed that the framework will be set up by the six NWLA and accessible to other public sector agencies (e.g. Higher Education, Police Authority and Fire and Rescue Services, etc.) by June 2024 and be in place for a total of four years (2+1+1 years).
- 2.6. A condition of the Sustainable Communities for Learning Programme grant funding is that one of the three Welsh Frameworks is used to procure the project.

3. What are the Recommendations?

- 3.1. It is recommended to approve the initiation of the project to procure NWCF3.
- 3.2. That the Committee confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration

4. Report details

- 4.1. The operational board of NWCF, formed by the six NWLA's, is seeking to continue to have a collaborative construction Framework in place as it is now evident that procuring projects via this route is effective.
- 4.2. It also consistently aids the delivery of added value in the form of; Targeted Recruitment and Training, supply chain engagement and upskilling, reduced time and cost of the procurement process, Standardised approach and processes that in turn helps reduce risks, continue to have a collaborative relationship with the contractor partners in the Framework minimising confrontation, and engagement with supporting agencies to enable the delivery of KPI targets.

Project Governance

- 4.3. The project has been set up with sound governance and reporting structures. Cabinet approval will be sought to procure NWCF3 and before appointment of successful contractors.

Value and scope of Programme

4.4. The main driver for the project is to deliver value for money in public procurement and deliver community benefits across the region. This is best achieved through an aggregation of construction projects associated with the Sustainable Communities for Learning Programme and other public sector projects.

Lotting Strategy (the way in which the framework will be divided into value bands)

4.5. Proposed lotting structure for framework–

Lot	Value	Maximum Contractors
Lot 1	£250K – £2m	Up to 10
Lot 2	£2m - £5m	Up to 6
Lot 3	£5m - £10m	Up to 6
Lot 4	£10m - £15m	Up to 6
Lot 5	£15m+	Up to 6

Procurement Strategy - Overview

4.6. Continuation of improvement to current practises for construction projects with standardised procurement approaches and collaboration procedures, sharing of best practice, developing standard specifications and sharing of resources.

Community Benefits

4.7. The upcoming Public Procurement Reform (UK) Bill and the Social Partnership and Public Procurement (Wales) Bill include obligations to deliver economic, social, environmental and cultural Well-being benefits. The Framework will incorporate these new obligations in addition to the Welsh Community Benefits toolkit.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

See Appendix 2

6. What will it cost and how will it affect other services?

6.1. The current Framework has an Inter Authority Agreement (IAA) in place that enables the six NWLA to fund the Framework Management Team.

6.2. The funding agreed through the IAA is of £15K each LA per annum, we are proposing that this continues for the setting up of NWCF3.

See cost breakdown on Appendix 3

Legal

6.3. An IAA is required to ensure that in the event of any legal challenge in procuring the overarching framework, the cost would be spread amongst the collaborative authorities and not borne by an individual authority and to provide a governance structure for the next four years.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. Stakeholder Engagement has been a key part of the project work. Key stakeholders in this process have been the construction industry, officers in all six North Wales authorities and Welsh Government. Contractor briefing events will be held to engage with the wider Construction industry in order to provide support to local firms to enable them to bid NWCF3. The Well-being assessment (No. 1180, see Appendix 1) has a score of 32/36. The Framework will include, as a baseline, statutory obligations as set out in Social Partnership and Public Procurement (Wales) Bill. The Framework will make monitor and report upon Well-being impacts generated and secured by clients via use of the Framework.

8. What consultations have been carried out with Scrutiny and others?

8.1. The current Framework partners, clients and contractors have been consulted.

9. Chief Finance Officer Statement

9.1. The first iteration of the NWCF appears to have been successful and the principle of this method of procurement collaboration is supported. In addition, the proposal does not include any increase in the fees that Local Authorities are required to contribute and therefore DCC already has a budget in place to cover the contribution. The proposal is supported.

10. What risks are there and is there anything we can do to reduce them?

10.1 The main risk identified is that local SMEs are not appointed onto the NWCF3. The project team (working with national trade bodies) aim to mitigate this by engaging with the market and ensuring that the proposed procurement vehicle is a fair and transparent model to all potential contracting organisations.

11. Power to make the decision

11.1 Local Government (Wales) Measure 2009 in respect of duties to consider collaboration as a default positions.