

CABINET

Date of Meeting	Tuesday, 14 th May 2019
Report Subject	Renewal of North Wales Construction Framework
Cabinet Member	Leader of the Council and Cabinet Member for Education Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Education and Youth) Chief Officer (Housing and Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

The North Wales Construction Framework (NWCF) is a partnership between the six North Wales (N.W.) Authorities with Denbighshire County Council acting as the lead Authority.

The very successful first iteration of the NWCF agreement expired in May 2018.

In June 2017, Cabinet received a report outlining the approach to renewing the N. W. Regional Construction Framework agreement and a request for approval to continue with regional agreement, which was supported.

There was full agreement from all six Authorities regionally, work commenced through the project team to re-tender, evaluate and commission contractors in five lots for the new iteration of the Framework, which commences in May 2019.

The report provides Cabinet with an update and confirms the new arrangements for the Framework.

RECOMMENDATIONS

1	To note the contents of the report.
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1.00	BACKGROUND					
1.01	<u>The North Wales Construction Framework 2014-2018</u>					
	North Wales Construction Framework was established in 2014 and ran until 2018. It was set up primarily to deliver the construction of new school buildings, or the remodelling and refurbishment of existing school buildings under the 21st Century Schools programme. However, the Framework evolved and can also be used by other public sector organisations in the region to deliver their non-school construction projects.					
1.02	The Framework provides a streamlined, cost-effective and collaborative mechanism to secure contractors for construction projects in schools and other public buildings across North Wales.					
1.03	At the time of writing, 20 regional projects have delivered the following community benefits:					
	<ul style="list-style-type: none"> • Over 900 hours of work experience • Over 1,000 training hours delivered • 320 NVQ/Apprenticeship weeks delivered • 9 Graduates recruited • 17 permanent new jobs created for unemployed people • 4,000 school pupils involved in engagement events • 70 community engagement events, with 900 attendees • On average, 80% of the construction supply chain comes from within a 30 miles radius of the project/s • 30 work placements for NEET (Not in Employment, Education or Training) individuals in partnership with the Princes Trust <p>These statistics are likely to increase as the final band A projects are completed.</p>					
1.04	Within Flintshire, Holywell Learning Campus, Deeside 6 th , and Connah's Quay High School (Phase 1) have all been delivered on time and within budget using contractors commissioned via this Framework. The last remaining project through this Framework is the new primary school in Penyffordd which is currently under construction. The school building will be complete and available for use at the start of the new academic year (September 2019) and external work will be complete by December 2019.					
1.05	<u>The New Framework</u>					
	Denbighshire County Council acting as the programme lead on behalf of Authorities in the N.W. region have completed a retendering exercise.					
1.06	The tender was spilt into the following lots:					
	Lot1 (East)	Lot 1 (West)	Lot 2	Lot 3	Lot 4	Lot 5
	£250,000- £999,999	£250,000- £999,999	£1,000,000- £1,999,999	£2,000,000 - £5,4999,999	£5,500, 000 - £9,999,999	£10m+
1.07	In terms of the process, an open (1 stage) procedure was chosen rather					

	<p>than the restricted procedure (2 stages – separate pre-qualification questionnaire and Invitation to Tender stages).</p> <p>This approach was chosen as it would remove potential barriers for the Small & Medium Enterprises (SME's) in the region to compete with the larger national companies. The quality/price weighting for all lots was 70%/30%.</p>
1.08	<p>The Official Journal of the European Union (OJEU) notice was published on 12th September 2018.</p> <p>Tenders were opened on 19th November 2018. 12 bids were received for Lot 1East, 13 bids for Lot 1West, 13 bids for Lot 2, 9 bids for Lot 3, 4 bids for Lot 4 and 5 bids for Lot 5.</p>
1.09	<p>Technical teams from all six authorities were involved in scoring elements of the contractor's tender submissions. These were collated and verified by the joint procurement service managed through Denbighshire County Council.</p>
1.10	<p>The successful contractors are noted in Appendix 1</p>
1.11	<p>The Framework will have a positive effect in the North Wales region by creating new facilities for public use including new schools, creating jobs in the construction sector, improving educational attainment, providing opportunities for community involvement and engagement and help to promote a vibrant culture and Welsh language. The Framework will be the procurement vehicle for the Council's 21st Century schools, Band B investment programme.</p>
1.12	<p>The latest iteration of the framework places importance on delivering the greatest benefit from the investment made to ensure there is a positive impact on local communities.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>The new Framework will require the same level of financial commitment (£15,000 per annum) from each Local Authority. In essence this is the fee to cover the costs of administering the Framework.</p>
2.02	<p>Under the previous Framework, Flintshire's annual contribution was funded from the 21st Century Schools programme. It is proposed that the same arrangement is applied to the new Framework.</p>
2.03	<p>Should surplus income be generated through the Framework, the Framework's Strategic Management Board, which has Senior Officer representation from all six North Wales Authorities will determine where such income (which would be of low value in any case) will be spent. This is likely to be on additional training or supply chain initiatives, or potentially shared out between the partner authorities.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The proposals for the renewal of the North Wales Construction Framework have been developed through the involvement and engagement with senior officers, construction and procurement professionals within the six partner North Wales Local Authorities, as well as other public sector organisations who have expressed an interest in utilising the Framework.
3.02	There has also been involvement from contractors on the existing Framework and other local contractors who expressed an interest in being involved in the new Framework arrangements.

4.00	RISK MANAGEMENT
4.01	Risks around the framework are managed through the Framework's Strategic Management Board which has Senior Officer representation from each of the six North Wales Authorities.

5.00	APPENDICES
5.01	Appendix 1 – List of successful contractors and lots.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	N/A Contact Officer: Damian Hughes Telephone: 01352 704135 Email: damian.hughes@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	North Wales Construction Framework – Is an innovative collaborative working solution, which has been developed to support the delivery of the 21st Century Schools programme and other public buildings in the North Wales region. Instigated by the Welsh Government and supported by Construction Futures Wales, the Framework is made up of the six North Wales Authorities and seven main construction companies, hosted by Denbighshire County Council. 21st Century schools programme – Is a collaboration between the Welsh Government (WG), the Welsh Local Government Association (WLGA) and local authorities. It is a major, long-term and strategic capital investment programme with the aim of creating a generation of 21st century schools in Wales. The programme will focus resources on the right schools in the right places, for early years through to post-16

Community Benefits - Delivery of added value through Community Benefits Policy are part of 21st Century schools funding criteria and is also linked to the procurement of contractors on the 21st Century Schools programme and must be an integral consideration. They ensure wider social, environmental and economic issues are also taken into account during the project life cycle.

Lot/Lotted - One of a number of categories of goods or services which a single procurement process has been divided into. In this case monetary amount associated with construction value.

OJEU - Stands for the Official Journal of the European Union (previously called OJEC - the Official Journal of the European Community). This is the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation, must be published.