

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	12 March 2019
Title:	Technical Resources Framework (Generation 4)
Report From:	Director of Economy, Transport and Environment

Contact name: Keith Gale

Tel: 01962 847271

Email: keith.gale@hants.gov.uk

1. Recommendations

- 1.1. That approval be given to procure and spend, and enter into any necessary contractual arrangements, for a framework designated as the Technical Resources Framework (Gen4) to engage with specialist engineering companies and engineering resources for delivery of the County Council's highways, transport and ancillary infrastructure projects up to a value of £45million, for a period of up to four years duration commencing in April 2020.
- 1.2. That access to the framework be given to other appropriate public bodies operating within the geographical area of the county of Hampshire in return for a contribution as reasonable toward running and set up costs, and that authority is delegated to the Director of Economy, Transport and Environment to enter into the necessary access arrangement agreements to facilitate this in consultation with the Head of Legal Services.
- 1.3. That the selection of suppliers will be carried out on a combination of price and quality, with the final ratio to be determined by the Director of Economy, Transport and Environment in consultation with the Executive Member for Economy and Transport, as set out in the tender evaluation section of the tender documents.
- 1.4. That the Director of Economy, Transport and Environment be given delegated authority to agree minor variations to the items approved, in consultation with the Executive Member for Environment and Transport.

2. Executive Summary

- 2.1 The current Technical Resources Framework Generation 3 (TRF Gen3) expires in Spring 2020 and under current procurement regulations it is anticipated that market engagement, contract preparation, selection and assessment will take around 15 months.
- 2.2. The current frameworks have served the Authority well, but recent movement of legislation regarding self-employed status together with supplier market changes and potential future capital programme requirements necessitate development of the framework into Generation 4.

- 2.3. The purpose of this paper is to seek approval to procure a framework for Technical Resources for four years duration commencing in Spring 2020.

3. Contextual information

- 3.1. The current TRF Gen3 was designed to supplement 'in-house' skills by providing specialist engineering-based resources in addition to those supplied by the Strategic Suppliers. TRF Gen3 suppliers comprise mainly small and medium sized companies and specialist engineering recruitment agents supplying resources for design and supervision of projects. Recognition of this distinction gained approval from including this with other central resource contracts due to the market specialisms and technical requirements.
- 3.2. A mix of 'in house', TRF Gen3 and Strategic Partner contracts has provided the Council with access to a variety of resources which has delivered the Council's capital and revenue requirements in an agile and effective manner. TRF Gen3 engages with companies and agencies through issue of Time Charge Orders. The flexibility this provides together with commercially applied monitoring of prices partially explains the wide acceptance and extent of its use. The original OJEU notice (reference 227768-2015) anticipated an overall total value of £30million for the four years framework duration. By the time the framework expires (in March 2020) it is expected that approximately £24million of Time Charge Orders will have been issued, indicating that the framework has achieved its desired objectives.
- 3.3. The original intention of TRF Gen3 was to provide concentrated resources solely for use by the Council and therefore, unlike other Hampshire County Council frameworks, access to the framework was not allowed for other authorities. As part of the Gen4 frameworks evolution, and following requests from other public bodies, it is proposed that this is addressed by allowing access to the framework to those within the geographical boundaries of Hampshire to provide a moderate income toward the running costs of the framework.
- 3.4. With expansion in mind, and to allow for an expected increase in the capital programme, it is proposed that the values used for TRF Gen3 be increased to an overall total framework contract value of £45million for the four years duration of TRF Gen4. The overall total value anticipated for the duration of the framework will be made up of a variety of project specific contracts.

4. Other proposals for inclusion into Gen 4

- 4.1. The current arrangement has supported Small Medium Enterprise companies within efficient commercial arrangements and delivered skilled resources to the Council in an effective way. During the framework lifespan, market and legislation changes have arisen that require consideration for Gen4. One area that required substantial intervention and management by Council Officers was due to HM Treasury regulation regarding IR35 taxation rules. Although contractual arrangements included within the framework operated effectively, it is proposed that contract clauses are strengthened further to clarify financial liabilities of suppliers.
- 4.2. A second proposal introduces commission-based orders in conjunction with Time Charge Orders. Although most resource requirements will continue to be undertaken through a Time Charge, it can be more efficient to order a discrete lump sum commission for a noise survey, ecological survey or other similar service. It is not the

intention of the framework to offer large commission-based activities such as those undertaken by the Strategic Suppliers, but to introduce nominal value commissions as an operational feature of the framework.

- 4.3. The third proposal is to recognise the extensive officer resources required to manage and operate the framework by introducing a modest fee structure for other public authorities accessing resources through the framework.

5 Conclusion

- 5.1 The current TRF Gen3 has served the Council well in terms of timely provision of resources to enable efficient delivery and management for its projects. It is proposed that the Generation 4 iteration of this framework includes the improvements and recommendations suggested in this report to provide resilient resources for the Council's future infrastructure capital and revenue requirements.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Procurement approval: Generation 3 Technical Resources Framework 2016-2020 reference 6636	<u>Date</u> 12 May 2015
Direct links to specific legislation or Government Directives	
<u>Title</u> HM Government Industrial Strategy: government and industry in partnership, <i>Construction 2025</i>	<u>Date</u> July 2013

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- (a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- (b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- (c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

It is considered that this decision will have a neutral impact on groups with protected characteristics because all contractual arrangements with suppliers incorporate the Council's equalities policies, procedures and standards. It will be a requirement that suppliers always comply with these in execution of works and services.

2. Impact on Crime and Disorder:

2.1. Projects will be designed using the current guidelines and national standards for infrastructure development.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

Engagement of local suppliers, where possible, will limit the amount of movement of resources. All of the contracts will encourage sustainable sources of supplies and solutions will look to long term viability.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Inclusion of resilient and long term designs together with best practice construction methods will assist in ensuing projects are more durable.