

HAMPSHIRE COUNTY COUNCIL

Executive Decision Record

Decision Maker:	Executive Member for Economy, Transport and Environment
Date:	2 July 2020
Title:	Procurement Approval: Geotechnical and Geoenvironmental Services Framework 2021-2025
Report From:	Director of Economy, Transport and Environment

Contact name: Keith Gale

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1. The decision:

- 1.1. That approval be given to procure, spend, and enter into the necessary contractual arrangements, in consultation with the Head of Legal Services, for a Geotechnical and Geoenvironmental Framework (GGF), as detailed in the supporting report, commencing on 1 June 2021 for a duration of four years, up to an overall maximum value of £5million for the duration of the framework.
- 1.2. That a ratio of 70% for price and 30% for quality be used in the assessment of suppliers to gain a place in the framework.
- 1.3. That authority is delegated to the Director of Economy, Transport and Environment to agree any variations to the items approved in consultation with the Executive Member for Economy, Transport and Environment.

2. Reasons for the decision:

- 2.1. Multi-supplier frameworks have been used since 2009 for the provision of geotechnical and geoenvironmental services to ensure that site investigations are conducted in a safe and efficient manner. These services are used to provide information for the County Council to assist with the design of capital and revenue projects as part of its statutory functions and economic development. The service has been used by many departments and sections of the Council, including Economy, Transport and Environment, Culture Communities and Business Services, Property Services, Assets and Development, Countryside Services, and Engineering Consultancy.
- 2.2. These services are often required at short notice – for example, when a land slip or other geological event occurs – and having access to specialists with suitable equipment to undertake such investigations is paramount.
- 2.3. Current arrangements have worked extremely well, with over 300 site investigations being undertaken since 2009. Typical investigations include soil conditions, samples and underlying strata for large infrastructure projects, highways schemes, waste recycling centres, school and care home extensions,

new schools and fire stations, contaminated sites, geological events (landslips and swallow holes, etc) and the like.

- 2.4. In addition to the physical testing of geological formations, the frameworks also include expert analysis so that design solutions can accurately match site conditions.
- 2.5. The existing framework contract for geotechnical services expires on 31 May 2021.

3. Other options considered and rejected:

3.1. Option 1:

'In house' delivery of geotechnical site investigation services.

The requirement for site investigation services is quite variable and requires specialist equipment dependent upon capital and revenue programmes and the nature of projects required. The volume of service and its financial volatility does not support capital investment for the purchase of specialist testing equipment or the full-time employment of officers for site investigations.

3.2. Option 2:

Single source supplier.

The market for specialist site investigation services is generally formed of small to medium sized enterprises with specialisms which align with specific tests or services. The use of a multi-supplier framework allows a wide range of services to be engaged together with use of the latest techniques and expertise. It is considered that one supplier could not deliver all services without recourse to sub-contracting, which would incur additional supply chain costs.

4. Conflicts of interest:

- 4.1. Conflicts of interest declared by the decision-maker:
- 4.2. Conflicts of interest declared by other Executive Members consulted:

5. Dispensation granted by the Conduct Advisory Panel: none.

6. Reason(s) for the matter being dealt with if urgent: not applicable.

7. Statement from the Decision Maker:

Approved by:

Date:

2 July 2020

**Executive Member for Economy, Transport and
Environment
Councillor Rob Humby**

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Purpose of this Report

1. The purpose of this paper is to seek approval to procure a Geotechnical and Geoenvironmental framework agreement in order to replace the current framework which expires on 31 May 2021. Work will be commissioned through this framework as part of the normal process of design, development and implementation of projects, which have their own approval processes.

Recommendations

2. That approval be given to procure, spend, and enter into the necessary contractual arrangements, in consultation with the Head of Legal Services, for a Geotechnical and Geoenvironmental Framework (GGF), as detailed in this report, commencing on 1 June 2021 for a duration of four years, up to an overall maximum value of £5million for the duration of the framework.
3. That a ratio of 70% for price and 30% for quality be used in the assessment of suppliers to gain a place in the framework.
4. That authority is delegated to the Director of Economy, Transport and Environment to agree any variations to the items approved in consultation with the Executive Member for Economy, Transport and Environment.

Executive Summary

5. The Geotechnical and Geoenvironmental framework will be used to engage specialist services for site investigation works to all County Council departments including Economy, Transport and Environment, Culture Communities and Business Services, and a range of other clients as appropriate through traded service agreements.
6. This report summarises reasons for the Economy, Transport and Environment Department to procure and tender a Geotechnical and Geoenvironmental framework and describes the proposed arrangements for this framework.

Contextual information

7. The County Council has a duty to maintain and improve its assets within Hampshire in a safe and effective manner. In provision of this role, the Economy, Transport and Environment Department uses a framework for geotechnical and site investigation services in order to assist with the design of capital and revenue projects. The range of projects served by the framework includes major infrastructure improvements through to extensions for schools and other buildings.
8. The current Geotechnical and Geoenvironmental Framework is used to provide specialist ground investigation services to all Hampshire County Council Departments, including Economy, Transport and Environment and Culture Communities and Business Services. The framework is managed by the Engineering Consultancy Geotechnics Group.
9. This will be the third framework specifically set up to engage ground investigation services, following two previous iterations which have worked extremely well. Since inception, more than 300 investigation commissions have been undertaken with a total value of over £3million. Such projects have included ground investigations for highway improvements, waste recycling centres, school and care centre extensions, new schools and fire stations, contaminated sites, and investigation of critical events, such as landslips and swallow holes. Due to the volatility of these service requirements it is difficult to accurately predict the future financial extent of services required, but each successive framework arrangement has been used for larger value projects, and therefore it would not be unreasonable to place an overall maximum framework value of £5million for the four-year duration.
10. In addition to use by the Council, other authorities (such as Southampton City Council, Surrey County Council, Reading Borough Council, and other smaller districts) have occasionally used these services. In each case the commissions have been ordered by the Council, with reimbursement obtained through a shared service agreement. This arrangement allows the Council's requirements to be given priority and allows efficient control for occasional use by others.
11. Previous frameworks were procured through a European OJEU process, which incorporated a rigorous selection procedure satisfying both statutory and internal standing order requirements. Experience has shown that this method of pre-selecting suppliers has engaged suppliers with the requisite skills and capacity to undertake geotechnical services for the Council.

Proposed detailed arrangements

12. In order to continue with the services of specialist geotechnical and geoenvironmental consultants, it is proposed that a new framework is set up to replace the current one when it expires in May 2021. As with existing arrangements, the framework will engage with a number of suppliers in order to meet the scope, time scales, and requirements serving any departments of the Authority. As the framework is designated under European Union (EU) rules as 'service provision' (as opposed to works) and the estimated value of the contract is anticipated to exceed EU thresholds, the framework will need to be advertised in accordance with EU regulations. However, it is recognised that due to the transitional arrangements for the United Kingdom leaving the EU ending on 31

December 2020, the procurement may fall outside of these Regulations. Nonetheless, additional Regs will come into force at 11pm on 31st December 2020, which effectively mean that the process remains the same. (Public Procurement [Amendment etc] EU Exit Regs 2019 and the Public Procurement [Amendment etc] [EU Exit] [No 2] Regs 2019).

13. Although some frameworks within the Department allow direct access by other authorities, it is proposed that only Hampshire County Council is named as the contracting authority on the OJEU Notice. This provides control in line with initiatives for other Traded Services and should there be any need for these services from other authorities it is suggested that arrangements be undertaken in line with the business charging model developed by ETE. This proposal also provides the following benefits:
 - resources are prioritised toward the needs of Hampshire County Council;
 - any resources offered to other authorities through ETE will provide support to the maintenance and management of this framework and of future arrangements; and
 - the specialist nature of this framework requires careful managerial control which can be provided through direct delegated authority of the arrangements.
14. Although the historic data indicates a four year spend of only around £1.2million, due to the potential increased investment in infrastructure, it is recommended that the overall advertised limit is increased to £5million. This value reflects the best current estimate, plus a substantial allowance for 'headline growth' based upon forecasted spending on capital infrastructure projects over the next four years.
15. On the supply side, the market is represented by small/medium sized enterprises and encouragement will be provided to those who indicate interest. The current framework consists of up to ten suppliers – a number that was sufficient to provide competition for work packages but without requiring extensive management of resources. It is therefore proposed that a similar number of suppliers are used for the new arrangements.

Alternatives Considered

16. Two alternatives have been considered instead of procurement of a framework:

Option 1

'In house' delivery of geotechnical site investigation services.

The Council could choose to develop an 'in house' section to undertake site investigation studies and reports, but this would require capital investment, significant resources, and expertise to carry out site operations and analyse results. As the number of sites requiring investigation and level of tests vary according to project demand, there would not be sufficient regular income to generate a return on investment employed. Engagement of external resources allows a reactive service without the liability of future committed workload. Option 1 has therefore been rejected.

Option 2

A single source supplier.

The extent and requirements of commissions vary according to the geology and topography of a site and its intended use. The scope of service can vary substantially, and examination of the market concludes that it would be doubtful that one supplier could deliver all of the services without recourse to sub-contracting and consequential additional supply chain costs. Option 2 has therefore been rejected.

Conclusions

17. The current and previous geotechnical frameworks have served the Council well in engaging specialist resources in an efficient and effective manner to provide geotechnical information for the Authority's existing built environment assets and future construction programmes. Due to the variability of service and volatility of expenditure, a multi-supplier framework is proposed. This does not commit the Council to any minimum values of expenditure but will provide enough suppliers to undertake resource requirements.
18. Suppliers applying for a place on the framework will have to demonstrate minimum standards of technical expertise and the ability to adhere to the Council's corporate standards, thereby ensuring compliance with equalities legislation.
19. As suppliers will be vetted at the first stage of the procurement exercise, a second stage of the tendering process will require competitive prices to be submitted and therefore the proposals will be weighted toward price. In line with tenders of a similar nature and complexity it is proposed that a ratio of 70/30 price/quality be used at the second stage of assessment.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	No
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: Geotechnical and Geoenvironmental Framework 2017-2021 – reference 7717	<u>Date</u> 15 September 2016
Direct links to specific legislation or Government Directives	
<u>Title</u> None	<u>Date</u>

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	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 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.

2. Equalities Impact Assessment:

The arrangements for procurement and management of the Geotechnical Framework are neutral because the authority's level of service will be described within the contract documents and aligned to the Council's corporate policies. All suppliers to the framework will be required to comply with these as a minimum standard and arrangements for monitoring such policies will be undertaken throughout the duration of the framework.