

# **AGENDA MANAGEMENT SHEET**

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|---|--|
| <b>Name of Committee</b>  | <b>Cabinet</b>   |
| <b>Date of Committee</b>  | <b>16th June 2005</b>  |
| <b>Report Title</b>   | <b>Design Services Partnering Contract</b>   |
| <b>Summary</b>  | The existing partnering arrangement with Arup will expire in June 2006. The Agreement to provide professional design and other services as required has been a success and therefore, it is intended to again procure the services of a partner when the current Agreement expires. Cabinet are invited to approve the principle of letting a new partnering Agreement and the use of a competitive tender process to identify a suitable partner. |
| <b>For further information please contact</b>   | Brian Follett<br>Group Manager<br>Tel. 01926 412094<br>brianfollett@warwickshire.gov.uk  |
| <b>Would the recommended decision be contrary to the Budget and Policy Framework?</b> | Yes/No   |
| <b>Background Papers</b>  | None   |

## **CONSULTATION ALREADY UNDERTAKEN:-**

*Details to be specified*

|   |  |
|---|--|
| Other Committees  | <input checked="" type="checkbox"/> Cabinet 30th November 2000, Cabinet 24th June 2004, Environment and Rural Affairs Overview and Scrutiny 2nd September 2004     |
| Local Member(s)<br>(With brief comments, if appropriate)                                  | <input type="checkbox"/> .....   |
| Other Elected Members   | <input type="checkbox"/> Councillor C K N Browne }<br>Councillor Mrs E Goode } for information<br>Councillor Mrs J Lea }   |
| Cabinet Member<br>(Reports to The Cabinet, to be cleared with appropriate Cabinet Member) | <input type="checkbox"/> Councillor M Heatley - I approve of the partnering as it gives our staff the extra ability to use expertise from outside of the Authority |

|                          |                                     |  |
|--------------------------|-------------------------------------|--|
| Chief Executive          | <input type="checkbox"/>            | .....  |
| Legal                    | <input checked="" type="checkbox"/> | I Marriott – comments incorporated<br>C Witham – comments incorporated |
| Finance                  | <input checked="" type="checkbox"/> | C Juckes - agreed  |
| Other Chief Officers     | <input type="checkbox"/>            | .....  |
| District Councils        | <input type="checkbox"/>            | .....  |
| Health Authority         | <input type="checkbox"/>            | .....  |
| Police                   | <input type="checkbox"/>            | .....  |
| Other Bodies/Individuals | <input type="checkbox"/>            | .....  |

## FINAL DECISION

**YES/NO**

(If 'No' complete Suggested Next Steps)

## SUGGESTED NEXT STEPS :

*Details to be specified*

|   |                                     |   |
|---|-------------------------------------|---|
| Further consideration by this Committee | <input checked="" type="checkbox"/> | Following the tendering exercise a report will be taken to Cabinet seeking approval to award a professional services contract to the preferred partner for design and other services as required. |
| To Council                              | <input type="checkbox"/>            | .....   |
| To Cabinet                              | <input type="checkbox"/>            | .....   |
| To an O & S Committee                   | <input type="checkbox"/>            | .....   |
| To an Area Committee                    | <input type="checkbox"/>            | .....   |
| Further Consultation                    | <input type="checkbox"/>            | .....   |

**Cabinet – 16th June 2005**

**Design Services Partnering Contract**

**Report of the Director of Planning, Transport and  
Economic Strategy**

**Recommendation**

That Cabinet approves the principle of letting a new partnering Agreement with a consultant engineering firm to provide professional design and other services, as required, and the use of a competitive tendering process to identify a suitable partner.

**1. Introduction**

- 1.1 At the meeting on 30th November 2000 Cabinet endorsed the concept of partnering in the Design Services Group and subsequently approved the award of a contract for a partnering agreement with Arup. This award followed the completion of a competitive tendering process.
- 1.2 The agreement formally commenced in June 2001 and was to run for an initial period of three years and would then be subject to a review prior to any recommendation on an extension which would run for a further two years. The purpose of the review was to analyse whether the exercise has been a success.
- 1.3 A review of the first three years showed that partnering had achieved much of what was intended and had been a success. This was reported to Cabinet at the meeting on 24th June 2004 and approval was given to extend the partnership agreement for a further period of two years. Subsequently, Cabinet referred this partnering agreement to The Environment and Rural Affairs Overview and Scrutiny Committee's 2nd September 2004 meeting. The Overview and Scrutiny Committee was asked to review the benefits, etc., of the agreement with Arup and it supported the extension of the contract.
- 1.4 The contract with Arup expires in June 2006 and it is proposed to continue partnering with a consultant to build on the strengths and achievements of the current agreement. To ensure that a new partnership arrangement is in place by June 2006 it is necessary to start a competitive tendering process now. A suitable partner will be selected from a short list of six external consultants.

## **2. The Need for Partnering**

- 2.1 Central Government has been very keen to encourage partnering with the private sector as an option for local government service delivery and, consequently it has become one of the key concepts underlying the Best Value programme. As the group responsible for delivery of major transport schemes and a significant proportion of the integrated transport budget, Design Services already had links with a number of consultants who provided staff and expertise at times of peak workload.
- 2.2 Nevertheless, an ad-hoc arrangement for temporary staff does not provide the basis for improvements to the service, nor does it offer opportunities for joint activities, staff development or comparisons of working methods and costs with the private sector that partnering can provide. The Arup partnering arrangement has offered a closer working arrangement with a major consultant together with opportunities for development and comparison of working practices.

## **3. Partnering Successes**

- 3.1 The aspirations for partnering that were set out in the tender documents and included in the partnering contract with Arup, and which will form the basis for the renewed contract, are:-
- (i) To complete projects on time, within budget and to the agreed quality.
  - (ii) To improve quality by sharing skills and resources.
  - (iii) To achieve Best Value through value management.
  - (iv) To provide opportunities for staff training and development.
  - (v) To integrate the skills base of our differing organisations.
  - (vi) To aim for continual improvement.
  - (vii) To develop our organisations by comparison of working methods.
  - (viii) To be innovative and flexible in the way we work together.
- 3.2 The benefits that have been achieved by partnering with Arup over the last four years are summarised as follows:-
- (i) Partnering has allowed Design Services to improve its fee structure and align it to commercial rates.
  - (ii) The successful integration of Arup and Planning, Transport and Economic Strategy engineers into existing design teams has had a major influence in being able to deliver a substantial increase in the capital programme.

- (iii) Arup has allowed the department to strengthen its expertise in more specialist areas of work, e.g. rail strategy, integrated transport, environmental matters, sustainability and waste strategies, and new forms of contract and procurement strategy.
  - (iv) Other groups that were outside the original scope of partnering are now using it as a means of reducing the cost of procurement and as an excellent way of accessing a wider skills base.
  - (v) Partnering has allowed the department to have the capability to undertake broader and larger projects.
  - (vi) Finally, partnering is helping the department to broaden its staff development and training activities. Joint training sessions are a regular feature and there are opportunities for staff secondment to respective design offices.
- 3.3 The partnering arrangement has been reviewed annually over the last three years to assess whether the exercise had been a success. As part of this process customer surveys were carried out to measure performance against targets set and the results show continual improvement in the service being provided.
- 3.4 The existing partnering agreement has been a great success, offering benefits to the County Council well beyond those originally envisaged. The new contract will be set up to incorporate the above objectives and to build on the successes to ensure that the new partnership is continually developing and improving.
- 3.5 The three year arrangement, extendable to five years, is now seen as too short a period for the life of the partnership. This time the County Council would seek a partner which is willing to enter into a partnership arrangement for five years with the option to extend the agreement for a further two years. This is to ensure adequate time to develop the partnership to its full potential and to be able to complete schemes that can have long delivery time scale.

#### **4. The Re-tendering Process**

- 4.1 To ensure best value for the County Council it is necessary to undertake a competitive tendering exercise to identify a suitable organisation to partner with Design Services.
- 4.2 Once a preferred partner has been selected a further report would be made to Cabinet reporting the proposed details of the partnering arrangement and seeking approval to award the contract.

JOHN DEEGAN  
Director of Planning, Transport and Economic Strategy  
Shire Hall  
Warwick  
31st May 2005