

## **Cabinet Meeting on Wednesday 15 January 2025**

### **Modern Methods of Construction Framework Agreement**



**Councillor Ian Parry, Cabinet Member for Finance and Resources said,**

“Our current framework ends in October 2025, so now is the right time to undertake a replacement arrangement.

“The majority of constructors on this framework will service county council school projects, meaning they will work on school expansions, alterations and refurbishments. All of this work means our schools will be getting good quality construction services that will help create bright, creative and welcoming environments that will enhance the lives of pupils and school staff.”

#### **Report Summary:**

To secure Cabinet approval for authority to approve the full procurement process to secure and manage the Framework Agreement for Modern Methods of Construction which will commence, 1 November 2025 for up to 4 years be delegated to the Director of Corporate Services.

#### **Recommendations**

I recommend that Cabinet:

- a. Approves undertaking a procurement exercise for the Modern Methods of Construction Framework Agreement.
- b. Following the conclusion of the procurement, Cabinet delegates authority to the Director of Corporate Services, to approve.
  - i. Award of the Framework Agreement and subsequent call-off contracts to the successful tenderers; and

- ii. the 1-year extension to the Framework Agreement in accordance with the terms of the Framework Agreement (if applicable)

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#### **Recommendations of the Cabinet Member for Finance and Resources**

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- b. Following the conclusion of the procurement, Cabinet delegates authority to the Director of Corporate Services, to approve.
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  - ii. the 1-year extension to the Framework Agreement in accordance with the terms of the Framework Agreement (if applicable)

#### **Local Member Interest:**

N/A

#### **Report of the Deputy Chief Executive and Director for Corporate Services**

##### **Reasons for Recommendations:**

1. The current Framework Agreement for Modular Modern Methods of Construction Projects (IA2060) expires 31 October 2025, and a replacement arrangement is required.
2. The scope of the new Framework Agreement to include traditional modular construction projects typically consisting of (but not confined to) new build works, alterations and extensions, refurbishments, mixed work, fit outs, fabric repairs, replacements and installations, external works, and other associated work/services which will include for contractor's design. It is key in providing new school builds for Staffordshire.
3. It is envisaged that 3 Suppliers will be appointed on the Framework Agreement.

4. The estimated County Council spend envisaged through this Framework Agreement over 4 years is approximately £20 million the majority of which will service the Council school projects.
5. The total procurement will be qualified for up to £45 million to consider flexibility in the Council's spend and to accommodate the potential additional spend of public sector partners.
6. The value of such a procurement requires Council Cabinet approval.
7. It is probable that more than one provider will be awarded a single contract valued in excess of the £2 million (Cabinet) threshold, and it is possible that over the full term of the Framework Agreement more than one provider may accrue a total of work in excess of this threshold.
8. The form of contract used for the call-off contracts will be based on the JCT (Joint Contracts Tribunal) Design and Build form of contract, incorporating Local Authority amendments.
9. There are no equivalent agreements procured by any other independent 3rd party central purchasing bodies or contracting authority/council which uniquely hold the local providers required for such works. The option to publicly tender this not only serves as an opportunity for local providers to tender but also serves as a benchmark on value for money.

## **Legal Implications**

10. The value of the proposed contract is estimated at circa £20m. This value places the proposed contract in scope of Part 2 Public Contracts Regulations 2015 (PCR 2015) for works. The procurement must, therefore, be undertaken in full compliance with PCR 2015. The implications of any process failing to follow these Regulations could lead to serious legal challenges to the Council with the probable halt by a court on any contract award. A Framework Agreement will be developed in conjunction with Legal Services to allow for the relevant works to be called off as and when required.
11. The Procurement Act 2023 (the Act) comes into force on the 24<sup>th</sup> February 2025. Therefore, if the procurement activity is to be commenced after this date, then, it must be undertaken in full compliance with the Act. It must be noted that the government is yet to publish its policy, which, is expected any time between January and February 2025. The policy will inform operation of the Act and national strategy that contracting authorities must have regard to.

## Resource and Value for Money Implications

12. The Framework Agreement will be commissioned by the Council, led by a Strategic Property lead, and procured by the Council's Commercial Team. The ongoing technical day-to-day contract management is delivered in conjunction and managed by Entrust. There are no resource implications known at the time of writing this report. Without recourse to a Framework Agreement, Council Officers would be required to invest more resource into spot tendering for individual work packages which would require a plethora of separately tendered projects per annum (an inefficient use of Council and supplier time) conforming to the Council's own internal Procurement Regulations. Competing from a Council-own Framework Agreement provides flexibility and the ability to text value-for-money on each project.

## Climate Change Implications

13. As part of the selection criteria for the Framework Agreement contractors will be asked if they hold ISO14001 accreditation or equivalent, the ISO 14001 environmental policy outlines the overall intentions and direction of how the company will relate to its effect on the environment.
14. However, if they do not hold the relevant accreditation there are a number of environmental questions they are asked including if they have a documented environmental policy and must evidence; 'that your organisation's environmental policy implementation plan provides information as to how the company aims to discharge relevant legal responsibilities and provides clear indication of how these arrangements are communicated to employees/other workforce, in relation to environmental matters including:
  - a. sustainable materials procurement e.g. BES6001, FSC / PEFC
  - b. waste management
  - c. energy management
  - d. Carbon reduction
15. This should also include the arrangements for responding to, monitoring and recording environmental incidents, emergencies and complaints.
16. The framework agreement and call-off contracts will emphasise the need to recycle and re-use waste products where appropriate and require environmental plans and licenses to ensure correct management and disposal of waste.

## List of Background Documents/Appendices:

N/A

## Contact Details

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