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Corporate Property Procurement Strategy

July 2022

Corporate Property Procurement Strategy

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Corporate Property Procurement Strategy

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Corporate Property Procurement Strategy

Glossary

CDL	Concertus Derbyshire Limited. A JV company with Concertus Design & Property Consultants Limited to provide design and property consultancy services to deliver the Council's property improvement capital programme
CDM	Construction (Design and Management) Regulations 2015
DFG	Disabled Facilities Grant
DMA	Delivery Model Assessment. Is an analytical, evidence-based approach to reach a recommendation on how a contracting authority should structure the delivery of a project or programme. The Council uses a DMA to evidence the Procurement Route, Procurement Procedure and Form of Contract recommended for any particular project.
Develop Renew	PSP (Derbyshire) LLP. A JV Limited Liability Partnership with PSP Facilitating Ltd. This JV operates under the trading name <i>Develop Renew</i> . Its purpose is to facilitate the development, rationalisation and regeneration of Council land.
JV	Joint Venture
RIBA	Royal Institute of British Architects
VDL	Vertas Derbyshire Limited. A JV company with Vertas Ipswich Limited, which in turn is a subsidiary of the Vertas Group Limited. VDL provides facilities delivery services including caretaking, cleaning and grounds maintenance.

Corporate Property Procurement Strategy

Introduction

Derbyshire County Council's Procurement Strategy 2021 – 2026 provides a framework and delivery plan for all procurements undertaken by the Council. The strategic aims of Council's Procurement Strategy include aligning procurement to best practice; ensuring Social, Economic and Environmental value is delivered through procurement activities and ensuring compliance with National Procurement Policy. The Council's Procurement Strategy has three value drivers which shape procurement strategy and associated delivery plans, namely, effectiveness, efficiency and customer service.

Corporate Property as the division within the Council responsible for the management of the Council's property portfolio is responsible for delivering and commissioning construction and maintenance projects. Accordingly, this Corporate Property Procurement Strategy outlines the procurement routes, systems, and processes, that County Procurement and Corporate Property will adopt to support Corporate Property deliver and commission construction and maintenance projects. The three value drivers detailed in the Council's Procurement Strategy underpin this activity and inform the procurement delivery plan for the Corporate Property division.

The property related procurement activities relate to:

1. Construction
2. Disabled Facilities Grant
3. Property Maintenance
4. Facilities Management
5. Property Disposal & Regeneration
6. Purchase of building materials and supplies
7. Appointment of third-party advisors/support

Corporate Property Operating Model

In 2019 Corporate Property fundamentally changed its operating model. It became more strategic and less focused on delivery, moving to become an Asset Management based organisation. Asset Management is concerned with ensuring the Council's property portfolio fully supports the Council's strategic objectives detailed in the Council Plan and the service requirements of the front facing delivery departments.

In 2020 the division established three Joint Ventures (JV) to support the delivery of its operating model. These JVs are important to how Corporate Property delivers value for money and how procurement of the wider supply chain is undertaken. The three JVs are:

- Concertus Derbyshire Limited (CDL) – A JV company with Concertus Design & Property Consultants Limited to provide design and property consultancy services to deliver the Council's property improvement capital programme.
- Vertas Derbyshire Limited (VDL) – A JV company with Vertas Ipswich Limited, which in turn is a subsidiary of the Vertas Group Limited. VDL provides facilities delivery services including caretaking, cleaning and grounds maintenance.
- PSP (Derbyshire) LLP – A JV Limited Liability Partnership with PSP Facilitating Ltd. This JV operates under the trading name *Develop Renew*. Its purpose is to facilitate the development, rationalisation and regeneration of Council land.

Corporate Property Procurement Strategy

Each JV brings expertise to the Council and because of how each JV has been established, they also provide access to a much larger supply chain, this is further detailed in this Corporate Property Procurement Strategy.

In addition to the JVs, Corporate Property also has several sections within the Council that procure works and services from third party organisations. This mixed delivery model is a key feature of Corporate Property.

Corporate Property has a number of key strategic principles:

Value for Money is referenced in the Council Plan as a priority. For Corporate Property this will lead to the centralisation of property assets and budgets to ensure the most effective use of land and buildings. The division will adopt a portfolio approach to managing construction projects and programmes of work to secure efficiencies.

Commitment to Health and Safety in property projects and property management. There is a commitment to embed the following priorities into construction project and programme planning as part of a comprehensive approach to managing and improving occupational health and safety:

- complying with legal requirements by embedding the principles of the Construction (Design and Management) Regulations 2015 (CDM) in all projects and programmes
- reducing the cases of occupational lung disease, musculoskeletal disorders and work-related mental ill health including stress
- supporting small businesses to achieve improved risk management and control.

Improving Sustainability to reduce carbon emissions and improve wellbeing. This includes measures to reduce use of energy and or natural and manmade resources, to improve waste management, to improve employment and training opportunities, and otherwise to protect or improve the condition of the Environment or the well-being of people’.

1. Construction Procurement Strategy

The 2020 edition of the RIBA (Royal Institute of British Architects) Plan of Work attached at Appendix 1, defines the procurement strategy as: *‘The strategy that sets out the process for tendering and entering into a Building Contract with the contractor’*. Due to the number of different procurement routes that can be adopted, the RIBA Plan of Work does not include a specific stage for procurement, save that the Procurement Strategy needs to be considered from an early stage in a project as it has a fundamental impact on how a project is organised. For example, it will influence:

- Who employs the design team, particularly during Stage 4 (Technical Design)
- When the construction team are appointed
- When the construction team’s involvement begins
- Who might inspect the building works as they progress
- How the Project Programme is structured and how it manages risk
- Who is contractually responsible for Project Risks
- Who is responsible for the design
- When the specialist subcontractors become involved in the design work
- What information is required for inclusion in the Building Contract.

Corporate Property Procurement Strategy

The Construction Playbook¹, produced by the Cabinet Office in December 2020, identifies a number of key considerations to be addressed as part of the Procurement Strategy, these include:

- The contract award method (e.g. negotiation, direct award, frameworks, competitions).
- Who is responsible for design (e.g. architect, contractor).
- Who would take on the responsibility for coordination and integration.

This Corporate Property Procurement Strategy will also support the Council with addressing the triple constraint of time, cost and quality in the planning and delivery of construction projects. As convention dictates that only two of these drivers can be delivered in a construction project.

Construction Procurement Routes

There are many different routes by which the design and construction of a building can be procured. The selected route should fit the long-term objectives of the Council.

Considerations to inform the preferred procurement route will include:

- Speed
- Cost
- Quality
- Specific project constraints
- Risk
- Asset ownership
- Financing
- Specific Council objectives detailed in the Corporate Plan such as contribution to Net Zero, Local employment, apprenticeships, etc.

The main procurement routes are briefly described in the table below, together with a comparison of delivery by the Council's internal construction team. For any project the Council should determine the procurement route as early as possible and always before commencing Stage 4, Technical Design. Although the RIBA recommends that the procurement strategy should be determined at Stage 1.

Procurement Route	Advantages	Disadvantages
Traditional Procurement Separation of design from construction. The architect and design team are appointed on an individual basis by the client. The contractor is typically appointed after a competitive tender process and is then allocated the responsibility of coordinating the construction team including all subcontractors.	<ul style="list-style-type: none">• Very well established and understood by contractors• Typically has the architect as the lead consultant, thus the quality of product is at the forefront of the project	<ul style="list-style-type: none">• Separation of the design and construction teams• Can be slow if tender follows a fully worked up design. If design not worked up, variations can be expensive• Less ability of contractor to influence buildability of project

¹ HM Government (2020), The Construction Playbook – Government Guidance on sourcing and contracting public works projects and programmes. Cabinet Office.

Corporate Property Procurement Strategy

Procurement Route	Advantages	Disadvantages
<p>Design & Build (D&B) The focus is on collaboration with the contractor taking the more prominent role in the team and responsible for appointments. There are various forms of D&B. e.g. contractor appointed from start to finish or initial design as per traditional procurement and the design team novated to the contractor at a particular stage, such as after planning approval.</p>	<ul style="list-style-type: none"> • Contractor takes on all risks of appointments and sub-contractors • Simpler payments, i.e. only to contractor • Opportunity for price certainty though 'fixed price D&B contract' 	<ul style="list-style-type: none"> • Contractor has the responsibility to factor in time (prioritising ease of build) and costs (potentially reducing the quantity and quality of materials) • Lack of design clarity at tender stage may increase cost • Benefit of price certainty lost if variations required as not subject to competition
<p>Contract Management This route typically takes individual trade packages and tenders them out to separate contractor/subcontractor teams which are then directly appointed by the client.</p>	<ul style="list-style-type: none"> • The main benefit is cost – as it removes the main contractor 	<ul style="list-style-type: none"> • More complex, as there is inherently more management for the client. • Risk is predominately on the client, save that each works contractor will invariably provide guarantees and warranties
<p>DCC Internal Construction Team The Council has its own internal construction team which operates a hybrid of traditional and contract management. The internal team operate as a main contractor, appointing sub-contractors, however, the Council 'client' pays separately for all work packages.</p>	<ul style="list-style-type: none"> • Recruitment of Derbyshire based operatives • Easier to influence quality 	<ul style="list-style-type: none"> • Less cost and time certainty • Complex projects require sub-contractors

Procurement Procedure

Construction 2025 is the Government's long-term vision for '*...how industry and Government will work together to put Britain at the forefront of global construction*'. The report builds on some of the themes raised in the seminal Latham² report and Egan³ report, and strategies set out in other publications which have called for a change in the relationship between public authorities and the construction industry to ensure the public sector gets the most from its construction spend. The Latham report proposed that the client should be at the centre of the construction process and that the industry should move away from its adversarial structure, adopting a more integrated approach with greater partnering and teamwork. The Egan report is critical of the construction industry as a whole and recommendations include a focus on the customer, integrated processes and teams, replacing competitive tendering with long term relationships and that leading public sector bodies should become best practice clients.

² Sir Michael Latham (1994), Constructing the Team. Joint Review of Procurement and Contractual Arrangements in the United Kingdom Construction Industry

³ Sir John Egan (1998), Rethinking Construction. The report of the Construction Task Force.

Corporate Property Procurement Strategy

The Construction Playbook identifies the importance of getting projects and programmes right from the start. This includes setting clear outcome-based specifications, standardising design as far as possible, early supply chain engagement and adopting evidence-based processes to decide the most appropriate delivery model. The recommendation is a Delivery Model Assessment (DMA) to determine which delivery model offers the best value having regard to risk, client objectives, project profile, etc. The Council's DMA for construction projects is attached at Appendix 2.

Procurement Connection on the Council intranet provides a source of information with templates and a toolkit to assist with procurement activities. Also included is a Procurement Protocol Decision Tree to help in selecting the most appropriate Protocol depending on whether a Contract or Framework is to be used. (<https://www.derbyshire.gov.uk/site-elements/documents/pdf/business/procurement/procurement-and-award-procedures-decision-tree.pdf>)

Whilst Frameworks can provide an efficient method to procure construction works, if used inappropriately they can allow suppliers to inflate prices. Therefore, in accordance with the recommendations in the Construction Playbook there will be several Gold Standard⁴ Framework options to ensure competition and provide flexibility to the Council. Appendix 4 details the Frameworks that have been identified for use by Corporate Property to deliver construction projects where there is no internal delivery. Annually, Corporate Property and County Procurement will review the list of these recommended Frameworks and approval will be sought from the Council for a shortlist of approved Frameworks for use on construction projects.

Appendices 2, 3 and 4 provide further guidance on selecting the most appropriate Framework.

Appendix 2 – Corporate Property Delivery Model Assessment

Appendix 3 – Framework Decision Making Process

Appendix 4 – Corporate Property – Approved Frameworks

Form of Contract

Standard construction contracts with appropriate options should be selected, save where the project or programme justifies a bespoke approach. Standard contracts will be chosen from the following suites:

- NEC 3 or NEC 4, as published by the Institution of Civil Engineers
- JCT 2016, as published by the Joint Contracts Tribunal
- DCC Contract with standard Terms and Conditions

Should different forms of contracts be used for specific reasons, the business case will address this and agreement sought from legal services and county procurement beforehand.

⁴ Professor David Mosey (2021). Constructing the Gold Standard. An Independent Review of Public Sector Construction Frameworks. Centre of Construction Law, Kings College London

Corporate Property Procurement Strategy

The Project Team

It is recognised by the RIBA that the relationship between the three principal parties, client team, design team and construction team has become increasingly complex. For example, aspects of building design are increasingly being carried out by specialist subcontractors, and the emphasis of modern methods of construction further complicates the project relationships. However, understanding the responsibility of each party and how that responsibility is addressed is important in setting contract terms.

The Council has an increasingly variable capital programme and to ensure it can access the appropriate level of expertise in its client team and design team, it has made the decision, like many local authorities to procure that expertise from a third party. In this case Concertus Derbyshire Limited (CDL) has been established and appointed as the design team. CDL is a joint venture company between Derbyshire County Council and Concertus Design & Property Consultants Limited (CDPCL). The Council has a 49% shareholding in CDL, with CDPCL being responsible for Companies House administration issues and preparing the statutory accounts. CDL has four executive directors, two from each shareholder, which means decision making is 50/50, notwithstanding the 51/49 ownership split. As a JV it operates in a uniquely collaboratively way with the Council, in effect providing the Council access to a commercially skilled *'quasi-internal'* design team. CDL is a 'Teckal' company, which is the common name for a company which benefits from contracts for works, services or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process and is codified within the Public Contracts Regulations 2015. Accordingly, CDL can procure third parties to deliver services for itself and therefore to deliver services for the benefit of the Council.

Summarised in the table below are the primary responsibilities of the client team, design team and construction team, with an explanation of how these are addressed for the Council's construction projects. The text in bold is referenced in the RIBA Plan of Work.

Project Team	Main Responsibilities	How Addressed for DCC Construction Projects
Client Team	1. Set out the Client Objectives . Within the Council client refers to both Corporate Property and Council departments (service clients)	CDL has direct access to DCC service clients to assist agreeing their requirements. Property Business Partners (PBP) within Corporate Property to be informed and consulted. If further technical advice is required by a service client, this is to be provided by the Intelligent Property Client (IPC) within Corporate Property. The client objectives will be signed off by the IPC
	2. Develop the Project Brief , including functional requirements, the Project Budget and Project Outcomes	CDL will support DCC to prepare the Project Brief, Project Budget and Project Outcomes. These will be signed off by DCC.
	3. Agree on the most appropriate Procurement Strategy , and when the construction team will join the project team	CDL will recommend a Procurement Route and Procurement Procedure, having regard to the client objectives and nature of the project, using the DMA (Appendix 2). These will be signed off by DCC.
	4. Appoint the design team, with appropriate knowledge, skills and experience	CDL has been appointed as the design team and is responsible for any other design team appointments

Corporate Property Procurement Strategy

Project Team	Main Responsibilities	How Addressed for DCC Construction Projects
	5. Establish the Project Programme	CDL advise the Council on the project programme having regard to the client objectives.
	6. Review and comment on key aspects of the design as it progresses, including signing off finishes and fittings to be used in the project	CDL project managers with appropriate support from the design team advise DCC on progress and seek instructions from DCC as required. These will be signed off by DCC
	7. Sign off the Stage Report at the end of each stage	CDL project managers to advise project progress and when milestone stages have been completed
	8. Make payments to the design team, construction team and any client team members as the project progresses, in line with the relevant contracts	CDL project managers to advise DCC on any payments to be paid to third parties. CDL fees to be claimed by reference to the Project Budget above. CP to process payments.
	9. Manage stakeholder relationships and Project Risks	CDL project managers to coordinate stakeholder relationships, manage risks and prepare RAID logs as required. CDL to advise IPC and PBP if 'client management/expectations' require escalating
	10. Statutory Responsibilities under the Construction (Design and Management) Regulations	DCC appoints CDL as Designer (D) and where required, Principal Designer (PD) under the CDM regulations. IPC assesses competency (Skills, Knowledge, Experience SKE) of D/PD CDL assists the Client with the client duties: <ul style="list-style-type: none"> • project brief, • manages the F10 notice (where required) • existing preconstruction information • SKE assessment of Contractor and Principal Contractor DCC appoints Contractor and Principal Contractor
Design Team	1. The design team are responsible for the design of the building and for producing the information required to manufacture and construct it. The design team is led by the lead designer or project manager, who is responsible for coordinating the inputs and information from each team member. The core members of the design team typically comprise: Architect, Structural Engineer, M&E Services Engineer, Cost Consultant. Specialist consultants may also be required to address issues such as acoustics, sustainability, security, etc.	CDL is responsible for establishing the design team and advising DCC if specialist consultants are required and if appropriate how appointed. CDL also provide project management (PM). This is undertaken by either the lead consultant or a separately identified PM.

Corporate Property Procurement Strategy

Project Team	Main Responsibilities	How Addressed for DCC Construction Projects
	2. Statutory Responsibilities under the Construction (Design and Management) Regulations	CDL is the Principal Designer whose role is to plan, manage, monitor and coordinate health and safety in the pre-construction phase of a project CDL support DCC with respect to the Client's CDM responsibilities
Construction Team	The construction team are contracted under the Building Contract* to undertake the construction works. Increasingly, contractors only manage the construction process using limited or no direct labour, with building work subcontracted in packages to subcontractors experienced in particular aspects of the project. Greater use of modular construction techniques is increasing this trend. Activities that are the responsibility of the contractor include: <ol style="list-style-type: none"> 1. Site and construction health & safety 2. Site security 3. Shared plant hire 4. Secure approvals from statutory authorities in relation to temporary requirements, such as road closures 5. Prepare the Construction Programme 6. Identify the work into packages and procure it from the most appropriate subcontractors 7. Manage and coordinate the construction work of the different subcontractors 8. Deliver the completed project in line with the time, cost and quality requirements of the Building Contract*, and any statutory requirements 9. Assess and manage construction risks 	CDL advise DCC on the procurement route and form of contract using the DMA (Appendix 2). CDL as agent for the Council manage the procurement of the main contractor, this includes the tender process, enquiries from interested parties, provision of information, etc. The Council award the contract based on a recommendation from CDL The Council pay the contractor based on recommendation from CDL
Stakeholders	Project Stakeholders are any party outside the project team who might influence the project. These might include, (this list is not exhaustive): <ol style="list-style-type: none"> 1. Elected Members 2. Local planning authorities 3. Building control 4. Utilities companies 5. Community groups 6. Environmental bodies 7. Specialist interest groups 8. Insurance and warranty providers 	CDL is responsible for advising the Council on how to respond to stakeholders. For complicated projects a Project Stakeholder Plan may be required. As a local authority the Council will continue to be involved with some stakeholders, the client, PBP and IPC may all be involved.

* The Internal Construction team does not have a Building Contract as the Council cannot have a contract with itself.

The Council's Internal Construction Teams

In addition to utilising external third-party contractors, the Council also delivers some construction work itself. The principles of value for money, a commitment to Health and Safety and improving sustainability continue to apply to these internally led services. Invariably the internal construction teams will operate as a main contractor, sub-contracting packages of work as required. Summarised in the table below are the responsibilities of the parties involved in the delivery of construction projects by the internal teams and any procurement issues that arise.

Organisation	Construction Delivery Responsibilities	Procurement Responsibilities
Corporate Property: Property Construction section		
Corporate Property: Governance, Compliance & Performance section		
CDL		
Third party contractors		

2. Disabled Facilities Grant Funded Projects

(NB. To be completed following a review of the delivery of DFG projects)

3. Property Maintenance Procurement Strategy

(NB. To be completed following a review of the delivery of Property Maintenance)

The Council's Asset Management Strategy sets the framework for managing the Council's property portfolio, to ensure that the portfolio is sustainable, efficient and fit for purpose. Supporting the Asset Management Strategy is the Property Maintenance Strategy which seeks to protect the asset value of the estate by optimising the life of building components and minimise disruption to services as a result of unforeseen major defects or component failures.

The Council adopts a mixed approach to delivering property maintenance, utilising internal resources to address reactive maintenance and determine cyclical and planned maintenance activities. Third party resource is used to supplement the internal resource in undertaking cyclical and planned maintenance inspections/surveys and also deliver planned maintenance works. This mixed model enables the Council to prioritise maintenance spend on a risk and condition-based approach.

Corporate Property Procurement Strategy

The Property Maintenance Procurement Strategy addresses the procurement of the third-party resource. The RIBA Plan of Work also recognises maintenance and building use as key considerations in all stages of project design and delivery. For example, fire safety strategy and lifecycle maintenance.

Delivering Property Maintenance

Summarised in the table below are the responsibilities of the parties involved in the delivery of property maintenance and any procurement issues that arise. Statutory Compliance servicing is excluded from this summary and considered separately in view of the nature of this activity.

Organisation	Property Maintenance Responsibilities	Procurement Responsibilities
Corporate Property: Property Maintenance section		
Corporate Property: Governance, Compliance & Performance section		
CDL		
Third party consultants		

Statutory Compliance Servicing

(NB. To be completed following a review of the delivery of Property Maintenance)

Statutory compliance servicing is a particular type of planned maintenance and relates to activities to comply with the statutory health and safety of a building. It is separately referenced as it attracts particular responsibilities which need to be addressed in any procurement.

Examples of statutory compliance servicing include, fire risk assessment, water quality (legionella) management, gas and electrical safety inspections. Invariably the servicing is undertaken to a regular timescale, with inspections being annual, five yearly, etc., depending on the particular aspect of work. Arising out of these cyclical inspections are remedial repairs. Statutory compliance also extends beyond buildings the Council owns, to buildings it occupies where it has an employer responsibility to the welfare of its employees. Corporate Property and its supply chain undertake over 60 different types of compliance ('aspects'), which over 12 months approximates to 13,000 individual inspections.

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Organisation	Statutory Compliance Responsibilities	Procurement Responsibilities
Corporate Property: Property Maintenance section		
Corporate Property: Governance, Compliance & Performance section		
CDL		
VDL		
Third party consultants		

4. Facilities Management Procurement Strategy

(NB. To be completed following approval of the Facilities Management Strategy)

The Council's Asset Management Strategy sets the framework for managing the Council's property portfolio. Supporting the Asset Management Strategy is the Facilities Management Strategy which seeks to ensure that the property portfolio effectively supports the delivery of services delivered from its buildings. To enable the Council to provide consistent facilities management across all land and buildings, it has approved an Asset Optimisation Strategy. This provides that the majority of land and building assets and related budgets are managed centrally and as such land and buildings are managed as a corporate resource. This strategy also establishes clear roles, responsibilities, and obligations on Corporate Property as the '*corporate landlord*' as well as occupiers who use the land and buildings.

The Facilities Management section within Corporate Property is therefore an intelligent client function, supported by a supply chain that is responsible for facilities management delivery. The main facilities management deliverer to the Council is Vertas Derbyshire Limited (VDL). VDL is a joint venture company between Derbyshire County Council and Vertas Ipswich Limited (VIL). VIL is a company within the Vertas Group, which itself is a multi-service facilities management company, operating across the country. The Council has a 49% shareholding in VDL with VIL being responsible for Companies House administration issues and preparing the statutory accounts. VDL has four executive directors, two from each shareholder, which means decision making is 50/50, notwithstanding the 51/49 ownership split. As a joint venture, VDL operates in a uniquely collaboratively way with the Council, in effect providing the Council access to a commercially skilled and highly diverse '*quasi-internal*' facilities management delivery organisation. VDL is a 'Teckal' company, which is the common name for a company which benefits from contracts for works, services or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process and is codified within the Public Contracts Regulations 2015. Accordingly, VDL can procure third parties to deliver services for itself and therefore to deliver services for the benefit of the Council.

Corporate Property Procurement Strategy

VDL has initially been established to provide caretaking, cleaning and soft grounds maintenance services to the Council. However, there is an expectation that there are other facilities management services currently undertaken by the Council or by other third parties which will be transferred to VDL.

Delivering Facilities Management

Summarised in the table below are the responsibilities of the parties involved in the delivery of facilities management and any procurement issues that arise.

Organisation	Facilities Management Responsibilities	Procurement Responsibilities
Corporate Property: Facilities Management section		
Corporate Property: Governance, Compliance & Performance section		
VDL		
Third party FM providers		

5. Property Disposal & Regeneration

Changes in local government funding has resulted in the Council viewing assets not simply as a means to support operational requirements, but also to deliver economic regeneration, generate capital receipts, revenue saving and new sources of income.

In 2020 the Council established PSP (Derbyshire) LLP (LLP), a JV in the form of a Limited Liability Partnership between the Council and PSP Facilitating Ltd (PSPF). The LLP now trades as *Develop Renew* and under the Localism Act 2001, the power the Council used to create the LLP it has a specific terms of reference. To:

- Facilitate the promotion, development, asset management rationalisation and economic regeneration on a project by project basis of Council land;
- Support the Council and other local authorities with their regeneration priorities, for example, meeting housing targets;
- Help the Council unlock value from its land and property portfolios; and
- Utilise private sector funding, resources and skills, resourced through the operation of the Partnership.

The LLP is not itself a “contracting authority” for the purposes of the Public Contracts Regulations 2015. However, the Council can transfer land or an interest in land to the LLP without a procurement process, and the LLP does not need to tender for any interest in Council owned land. Subject to considering value for money and compliance with other

Corporate Property Procurement Strategy

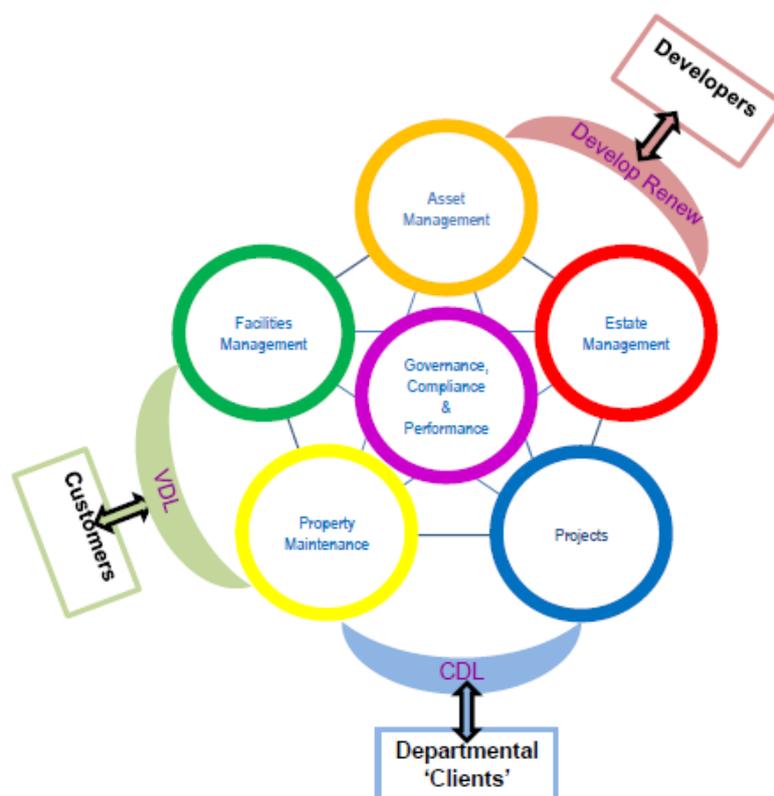
laws, specifically, State Aid and Section 123 of the Local Government Act 1972, Corporate Property therefore has a route to dispose and develop property. The propriety facilitation process within the LLP, ensures that any project delivered by the LLP will demonstrate value for money and meet the Council’s statutory legal and financial obligations. Alongside, CDL and VDL it also has access to any additional third-party expertise it may require for such purposes.

6. Building Materials and Supplies

(NB. To be completed following a review of the delivery of Property Maintenance and Construction services.

7. Third-Party Advisors/Support

The three joint ventures, CDL, VDL and Develop Renew, established in 2020 are an integral part of the operating model for Corporate Property as illustrated in the diagram below. They each enable the Council to access third party support efficiently and effectively and are the preferred routes to do so, subject to following due process.



Corporate Property Procurement Strategy

CDL and VDL

CDL and VDL are Teckal companies, which in accordance with the Public Contracts Regulations 2015 means they can be awarded contracts from the Council without having to go through a competitive tender process. However, to ensure the Council addresses its own fiduciary responsibilities due process should be followed.

The JV agreement between the Council and CDL is subject to a Services Contract dated 1 September 2020. This provides at Schedule 1 and Schedule 6 detail of the services that can be provided by CDL. If the Council wishes to procure additional services from CDL and CDL is willing and able to provide them, an amendment to the Services Contract will be required and notwithstanding the Teckal nature of the joint venture, prior approval of the Council is also required. This approval to be in accordance with the Council's Constitution and Financial Regulations.

The JV agreement between the Council and VDL is subject to a Services Contract dated 1 November 2020. This provides at Schedule 1 detail of the services that can be provided by VDL. If the Council wishes to procure additional services from VDL and VDL is willing and able to provide them, an amendment to the Services Contract will be required and notwithstanding the Teckal nature of the joint venture, prior approval of the Council is also required. This approval to be in accordance with the Council's Constitution and Financial Regulations.

The services contracts allow CDL and VDL to sub-contract all or any part of their obligations provided that the JV shall notify the Council of any such sub-contract as soon as reasonably practicable. However, as CDL and VDL have been established making use of the Teckal exemption, each are therefore Contracting Authorities when procuring services or works to deliver the tasks that have been awarded to them from the Council. Both joint ventures to prepare a Procurement Strategy for such services and works and as requested by the Council are required to demonstrate compliance when procuring third parties.

Develop Renew

The Develop Renew LLP has been established by the Council to support the disposal and development of Council property. The LLP may require third party support to do this. The LLP is not a contracting authority when procuring third party advisors.

8. County Council Regulations

The Council's Constitution

The Council's Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The Constitution includes Articles, Procedures, Standing Orders and Protocols that are relevant for making procurement decisions.

Financial Regulations and Scheme of Delegation

The financial regulations are part of the Constitution and set out the financial policies of the Council. They provide clarity about the accountabilities of individuals - Cabinet Members and officers including the Monitoring Officer, the Chief Financial Officer and Strategic Directors. The procedures set out in the financial regulations should be read in conjunction with the Council's Standing Orders Relating to Contracts.

The Corporate Services and Transformation Department has a scheme of delegation that supplements the Financial Regulations and Standing Orders. It details the authorisation levels for amongst other things the award of contracts.

Appendices

Appendix 1: RIBA Plan of Work 2020

 <p>RIBA Plan of Work 2020</p> <p>The RIBA Plan of Work organises the process of briefing, designing, delivering, maintaining, operating and using a building into eight stages. It is a framework for all disciplines on construction projects and should be used solely as guidance for the preparation of detailed professional services and building contracts.</p> <p>Stage Boundaries: Stages 0-4 will generally be undertaken one after the other. Stages 4 and 5 will overlap in the Project Programme for most projects. Stage 5 commences when the contractor takes possession of the site and finishes at Practical Completion. Stage 6 starts with the handover of the building to the client immediately after Practical Completion and finishes at the end of the Defects Liability Period. Stage 7 starts concurrently with Stage 6 and lasts for the life of the building.</p> <p>Planning Note: Planning Applications are generally submitted at the end of Stage 3 and should only be submitted earlier when the threshold of information required has been met. If a Planning Application is made during Stage 3, a mid-stage gateway should be determined and it should be clear to the project team which tasks and deliverables will be required. See Overview guidance.</p> <p>Procurement: The RIBA Plan of Work is procurement neutral – See Overview guidance for a detailed description of how each stage might be adjusted to accommodate the requirements of the Procurement Strategy.</p> <p>ER Employer's Requirements CP Contractor's Proposals</p> <p>RIBA  Architecture.com</p>	<p>0 </p> <p>Strategic Definition</p>	<p>1 </p> <p>Preparation and Briefing</p>	<p>2 </p> <p>Concept Design</p>	
	<p>Stage Outcome at the end of the stage</p>	<p>The best means of achieving the Client Requirements confirmed</p> <p>If the outcome determines that a building is the best means of achieving the Client Requirements, the client proceeds to Stage 1</p>	<p>Project Brief approved by the client and confirmed that it can be accommodated on the site</p>	<p>Architectural Concept approved by the client and aligned to the Project Brief</p> <p>The brief remains "live" during Stage 2 and is deprecated in response to the Architectural Concept</p>
	<p>Core Tasks during the stage</p> <p>Project Strategies might include: - Conservation (if applicable) - Cost - Fire Safety - Health and Safety - Inclusive Design - Planning - Plan for Use - Procurement - Sustainability</p> <p>See RIBA Plan of Work 2020 Overview for detailed guidance on Project Strategies</p>	<p>Prepare Client Requirements Develop Business Case for feasible options including review of Project Risks and Project Budget Ratify option that best delivers Client Requirements Review Feedback from previous projects Undertake Site Appraisals</p> <p>No design team required for Stages 0 and 1. Client advisers may be appointed to the client team to provide strategic advice and design thinking before Stage 2 commences.</p>	<p>Prepare Project Brief including Project Outcomes and Sustainability Outcomes, Quality Aspirations and Spatial Requirements Undertake Feasibility Studies Agree Project Budget Source Site Information including Site Surveys Prepare Project Programme Prepare Project Execution Plan</p>	<p>Prepare Architectural Concept incorporating Strategic Engineering requirements and aligned to Cost Plan, Project Strategies and Outline Specification Agree Project Brief Derogations Undertake Design Reviews with client and Project Stakeholders Prepare stage Design Programme</p>
	<p>Core Statutory Processes during the stage:</p> <p>Planning Building Regulations Health and Safety (CDM)</p>	<p>Strategic appraisal of Planning considerations</p>	<p>Source pre-application Planning Advice Initiate collation of health and safety Pre-construction Information</p>	<p>Obtain pre-application Planning Advice Agree route to Building Regulations compliance Option: submit outline Planning Application</p>
	<p>Procurement Route</p> <p>Traditional Design & Build 1 Stage Design & Build 2 Stage Management Contract Construction Management Contractor-led</p>	<p>Appoint client team</p>	<p>Appoint design team</p>	<p>ER Appoint contractor</p>
	<p>Information Exchanges at the end of the stage</p>	<p>Client Requirements Business Case</p>	<p>Project Brief Feasibility Studies Site Information Project Budget Project Programme Procurement Strategy Responsibility Matrix Information Requirements</p>	<p>Project Brief Derogations Signed off Stage Report Project Strategies Outline Specification Cost Plan</p>

Core RIBA Plan of Work terms are defined in the RIBA Plan of Work 2020 Overview glossary and set in Bold Type.

Corporate Property Procurement Strategy

 <p>3 Spatial Coordination</p>	 <p>4 Technical Design</p>	 <p>5 Manufacturing and Construction</p>	 <p>6 Handover</p>	 <p>7 Use</p>
outcome of Stage 0 may be the decision to initiate a project and Stage 7 covers the ongoing use of the building. →				
Architectural and engineering information Spatially Coordinated	All design information required to manufacture and construct the project completed Stage 4 will overlap with Stage 5 on most projects	Manufacturing, construction and Commissioning completed There is no design work in Stage 5 other than responding to Site Queries	Building handed over, Aftercare initiated and Building Contract concluded	Building used, operated and maintained efficiently Stage 7 starts concurrently with Stage 6 and lasts for the life of the building
Undertake Design Studies, Engineering Analysis and Cost Exercises to test Architectural Concept resulting in Spatially Coordinated design aligned to updated Cost Plan, Project Strategies and Outline Specification Initiate Change Control Procedures Prepare stage Design Programme	Develop architectural and engineering technical design Prepare and coordinate design team Building Systems information Prepare and integrate specialist subcontractor Building Systems information Prepare stage Design Programme Specialist subcontractor designs are prepared and reviewed during Stage 4	Finalise Site Logistics Manufacture Building Systems and construct building Monitor progress against Construction Programme Inspect Construction Quality Resolve Site Queries as required Undertake Commissioning of building Prepare Building Manual Building handover tasks bridge Stages 5 and 6 as set out in the Plan for Use Strategy	Hand over building in line with Plan for Use Strategy Undertake review of Project Performance Undertake seasonal Commissioning Rectify defects Complete initial Aftercare tasks including light touch Post Occupancy Evaluation	Implement Facilities Management and Asset Management Undertake Post Occupancy Evaluation of building performance in use Verify Project Outcomes including Sustainability Outcomes Adaptation of a building (at the end of its useful life) triggers a new Stage 0
Review design against Building Regulations Prepare and submit Planning Application See Planning Note for guidance on submitting a Planning Application earlier than at end of Stage 3	Submit Building Regulations Application Discharge pre-commencement Planning Conditions Prepare Construction Phase Plan Submit form F10 to HSE if applicable	Carry out Construction Phase Plan Comply with Planning Conditions related to construction	Comply with Planning Conditions as required	Comply with Planning Conditions as required
Pre-contract services agreement Preferred bidder	Tender Appoint contractor ER CP Appoint contractor CP Appoint contractor			Appoint Facilities Management and Asset Management teams, and strategic advisers as needed
Signed off Stage Report Project Strategies Updated Outline Specification Updated Cost Plan Planning Application	Manufacturing Information Construction Information Final Specifications Residual Project Strategies Building Regulations Application	Building Manual including Health and Safety File and Fire Safety Information Practical Completion certificate including Defects List Asset Information If Verified Construction Information is required, verification tasks must be defined	Feedback on Project Performance Final Certificate Feedback from light touch Post Occupancy Evaluation	Feedback from Post Occupancy Evaluation Updated Building Manual including Health and Safety File and Fire Safety Information as necessary

Further guidance and detailed stage descriptions are included in the RBA Plan of Work 2020 Overview.

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Appendix 2: Corporate Property Delivery Model Assessment

The delivery model assessment (DMA) is an analytical, evidence-based approach to reach a recommendation on how a contracting authority should structure the delivery of a project or programme. The diagram is taken from the Construction Playbook and is to be considered when three key decisions with respect to the delivery of construction projects are made.

Decision 1 – Procurement Route

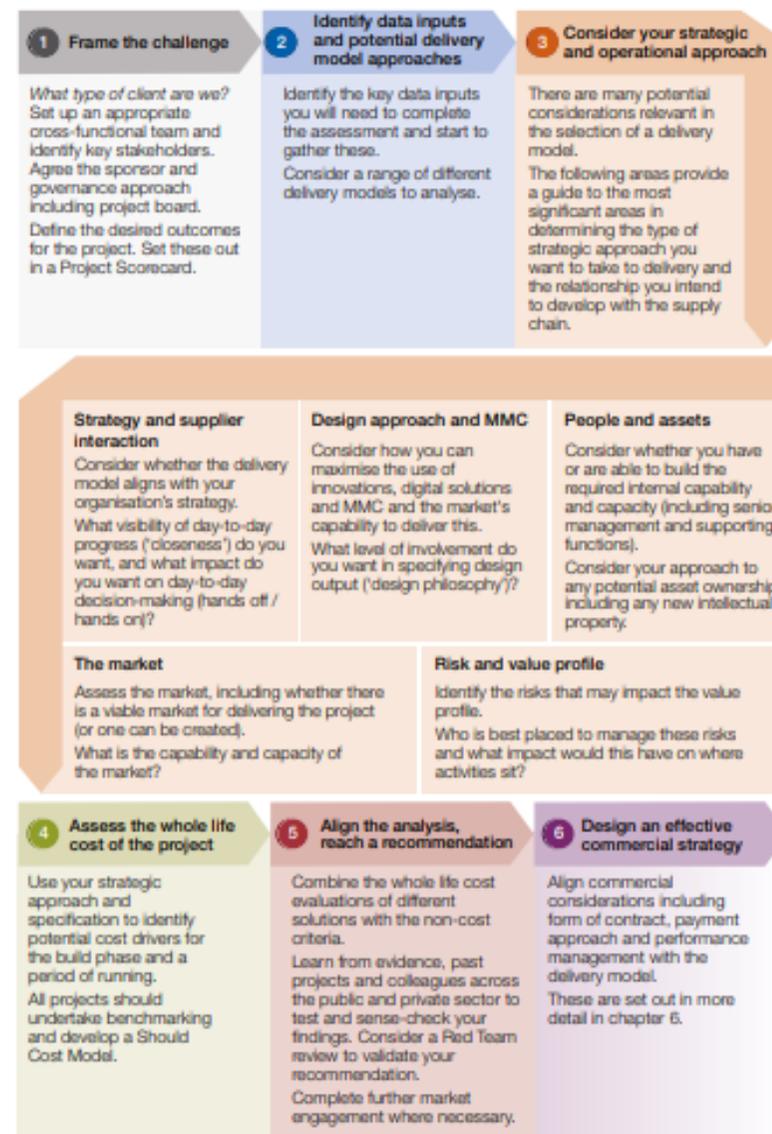
- Traditional Procurement, or
- Design & Build (D&B), or
- Contract Management, or
- DCC Internal Construction Team, or
- Other.

Decision 2 – Procurement Procedure

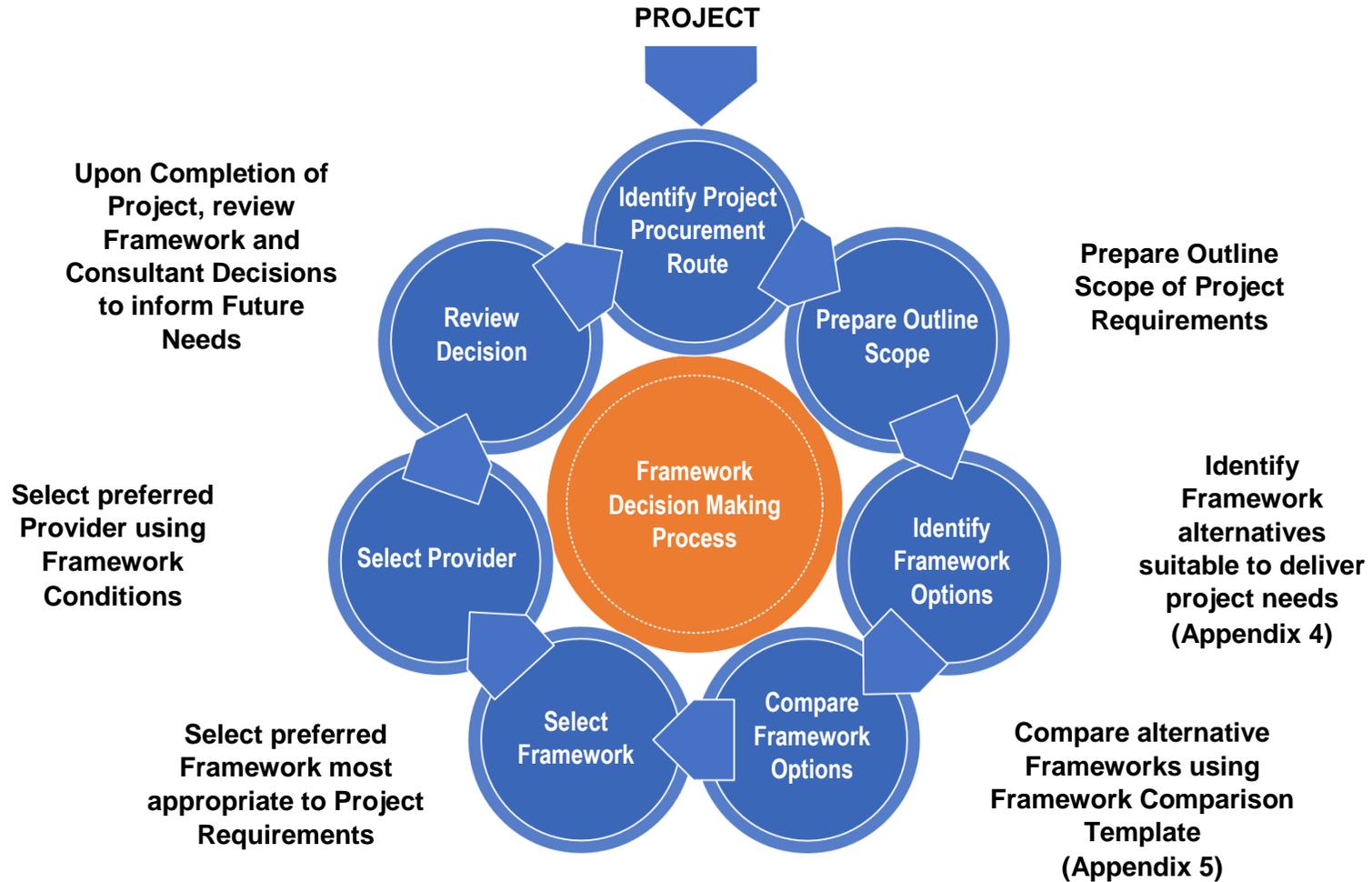
- Restricted Tender, or
- Open Tender, or
- Framework Agreement, or
- Other.

Decision 3 – Form of Contract

- NEC 3 or NEC 4, as published by the Institution of Civil Engineers, or
- JCT 2016, as published by the Joint Contracts Tribunal, or
- DCC Contract with standard Terms and Conditions, or
- Other.



Appendix 3: Framework Decision Making Process



Appendix 4: Corporate Property – Approved Frameworks

25 Frameworks from 13 different Framework providers have been compared. The Frameworks comprise, 3 for modular buildings and 22 for construction contracts. These Frameworks provide over 70 lots which the Council could access. The Framework providers are a mix of public and private sector organisations. The public sector providers include government bodies such as DfE and Crown Commercial Services as well as local authority owned consortium such as Scape and ESPO.

Whilst Frameworks can provide an efficient method to procure, the recommendation from the Construction Playbook is to use several Gold Standard Frameworks to ensure competition and provide flexibility. Accordingly, as Framework relationships require management it is proposed to focus on using only a few of the very large number of Frameworks that are available.

The Framework providers claim similar benefits of their Framework in terms of accessibility, value for money, social value, support to local supply chain and costs to use.

Accordingly, the 25 Frameworks have been prioritised for use as follows:

1. Public sector provider, being Government Supported or where the Council is a partner
2. Public sector provider, from a local authority consortium
3. Other Public sector Framework providers
4. Private sector providers

Priority 1 - Framework Providers:

- Crown Commercial Services (Modular Buildings & Construction)
- Department for Education (Construction)
- ESPO (Modular Buildings)
- NHS Shared Business Services (Modular Buildings & Construction)
- Scape (Construction)

It is expected that the Council will be able to meet all of its construction and modular building requirements from those providers identified as Priority 1. For Frameworks in Priority 1, an assessment has been undertaken to ensure there is sufficient choice and flexibility irrespective of contract value

Annually, the Council will review the Frameworks that have been used in that year and revisit which Frameworks will be used in the following financial year.

Appendix 5: Council's Commercial Pipeline for property related procurements

This will updated annually by Corporate Property and Corporate Procurement.