

OFFICER DELEGATED DECISIONS FORM

Delegated Authority	
Tees Advanced Manufacturing Park	Centre Square
Executive Report 19 th December 2017 – <i>Tees Advanced Manufacturing Park – Delivery and Investment Enablement</i> – approved:- 2. It is recommended that the Executive:... b) that any changes to:... i) all arrangements for marketing and site management; ...be delegated to the Executive Director for Growth and Place, and Director of Finance, Governance and Support in consultation with the Executive Member for Resources and the Deputy Mayor / Executive Member for City Centre Strategy.	Executive Report 20 th February 2018 – <i>Centre Square East Office Development – Council Investment and Accommodation</i> – approved:- 2. It is recommended that the Executive:... h. iv. all contractual commitments for site marketing, maintenance and site management; ...be delegated to the Executive Director for Growth and Place, and Director of Finance, Governance and Support in consultation with the Executive Member for Resources and the Deputy Mayor / Executive Member for City Centre Strategy.
Subject of decision:	
The procurement of externally delivered and institutional quality, estate and facilities management services for the Council's commercial property investment assets at Tees Advanced Manufacturing Park and Centre Square.	
Text of decision:	
To utilise the procurement compliant Bloom framework to commission externally provided estate and facilities management services that the Council does not provide or does not have the capacity to provide.	
Declarations of Interest by any member or relevant local government body:	
None.	
Date of decision:	
28 th February 2020.	
Reason for decision:	
<ul style="list-style-type: none"> • In Tees Advanced Manufacturing Park and Centre Square, the Council has developed a portfolio of commercial investment assets which require institutionally recognised estate and facilities management services to maintain the value of the assets for the long-term. • In this respect, the Economic Growth division has developed an institutional-standard specification for these services in consultation with its commercial advisors, Cushman and Wakefield. • It has been agreed between Economic Growth and the Head of Strategic Commissioning and Procurement and Property & Commercial Services – to recommend that the Council's Operations Team at Boho deliver the specification, acting as contract manager and retaining appropriate deliverable functions in house. • That for externally required services, the Council works with Bloom to procure OJEU compliant EM/FM services. The final package of externally delivered services is subject to consultation internally and with Bloom. The proposals will not prejudice current estate management arrangements. • The total value of internal and externally provided services for TeesAMP and Centre Square will be charged to tenants (or the Council for void units); and that these charges amount to circa £500k per annum (see Appendix 1 attached). The final package of services put to market (assuming a five-year term) will therefore exceed £150k and is therefore a delegated decision under the authority set out above. • It should be noted that such arrangements are the minimum expectation of both market players in terms of future potential disposal of assets; and of the tenants/occupiers themselves. • The Council and Bloom will work with Ashall and CPIL to ensure any bespoke elements of each scheme are included in the specification put to market. 	

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- Using Bloom will allow the Council to vary the arrangement with the procured provider as required to add other future strategic commercial property investments purchased by the Council.

Background on Bloom

Bloom has been the UK's exclusive operator of the NEPRO solution, on behalf of NEPO, since its original inception in 2012. NEPRO³ is the third evolution of the OJEU compliant solution which assists the UK public sector to buy and manage specialist professional services from a choice of regional and national suppliers. Bloom charges a commission of 5%. Bloom deliver NEPRO³ and provide a managed service enabling buyers to move quickly and at the lowest possible cost, whilst achieving better outcomes.

Audit and assurance compliance:-

- OJEU compliant procurement through national frameworks
- Ability to run highly sensitive / confidential sourcing events
- Fully transparent audit trail of all procurement decisions and actions
- A robust authorisation process with end to end gatekeeper approval, aligned to buyers' procurement policies and processes
- Ability to tailor specific contractual outcome requirements on a project by project basis at Work Order level
- Transparent performance and governance management for each project

Value for Money:-

- Average savings of between 11% and 19%
- Compliant single tender with the option of "competition of one" approach to ensure best value from a preferred supplier
- Private sector best practice approaches to procurement through direct negotiation, benchmarking, eAuctions and contract management techniques
- Ability to use a "Target pricing" mechanism to guide suppliers to deliver affordable bids to meet budgets or targets
- Payment only on delivery of pre-agreed milestones with a unique level of control to ensure successful outcomes

Service area:

Economic Growth

Name of officer making decision:

Andrew Cain | Tel: 01642 729124 | E-mail: andrew_cain@middlesbrough.gov.uk

Other options considered (if any):

The requirements of an institutional standard EM/FM specification create a capacity issue in terms of delivery and business as usual. As such it is necessary to procure additional services beyond those currently available. In terms of procurement, Bloom provides a fully compliant route to ensuring the full spectrum of EM/FM services are procured as a package and are in place in time to coincide with the first tenancies at both sites, expected in late Spring. Standard procurement routes are available, but would take longer to put in place and are potentially more expensive: the Bloom commission of 5% is more than compensated for by average savings on of between 11% and 19% on the cost of services

List of background papers

- Executive Report 19th December 2017 – *Tees Advanced Manufacturing Park – Delivery and Investment Enablement*; and
- Executive Report 20th February 2018 – *Centre Square East Office Development – Council Investment and Accommodation*

Signed:



Date:

3.3.20.

Kevin Parkes, Executive Director of Growth and Place

Signed:



Date:

2.3.20

James Bromiley, Director of Finance, Governance and Support

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APPENDIX 1

Commercial Investment Property Portfolio – Service and Estate Charges

Commercial Investment Property Portfolio	Occupancy @ 100%	Service Charge		Estate Charge		Occupancy Assumption: 100%
						Adjusted Total Annual Income
	274,076 sq. ft.	£412,813		£97,652		£510,465
Centre Square	Occupancy @ 100%	Service		Estate		Occupancy Assumption: 100%
		Charge	Rate	Charge	Rate	Adjusted Total Annual Income
Building 1	60,044 sq. ft.	£230,569	£3.84	£62,446	£1.04	£293,015
Building 2	33,852 sq. ft.	£129,992	£3.84	£35,206	£1.04	£165,198
Sub-total	93,896 sq. ft.	£360,561	£3.84	£97,652	£1.04	£458,212
TeesAMP	Occupancy @ 100%	Service		Estate		Occupancy Assumption: 100%
		Charge	Rate	Charge	Rate	Adjusted Total Annual Income
Unit 2	25,834 sq. ft.	£7,492	£0.29	£0	£0.00	£7,492
Unit 3	25,758 sq. ft.	£7,470	£0.29	£0	£0.00	£7,470
Unit 4	14,887 sq. ft.	£4,317	£0.29	£0	£0.00	£4,317
Unit 5	15,113 sq. ft.	£4,383	£0.29	£0	£0.00	£4,383
Unit 6	15,113 sq. ft.	£4,383	£0.29	£0	£0.00	£4,383
Unit 7	13,057 sq. ft.	£3,787	£0.29	£0	£0.00	£3,787
Unit 8	13,057 sq. ft.	£3,787	£0.29	£0	£0.00	£3,787
Unit 9	29,407 sq. ft.	£8,528	£0.29	£0	£0.00	£8,528
Unit 10	6,297 sq. ft.	£1,826	£0.29	£0	£0.00	£1,826
Unit 11	3,046 sq. ft.	£883	£0.29	£0	£0.00	£883
Unit 12	6,211 sq. ft.	£1,801	£0.29	£0	£0.00	£1,801
Unit 13	3,046 sq. ft.	£883	£0.29	£0	£0.00	£883
Unit 14	6,211 sq. ft.	£1,801	£0.29	£0	£0.00	£1,801
Unit 15	3,143 sq. ft.	£911	£0.29	£0	£0.00	£911
Sub-total	180,180 sq. ft.	£52,252	£0.29	£0	£0.00	£52,252

