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ADDITIONAL CIRCULATION



To: Councillor Young, Convener; Councillor Allan, Vice-Convener; and Councillors Cameron, Crockett, Dickson, Jackie Dunbar, Forsyth, Graham, Laing, Malone, McCaig, Milne, Noble, Reynolds and Yuill.

Town House,
ABERDEEN 18 February 2013

FINANCE AND RESOURCES COMMITTEE

The undernoted items are circulated in connection with the meeting of the **FINANCE AND RESOURCES COMMITTEE** to be held here in the Town House on **THURSDAY, 21 FEBRUARY 2013 at 2.00 pm.**

JANE G. MACEACHRAN
HEAD OF LEGAL AND DEMOCRATIC SERVICES

B U S I N E S S

PROCUREMENT

9.3 Legal Services - External Provision of Services (Pages 1 - 4)

ITEMS WHICH THE COMMITTEE MAY WISH TO CONSIDER IN PRIVATE

PROPERTY

12.8 Greenferns Development Update (Pages 5 - 14)

Should you require any further information about this agenda, please contact Allison Swanson, tel. (52)2822 or email aswanson@aberdeencity.gov.uk

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ABERDEEN CITY COUNCIL

COMMITTEE:	Finance and Resources
DATE:	21 February 2013
DIRECTOR:	Stewart Carruth
TITLE OF REPORT:	Legal Services – Arrangements for External Provision of Services
REPORT NUMBER:	CG/13/028

1. PURPOSE OF REPORT

This report advised the Committee of the intention to establish a Framework Agreement for the provision of Legal Services over a 4 year period. It seeks approval for the estimated expenditure as detailed in the report.

2. RECOMMENDATIONS

It is recommended that the Committee:-

- (a) approves that a procurement exercise be undertaken to establish a Framework Agreement for the provision of Legal Services over a 4 year period. This will be conducted in line with the Council's Standing Orders relating to Contracts, Procurement, Financial Regulations and relevant EU legislation.
- (b) approves the estimated value of the Framework Agreement over a 4 year period of between £250,000 and £350,000 per annum. This is based on previous spend and the range of services that may or may not be purchased.

3. FINANCIAL IMPLICATIONS

The cost of external legal services has to date been funded from various sources including allocation of fees against project budgets, from unfilled staff positions and offset against Capital receipts. This will continue to be the case.

4. OTHER IMPLICATIONS

The use of external legal agents reduces the corporate risk to the Council and provides assistance in more complex legal transactions and specialised areas of law.

5. BACKGROUND/MAIN ISSUES

The Council entered into a contract for the provision of external legal services with Brodies LLP in October 2005 for a period of five years. No specific volume of work was guaranteed to the provider and the services are called upon on an as-and-when-necessary basis depending on the extent/complexity of the transaction.

When last reported to Committee Legal and Democratic Services, like other services, were engaged in the Priority Based Budgeting exercise. It was thought prudent to examine the preferred options emerging from the exercise prior to undertaking a further tendering exercise. A six-month extension to the existing contract was granted in 2010 whilst future delivery was assessed.

Since that time the Service has made every effort to undertake as much legal work in-house as has been possible in order to manage external costs and these have been reduced by a significant margin. External agents have been used to undertake various projects over this period of time and have been engaged through a series of mini-tenders. Brodies have continued with any work they have in progress.

Discussions with officials in Aberdeenshire did not result in a fruitful way forward for a multiple procurement.

Given that we are now tendering as a single authority, there is more scope to suit work best for Aberdeen City Council. The view is that it will be simpler to tender for a Framework, but to have one global lot for all legal services as opposed to splitting requirements into 3 to 5 lots. The benefits to this approach are as follows:-

1. The tender process will be simpler and faster.
2. There is more likelihood that we will be offered reduced/more competitive rates, given the potential value of the work.
3. There is more likelihood of receiving benefits in kind/added value e.g. free training.
4. It will be easier for a preferred supplier to get to know the organisation.
5. In creating a Framework arrangement the Council would have the opportunity to go directly to the highest scoring bidder e.g. in the event of urgency, or be in a position to hold a mini competition where this was deemed to be appropriate.
6. It will streamline contract management, i.e. we would be managing one Framework with a number of providers, as opposed to multiple contracts with a number of providers.

It should be borne in mind that the Council cannot quantify the amount of Services that may be ordered as a result of the tender exercise and as such no guarantee will be given for any minimum order of Services from any successful bidder. Also work currently being undertaken on any on-going project which is being delivered by existing external legal advisers will not be transferred.

6. BACKGROUND PAPERS

None.

7. REPORT AUTHOR DETAILS

Jane G MacEachran
Head of Legal and Democratic Services
Email janem@aberdeencity.gov.uk
Tel (01224) 523031

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