

Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
----------------	-------	----------

Part A – Items considered in public

<p>A6</p>	<p>Request for Approval - Appointment of New Managing Agents - 100 Embankment and No 2 New Bailey</p>	<p>SALFORD CITY COUNCIL - RECORD OF DECISION</p> <p>I Councillor Hinds, Lead Member for Finance and Support Services and chairman of the Procurement Board, in exercise of the powers contained within the Council Constitution do hereby approve the award of the contract as outlined in the table below:</p> <table border="1" data-bbox="719 772 1682 1391"> <thead> <tr> <th data-bbox="719 772 1160 836">Detail required</th> <th data-bbox="1160 772 1682 836">Answers</th> </tr> </thead> <tbody> <tr> <td data-bbox="719 836 1160 951"> <p>Title/Description of Contracted Service/Supply/Project</p> </td> <td data-bbox="1160 836 1682 951"> <p>100 Embankment and 2 New Bailey Square</p> </td> </tr> <tr> <td data-bbox="719 951 1160 1031"> <p>Name of Successful Contractor</p> </td> <td data-bbox="1160 951 1682 1031"> <p>Knight Frank LLP</p> </td> </tr> <tr> <td data-bbox="719 1031 1160 1152"> <p>Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1160 1031 1682 1152"></td> </tr> <tr> <td data-bbox="719 1152 1160 1273"> <p>Type of organisation <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1160 1152 1682 1273"> <p>Limited Liability Partnership</p> </td> </tr> <tr> <td data-bbox="719 1273 1160 1391"> <p>Status of Organisation <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1160 1273 1682 1391"> <p>Non-SME</p> </td> </tr> </tbody> </table>	Detail required	Answers	<p>Title/Description of Contracted Service/Supply/Project</p>	<p>100 Embankment and 2 New Bailey Square</p>	<p>Name of Successful Contractor</p>	<p>Knight Frank LLP</p>	<p>Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i></p>		<p>Type of organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>Limited Liability Partnership</p>	<p>Status of Organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>Non-SME</p>
Detail required	Answers													
<p>Title/Description of Contracted Service/Supply/Project</p>	<p>100 Embankment and 2 New Bailey Square</p>													
<p>Name of Successful Contractor</p>	<p>Knight Frank LLP</p>													
<p>Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i></p>														
<p>Type of organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>Limited Liability Partnership</p>													
<p>Status of Organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>Non-SME</p>													

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
----------------	-------	----------

		<table border="1"> <tbody> <tr> <td data-bbox="719 403 1160 459">Contract Value</td> <td data-bbox="1160 403 1682 459">£319,340</td> <td data-bbox="1682 403 2040 459">Full Project</td> </tr> <tr> <td data-bbox="719 459 1160 515">Contract Duration</td> <td data-bbox="1160 459 1682 515">36 months</td> <td data-bbox="1682 459 2040 515"></td> </tr> <tr> <td data-bbox="719 515 1160 571">Contract Start Date</td> <td data-bbox="1160 515 1682 571">03/05/2021</td> <td data-bbox="1682 515 2040 571"></td> </tr> <tr> <td data-bbox="719 571 1160 627">Contract End Date</td> <td data-bbox="1160 571 1682 627">03/05/2024</td> <td data-bbox="1682 571 2040 627"></td> </tr> <tr> <td data-bbox="719 627 1160 683">Optional Extension Period 1</td> <td data-bbox="1160 627 1682 683">24 months</td> <td data-bbox="1682 627 2040 683"></td> </tr> <tr> <td data-bbox="719 683 1160 738">Optional Extension Period 2</td> <td data-bbox="1160 683 1682 738">N/A</td> <td data-bbox="1682 683 2040 738"></td> </tr> <tr> <td data-bbox="719 738 1160 810">Who will approve each Extension Period?</td> <td data-bbox="1160 738 1682 810">Strategic Director (extension < £150k)</td> <td data-bbox="1682 738 2040 810"></td> </tr> <tr> <td data-bbox="719 810 1160 882">Contact Officer (Name & number)</td> <td data-bbox="1160 810 1682 882">James Kington 07855 146 516</td> <td data-bbox="1682 810 2040 882"></td> </tr> <tr> <td data-bbox="719 882 1160 938">Lead Service Group</td> <td data-bbox="1160 882 1682 938">Place</td> <td data-bbox="1682 882 2040 938"></td> </tr> <tr> <td data-bbox="719 938 1160 1098">How the contract was procured? <i>(to be supplied by procurement)</i></td> <td data-bbox="1160 938 1682 1098">Mini Competition</td> <td data-bbox="1682 938 2040 1098"></td> </tr> <tr> <td data-bbox="719 1098 1160 1289">Framework Details (where applicable) <i>(procurement body, framework reference & title, start/ end date)</i></td> <td data-bbox="1160 1098 1682 1289">OJEU Tender</td> <td data-bbox="1682 1098 2040 1289"></td> </tr> <tr> <td data-bbox="719 1289 1160 1361">Funding Source</td> <td data-bbox="1160 1289 1682 1361">Building Occupiers via Service Charge</td> <td data-bbox="1682 1289 2040 1361"></td> </tr> <tr> <td data-bbox="719 1361 1160 1404">Ethical Contractor</td> <td data-bbox="1160 1361 1682 1404">Mayor's Employment Charter</td> <td data-bbox="1682 1361 2040 1404"><input type="checkbox"/></td> </tr> </tbody> </table>	Contract Value	£319,340	Full Project	Contract Duration	36 months		Contract Start Date	03/05/2021		Contract End Date	03/05/2024		Optional Extension Period 1	24 months		Optional Extension Period 2	N/A		Who will approve each Extension Period?	Strategic Director (extension < £150k)		Contact Officer (Name & number)	James Kington 07855 146 516		Lead Service Group	Place		How the contract was procured? <i>(to be supplied by procurement)</i>	Mini Competition		Framework Details (where applicable) <i>(procurement body, framework reference & title, start/ end date)</i>	OJEU Tender		Funding Source	Building Occupiers via Service Charge		Ethical Contractor	Mayor's Employment Charter	<input type="checkbox"/>
Contract Value	£319,340	Full Project																																							
Contract Duration	36 months																																								
Contract Start Date	03/05/2021																																								
Contract End Date	03/05/2024																																								
Optional Extension Period 1	24 months																																								
Optional Extension Period 2	N/A																																								
Who will approve each Extension Period?	Strategic Director (extension < £150k)																																								
Contact Officer (Name & number)	James Kington 07855 146 516																																								
Lead Service Group	Place																																								
How the contract was procured? <i>(to be supplied by procurement)</i>	Mini Competition																																								
Framework Details (where applicable) <i>(procurement body, framework reference & title, start/ end date)</i>	OJEU Tender																																								
Funding Source	Building Occupiers via Service Charge																																								
Ethical Contractor	Mayor's Employment Charter	<input type="checkbox"/>																																							

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision					
		<table border="1" data-bbox="719 408 2045 507"> <tr> <td data-bbox="719 408 1160 507" rowspan="2">[REDACTED]</td> <td data-bbox="1160 408 1682 459">Committed to sign up to the Charter</td> <td data-bbox="1682 408 2045 459"><input type="checkbox"/></td> </tr> <tr> <td data-bbox="1160 459 1682 507">Accredited Living Wage Employer</td> <td data-bbox="1682 459 2045 507"><input type="checkbox"/></td> </tr> </table> <hr/> <p>The Reasons for the tender are that the buildings require a best in class approach to management to secure the best covenant of occupier for the building to ensure the property is a success. The management of Grade A office space is a specialist area and is provided by a small number of consultants within the property market.</p> <p>Options considered and rejected were:</p> <ol style="list-style-type: none"> 1. Extend the current arrangements <p>The buildings are currently managed by Knight Frank (1 & 2 New Bailey) under an existing 3 year appointment which has now reached the end of its term and CBRE 100 Embankment, under a temporary appointment that was made prior to the practical completion of the building. Both these arrangements no longer meet procurement rules and as such have been re tendered.</p> <ol style="list-style-type: none"> 2. Bring the management in house <p>The management of Grade A office space is a specialist area and SCC do not have the in-house capability to deliver this service. Further more the appointment of an external manging agent reduces the costs and risks associated with these services to SCC</p>	[REDACTED]	Committed to sign up to the Charter	<input type="checkbox"/>	Accredited Living Wage Employer	<input type="checkbox"/>
[REDACTED]	Committed to sign up to the Charter	<input type="checkbox"/>					
	Accredited Living Wage Employer	<input type="checkbox"/>					

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
		<p>Assessment of Risk</p> <p>The financial risk to the Council is mitigated by the fee for the property management services being recoverable from the occupiers of the two buildings as part of the building service charge. Over 65% of the costs of the management fee for 2 New Bailey Square are already covered as a result of the lettings which have taken place in that building to date. As yet, no occupiers are confirmed for 100 Embankment so all the running costs are payable by the Council. However, as the building does not have tenants, the full suite of services is not being provided so the running costs will be reduced until tenants take occupation.</p> <p>The level of running costs for the building will be kept under review with the managing agent. This is both to ensure unnecessary expenditure is minimized as far as possible but also to ensure that the service charge level remains competitive with other similar buildings. The overall costs of occupation are high on the list of criteria considered by potential building occupiers so the day to day management has a direct effect on the attractiveness of the building.</p> <p>The source of funding</p> <p>The appointments will be funded initially through the building service charges with the Council, as landlord, paying a proportion based on the vacant areas within each building.</p> <p>As part of the original 2017 approval for the Council to be involved with both buildings, model cashflow projections were prepared which included annual revenue sums for the running costs of both buildings. These were based on cautious, realistic and optimistic scenarios. Both buildings are currently either in line with or bettering the realistic forecast scenarios.</p>

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
		<p>Legal Advice obtained Supplied by: Tony Hatton, Principal Solicitor</p> <p>When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the provisions of the Public Contracts Regulations 2015 as well as its own Contractual Standing Orders (CSO's), Financial Regulations and the duties of Best and Social Value. In addition, the PCR require that contracting authorities treat candidates equally and in a non-discriminatory way and act in a transparent manner, failing which the award of a contract may be subject to legal challenge.</p> <p>The procurement procedure undertaken in this matter including publication on the Chest portal appears robust and compliant with the requirements of CSO's and PCR. The appointment of the provider for the Property Management Services at 100 Embankment and 2 New Bailey Square follows an open tender process which is outlined within the body of the report, with bidders being evaluated on the most economically advantageous tender, resulting in the proposed award of the contract to Knight Frank LLP.</p> <p>Having undertaken the open tender exercise process set out in the report, the Council may take comfort that value for money has been obtained and periodically tested, with open competition maintained.</p> <p>Financial Advice obtained: Chris Mee Strategic Finance Manager Ext 0434</p> <p>The appointments will be funded initially through the building service charges with the Council, as landlord, paying a proportion based on the vacant areas within each building.</p> <p>Provision for these costs was built into Business Case projected cashflows at the time the schemes were approved by members, including provision for potential council liability on vacant</p>

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
		<p>areas, which will be met from a combination of rental income generated and resources set aside within the New Bailey reserve.</p> <p>Procurement Advice obtained - Heather Stanton, Category Manager, ext 4241</p> <p>This contract was advertised as an open tender on the Chest ensuring an open and transparent procurement in accordance with SCC Contractual Standing Orders under the Council's Constitution governing contract procurement.</p> <p>HR Advice obtained</p> <p>There are no HR implications arising from this report.</p> <p>Climate Change Implications obtained</p> <p>There are no climate change implications arising from this report</p> <p>The following documents have been used to assist the decision process</p> <p>Salford 2025, a Modern Global City Creating prosperity in Salford</p> <p>Contact Officer: James Kington Telephone number: 07855 146 516</p> <p>This matter is not subject to consideration by another Lead Member.</p> <p>The appropriate Scrutiny Committee to call-in the decision is the Growth and Prosperity Panel.</p>

Salford City Council – Decisions taken by the Procurement Board on Wednesday, 7 April 2021

Agenda Item No	Topic	Decision
		<p>Signed: <u> BILL HINDS </u> Dated: <u>7th April 2021</u> Lead Member</p> <hr/> <p>* This decision was published on 7th April 2021 * This decision will come in force at 4.00 p.m. on 14th April 2021 unless it is called-in in accordance with the Decision Making Process Rules.</p>
A1		
A2		