

Decisions taken by the Procurement Board on Wednesday, 14 September 2022

Agenda Item No	Topic	Decision
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Part A – Items considered in public

<p>A6</p>	<p>Approval for an Exception to Contractual Standing Orders to enable One Heritage Tower Limited to award a contract for public realm works on Council owned land adjacent New Bridge Street, Greengate</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:</p> <ul style="list-style-type: none"> An exception to Contractual Standing Orders as permitted within the City Council Constitution for the reason(s) highlighted in the table below and the award of the Contract for public realm works on Council owned land adjacent New Bridge Street, Greengate, Salford as detailed in the table below: <table border="1" data-bbox="689 874 2022 1422"> <thead> <tr> <th data-bbox="689 874 1288 938">Detail required</th> <th data-bbox="1288 874 2022 938">Answers</th> </tr> </thead> <tbody> <tr> <td data-bbox="689 938 1288 1090"> <p>Title/Description of Contracted Service/Supply/Project</p> </td> <td data-bbox="1288 938 2022 1090"> <p>Public realm works to provide improved riverside walkway on Council owned land as an element of the works contract for delivery of One Heritage Tower residential development.</p> </td> </tr> <tr> <td data-bbox="689 1090 1288 1139"> <p>Name of Successful Contractor</p> </td> <td data-bbox="1288 1090 2022 1139"> <p>Midgard Limited</p> </td> </tr> <tr> <td data-bbox="689 1139 1288 1236"> <p>Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1288 1139 2022 1236"> <p>05718686</p> </td> </tr> <tr> <td data-bbox="689 1236 1288 1324"> <p>Type of organisation <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1288 1236 2022 1324"> <p>Private Limited Company</p> </td> </tr> <tr> <td data-bbox="689 1324 1288 1422"> <p>Status of Organisation <i>(to be supplied by Corporate Procurement)</i></p> </td> <td data-bbox="1288 1324 2022 1422"> <p>SME</p> </td> </tr> </tbody> </table>	Detail required	Answers	<p>Title/Description of Contracted Service/Supply/Project</p>	<p>Public realm works to provide improved riverside walkway on Council owned land as an element of the works contract for delivery of One Heritage Tower residential development.</p>	<p>Name of Successful Contractor</p>	<p>Midgard Limited</p>	<p>Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i></p>	<p>05718686</p>	<p>Type of organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>Private Limited Company</p>	<p>Status of Organisation <i>(to be supplied by Corporate Procurement)</i></p>	<p>SME</p>
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		<p>Council's best interests and to meet the Council's obligations under relevant legislation</p> <p>Reason for CSO Exception: The execution of works or the supply of goods and services is required so urgently as not to permit compliance with the requirements of competition</p> <p>Reason for CSO Exception: Security works where the publication of documents or details in the tendering process could prejudice the security of SCC and Salford residents</p> <p>Reason for CSO Exception: Procurements made through, or on behalf of, any consortium, local authority, statutory or similar body, provided that tenders or quotations are invited and contracts placed in accordance with national or EU legislation.</p> <p align="center">Funding Source</p> <p>Ethical Contractor (EC): Mayor's Employment Charter</p> <p>EC: Committed to sign up to the Charter</p> <p>EC: Accredited Living Wage Employer</p> <p>Tick if it applies <input type="checkbox"/></p> <p>Tick if it applies <input type="checkbox"/></p> <p>Tick if it applies <input type="checkbox"/></p> <p align="center">Choose an item.</p> <p align="center"><input type="checkbox"/></p> <p align="center"><input type="checkbox"/></p> <p align="center"><input type="checkbox"/></p>

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		<p><i>The reasons are</i></p> <ul style="list-style-type: none"> • One Heritage Tower Limited are developing the land in their ownership under an approved residential planning consent (subject to completion of a Section 106 Agreement), to include improvements to the walkway land fronting the river required as a planning condition, which they are going to lease from the Council. • One Heritage Tower Limited will be appointing a contractor to develop this area with the inclusion of the walkway land. The walkway works, at a cost estimated at £364,000, will be included in one works package as part of One Heritage Tower Limited’s tender process to appoint a contractor. • An exception to CSO’s for works to the walkway land will offer value for money for the Council as the developer will be undertaking the public realm works at its own expense and by undertaking a tender process for the full scheme with the walkway works included the developer will secure economies of scale and only be dealing with one contractor. <p><i>Options considered and rejected were</i></p> <p><i>To complete the land transaction without an explicit obligation on the developer to complete the public realm works.</i></p>

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		<p><i>Assessment of risk</i></p> <p>Low. The works will be undertaken at One Heritage Tower Limited’s cost under a building licence and Agreement for Lease. The works will not be commenced until a Section 106 Agreement has been completed and the lease will only be granted on delivery of the public realm works to an agreed timescale and specification.</p> <p><i>The source of funding is</i></p> <p>Works to be funded by the developer, One Heritage Tower Limited.</p> <p><i>Legal advice obtained</i></p> <p>Supplied by Tony Hatton, Shared Legal Service</p> <p>Ordinarily when commissioning contracts for the procurement of goods, services or the execution of works the Council as a ‘contracting authority’ must comply with the Public Contracts Regulations 2015 (PCR) as well as the provisions of 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>In exceptional circumstances the Council may dispense with strict compliance of its CSO’s, and the report sets out the reasons for the request for the exception, in accordance with paragraph 3.1 of CSO’s. Whilst exceptions may be authorised by an approval from the Procurement Board, there is still a risk of challenge</p>

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		<p>from aggrieved providers if the usual tender process has not been followed on the basis that it ought to have been advertised and put out to competition.</p> <p>The risk of challenge increases with the value and duration of a proposed contract being awarded. The report sets out the reasons for the need to enter this contract, the benefits and value to the Council, and also states the reasons for the request for exception, such as offering value for money as the developer will be undertaking the public realm works at its own expense and by undertaking a tender process for the full scheme, and with the walkway works included the developer will secure economies of scale and only be dealing with one contractor..</p> <p>Whilst the value of the works in the report are below threshold 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 Council is also under a best value duty to carry out its functions economically, efficiently and effectively with the objective to achieve value for money in all public procurement. The Council has considered the circumstances in this matter and concluded that the recommendation to permit the developer to award the contract as part of the whole works package to be of least risk and of most benefit to the Council.</p> <p><i>Financial advice obtained</i></p> <p>Supplied by: David R Mills – Interim Strategic Finance Manager</p> <p>There is a premium payment on commencement of a 999-year lease term with respect to this land, and the developer will be undertaking the public realm works at their expense.</p>

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		<p><i>Procurement advice obtained</i></p> <p>Supplied by: Deborah Derbyshire x 6244</p> <p>As with any exception there is always the risk of challenge but in this case the risk is relatively low. As the walkway is owned by the Council and will be leased to the developer on completion of works, with rights reserved to the Council for public access to the walkway, it makes sense for the developer to include the walkway within the full scheme of works by appointing one contractor through their own procurement process which will ensure that SCC obtain value for money. By approval of the exception from the Procurement Board the report will therefore comply with the contractual standing orders.</p> <p><i>HR advice obtained N/A</i></p> <p><i>Climate change implications obtained</i></p> <p>Considered as part of the earlier report to Property & Regeneration Briefing approving lease terms.</p> <hr/> <p><i>Documents used</i></p> <p>The following documents have been used to assist the decision process.</p>

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		accordance with the Decision Making Process Rules.
A7	Street Lighting Cyclical Inspection and Maintenance programme	<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:</p> <ul style="list-style-type: none"> • The award of the Contract for Street Lighting Cyclic Maintenance services as detailed the table below:

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		Title/Description of Contracted Service/Supply/Project	Street Lighting Cyclical Inspection and Maintenance			
		Name of Successful Contractor	Altitude Service Ltd			
		Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	3350786			
		Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company			
		Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME			
		Contract Value	£80,000			
		Contract Duration	24 months			
		Contract Start Date	11/07/2022			
		Contract End Date	10/07/2024			
		Optional Extension Period 1	12 months			
		Optional Extension Period 2	12 months			
		Who will approve each Extension Period?	Procurement Board (extension > £150k)			
		Contact Officer (Name & number)	Paul Jackson - 07812 781 562			

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Agenda Item No	Topic	Decision
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A1		
A2		