

REPORT OF  
The Strategic Director for Place  
TO  
Procurement Board  
ON  
3rd March 2021

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TITLE: Approval for an extension of contract for appointment of two project and programme managers through the STAR Procurement Framework to take a client lead on grant funded infrastructure projects

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RECOMMENDATION:

That the Procurement Board approve a 12 month extension of the Contract for the appointment of two appropriately skilled consultant project and programme managers through the STAR Procurement Framework to provide support in connection with the City Council's workload of grant funded infrastructure projects as detailed in the table below.

1.

Detail required	Answers
Contract Reference	01846493
Title/Description of Contracted Service/Supply/Project	Appointment of two project & Programme managers
Name of Contractor	AECOM
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Public Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	SME
Value of Contract Extension	£250,000   Per Annum (estimated average)
Existing Contract Term	04/03/2020   to   03/03/2021
Extension Period	04/03/2021   to   03/03/2022
Contact Officer (Name & number)	Perry Twigg – 07966 316309

Detail required	Answers	
Lead Service Group	Place	
Funding Source	Grant	
Ethical Contractor	Mayor's Employment Charter Committed to sign up to the Charter	<input type="checkbox"/> √
	Accredited Living Wage Employer	√

#### EXECUTIVE SUMMARY:

The purpose of this report is to request an extension to contract for an appointment of two Project and Programme Managers through the STAR Procurement Framework to take a client lead on grant funded infrastructure projects.

Salford City Council's Regeneration Team has successfully made submissions for external funding for a range of infrastructure projects through both Growth Deal and the Greater Manchester Mayor's Cycling and Walking Challenge Fund.

The City Council's Regeneration Team has insufficient resource to adequately take the projects forward. Support is therefore required to manage the delivery of this growing workload and associated processes.

At Procurement Board on 19th February 2020 approval was given to extend the appointment of two appropriately skilled consultant project and programme manager through the CAPPs Construction and Professional Services Framework or STAR Procurement Framework for a period of 12 months.

The City Council has agreed to cash flow the projects and associated costs which will be claimed in arrears on a staged basis from the grant funding body at the Greater Manchester Combined Authority (GMCA).

This report now seeks to request permission to extend the contract for a further 12 months up to 3<sup>rd</sup> March 2022.

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BACKGROUND DOCUMENTS: N/A

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KEY DECISION: No

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## DETAILS:

### 1. Detail

- 1.1 The City Council had successfully made funding applications to both Growth Deal and the Greater Manchester Mayor's Cycling and Walking Challenge Fund for projects to the value of circa £70 million.
- 1.2 There is currently insufficient resource available within the existing team to deal with the work required to manage the programme/project workload, which includes the following: -
- Performing a strategic client project management function including overseeing project/programme management development, studies and delivery of physical schemes by Salford City Council's delivery partner/external consultants.
  - Leading the development and preparation of business case submissions in order to secure funding for a range of infrastructure projects.
  - Developing, commissioning, co-ordinating and managing a range of infrastructure and regeneration related projects, strategies and plans across all transport modes.
  - Managing projects in accordance with the City Council's adopted project management procedures and other specific procedures and processes required by grant funding bodies.
  - Managing and monitoring budgets and financial risks associated with programmes and projects to ensure effective management and financial propriety.
  - The above functions are undertaken by the two project managers in connection with specific MCF and Growth Deal GMCA grant funded schemes which include: -
    - Trafford Road
    - New Bailey Gateway
    - Chapel Street East Phases 1 & 2
    - Gore Street
    - Chapel Street/Trinity Way Junction
- 1.3 Subject to authorisation by Procurement Board, the proposal is to extend the current appointments of two appropriately skilled consultant project and programme manager to supplement existing resources in the City Council's Regeneration Team.

1.4 It is intended that this be for a further period of 12 months with a review at the end of this period to determine whether a further extension or alternative arrangement is required.

1.5 This would be through the STAR Procurement Framework.

## **2. Estimated Cost**

2.1 It is anticipated that the cost will be in the region of £250,000 for the two project managers.

## **3. Funding**

3.1 The City Council will cash flow the posts initially which will be claimed in arrears on a staged basis from the grant funding body at the Greater Manchester Combined Authority (GMCA).

3.2 The consultant project/programme managers will be working on a range of projects funded through both Growth Deal and the Greater Manchester Mayor's Cycling and Walking Challenge Fund. As a result, their cost can be reclaimed from the grant funding body (GMCA) as a legitimate project cost.

3.3 Project costs are normally claimed from the GMCA quarterly in arrears through an established process.

## **4. Social Value**

4.1 Both Aecom and the project managers being supplied are based in Greater Manchester. One is a Salford resident.

## **5. Conclusion**

5.1 The City Council has achieved a great deal of success in securing project funding through both Growth Deal and the Greater Manchester Mayors Cycling and Walking Challenge Fund.

5.3 Without extending the resource currently in place, the significant risk is that the Council does not have the ability to deliver the infrastructure projects against which it has already secured funding.

5.4 The most expedient way to resolve the resourcing issue is to extend the appointment of the consultant infrastructure project and programme manager through the STAR Procurement framework.

5.5 Also, both project managers already successfully work in the team and have developed an in depth knowledge of the projects to be delivered.

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## KEY COUNCIL POLICIES:

### Great 8

- 4. Economic Development
  - 6. Transport
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## EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

All of the projects to be taken forward will be designed to ensure that the schemes comply with the Disability Discrimination Act and highway safety standards.

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## ASSESSMENT OF RISK: Medium

- The significant risk is that without the extension of the resource, the Council does not have the ability to deliver the infrastructure projects against which it has already secured funding.
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## SOURCE OF FUNDING:

The City Council has agreed to cash flow the projects and associated costs which will be claimed in arrears on a staged basis from the grant funding body at the Greater Manchester Combined Authority (GMCA).

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## LEGAL IMPLICATIONS: Tony Hatton, Principal Solicitor, tel. 219 6323

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the public procurement regulations and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's apply to every contract, including temporary ones, for the procurement of supplies, services and the execution of works undertaken by or on behalf of the Council, subject to certain exceptions listed in the Orders. CSO's stipulate that where a suitable framework agreement exists, this must be used unless there is an auditable reason not to.

It is an established principle that an existing public contract is capable of being extended where the original agreement makes provision for the extension, and CSO's allow for contract extensions to be made where the original contract makes provision for such an extension of the original term.

When the previous 12 month contract extension was made using the STaR framework, it was made clear that the term would be subject to a review at the end of this period to determine whether a further extension or alternative arrangement would be required, hence any risk that any extension granted could be subject to realistic challenge by an aggrieved provider, on the basis that it ought to have been put out

again to tender and advertised in accordance with public contract regulations and CSO's, is extremely low, and the option to extend within the agreement is now being properly exercised.

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FINANCIAL IMPLICATIONS: Submitted by: the Finance Team

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Supplied by: Natalie Birchall ext 2316

The proposal to extend the contract of a skilled consultants, costing approximately £250k will be funded from Growth Deal and the Mayors challenge fund.

The consultant project/programme managers will be working to develop and facilitate business case development of a range of projects.

As a result, their cost can be reclaimed from the grant funding body (GMCA) as a legitimate project cost.

The City Council has agreed to cash flow the projects and associated costs which will be claimed in arrears on a staged basis from the grant funding body at the Greater Manchester Combined Authority (GMCA).

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PROCUREMENT IMPLICATIONS: Submitted by: The Corporate Procurement Team

Supplied by: Anthony Hilton, Head of Procurement

Procuring this requirement through the STAR Procurement Frameworks is a compliant route to market and satisfies the requirements of Salford City Council's Contractual Standing Orders. Whilst the rates are taken directly from the STAR Framework, it would be worth engaging with Aecom to see if there may be an opportunity to reduce the costs based on previous and ongoing support provided.

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HR IMPLICATIONS: Supplied by: Steve Hulme, Strategic HR Manager

The reasons that the council went down the contractor route were: -

- The council had been very successful at securing significant grant funding from the GMCA for a range of infrastructure projects
- The council had insufficient/suitably skilled resource to develop the schemes/business cases within the then short time scale.
- The council was under pressure from the GMCA to deliver within tight deadlines.
- Appointing a consultant is cost neutral to the council as the cost can be claimed back from the GMCA, however there is an impact on public funding.
- The funding programmes have a limited duration and therefore these would not be permanent roles. However as these will now have been in place for 2

years with the potential for further extensions fixed term Contracts would have been an option and should be considered for the future.

The council is paying AECOM and they are supplying services to the council. AECOM are responsible for all tax and NI implications, the services they are supplying are not about an individual it is about the service and therefore IR35 does not apply.

Extending this appointment for a further 12 months through the STAR Procurement Framework, therefore does not have any direct HR implications.

However, the length of the contract now gives rise to question whether alternative arrangements should be considered, the report advises that a further review will take place in 12 months which could lead to a further extension. Consideration should be given over the next 12 months to alternative employment routes to deliver this project.

Whilst all costs are recoverable through the GMCA there is still a cost to public funds, alternative employment options could reduce the overall costs.

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CLIMATE CHANGE IMPLICATIONS: Supplied by:

Supplied by: Mike Hemingway, Principal Officer Climate Change ext 3209

The MCF programme will improve the cycling and walking facilities across the city. Improved infrastructure will encourage more sustainable trips, reducing emissions.

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OTHER DIRECTORATES CONSULTED: N/A

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CONTACT OFFICER: Perry Twigg  
TELEPHONE NUMBER: 07966 316309

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WARD(S) TO WHICH REPORT RELATE(S): All

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