

# Procurement Board Meeting Held via MS Teams Live

11<sup>th</sup> March 2021

Meeting commenced: 10:11am

Meeting ended: 11:06am

## Present

Councillor Bill Hinds (in the chair) and City Mayor Paul Dennett

## In Attendance

|                 |                                       |
|-----------------|---------------------------------------|
| Andy Devine     | Parking and Road Safety               |
| Christine Flisk | Procurement Manager                   |
| Chris Hesketh   | Head of Financial Management          |
| Majid Maqbool   | Energy Manager                        |
| Shoaib Mohammad | Assistant Director Technical Services |
| Hayley Nixon    | Commercial Project Manager            |
| Rob Turner      | Regulatory Services Manager           |
| John Wooderson  | Head of Service Urban Renewal         |
| Carol Eddleston | Democratic Services                   |

### 1. Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Kelly and Merry.

### 2. Declarations of Interest

There were no declarations of interest.

### 3. Minutes of Proceedings

The minutes of the meeting held on 3rd March 2021 were approved as a correct record.

### 4. Matters Arising

There were no matters arising.

## ITEMS FOR DECISION – PART 1 (OPEN TO THE PUBLIC)

### 5. Request for Approval – Contract Extension – Enforcement Services

Consideration was given to a report of the Strategic Director Place seeking approval of an extension of the contract for the provision of Enforcement Services.

The contractor NSL Parking Services Ltd was awarded a contract in April 2018 to provide services to the Council for three years with a provision to extend the agreement for a further two years on an annual basis the first period being from 01/04/2021 to 31/03/2022.

It had been historically difficult to recruit and retain staff for this type of work in Salford however NSL had worked hard to create an environment where staff felt supported and valued by senior officers. In addition it was important that staff received the Salford Real Living Wage and all of these factors had resulted in a marked improvement in their staff retention rates.

In the coming months colleagues from Parking Services and Procurement would work together on the process for procuring and awarding a new contract prior to the expiry of the incumbent arrangement.

RESOLVED, THAT: The contract for the provision of enforcement services by NSL Services Ltd be extended by a period of 12 months from 1<sup>st</sup> April 2021 at an estimated per annum average cost of £1,252,400.

## 6. Request for Approval – Exception to Contractual Standing Orders – Contract Award – Installation of Air Source Heat Pumps

Consideration was given to a report of the Strategic Director place seeking approval for an exception to Contractual Standing Orders to award a contract for the installation of air source heat pumps in support of the Greater Manchester Regional Heat and Energy Decarbonisation Delivery Scheme.

Salford City Council had been part of a consortium bid, led by the Greater Manchester Combined Authority (GMCA), in preparation for the bid the GMCA applied for Low Carbon Skills Fund in order to secure 100% grant funding for Heat or Solar PV studies to confirm suitability of the site for the proposed installations. They had secured c £1m for the studies and Salford City Council had secured over £70k for 38 surveys on 23 sites.

The GMCA had procured the Heat Studies into the Air Source Heat Pumps through the Procure Plus Framework and the Rothwell Group. Phase 1 works were managed and delivered by GMCA through this framework and the commission also included the option to commission design and installation (Phase 2) if the bid was successful. Phase 2 was to be managed and delivered through the same Procure Plus framework but with the contract terms and management by Salford City Council. 100% grant funding for this capital project was dependent on the installation works being complete by the end of September 2021.

The board urged officers to work with Rothwell Group to try and maximise social value opportunities for the residents of Salford, particularly in relation to job, apprenticeships, and training.

RESOLVED, THAT:

- (1) An exception to Contractual Standing Orders be approved as the works were required so urgently as not to permit compliance with the requirements of competition, and
- (2) The contract for the installation of air source heat pumps be awarded to Rothwell Group at a cost of £4,275,691.18.

## 7. Request for Approval – Exception to Contractual Standing Orders – Installation of Roof Mounted Solar PV

Consideration was given to a report of the Strategic Director place seeking approval for an exception to Contractual Standing Orders to award a contract for the installation of roof mounted Solar PV to NPS Energy Limited in support of the Greater Manchester Regional Heat and Energy Decarbonisation Delivery Scheme.

As explained in minute 6 above, Salford City Council had been part of a consortium bid, led by the Greater Manchester Combined Authority (GMCA). NPS Limited completed the phase 1 feasibility works in support of the joint GM funding application. Phase 1 was procured and let by the GMCA,

but this procurement route was not available for phase 2 works. Contract award to NPS Energy Limited would support in the delivery of all installation works within the six month project timescales, as grant funding and spend was dependent upon practical completion on site by September 2021. Award to NPS would also provide continuity of service from phase 1 works into phase 2 and would prove economically beneficial as NPS had completed detail design and costings which could be held into delivery of phase 2.

As above, the board urged officers to work with NPS Limited to try and maximise social value opportunities for the residents of Salford, particularly in relation to job, apprenticeships, and training.

RESOLVED, THAT:

- (1) An exception to Contractual Standing Orders be approved as the works were required so urgently as not to permit compliance with the requirements of competition, and
- (2) The contract for the installation of roof mounted solar PV be awarded to NPS Energy Limited at a cost of £647,828.

## 8. Request for Approval – Contract Extension – Over 100kW Electricity Supply

Consideration was given to a report of the Strategic Director Place seeking approval for an extension of the contract for over 100kW electricity supply.

Since the acceptance of the present electricity contract in 2019, the world had been hit with the COVID-19 pandemic, which continued to be a major issue with a fall in overall electricity demand. Wholesale electricity price trend had been relatively stable with limited volatility up to November 2020. However, with the second lockdown, there had been more volatility over the last few months with prices being pushed in an upward trend, in line with oil prices, which was the major driver for electricity and gas prices. The proportion of unit cost of electricity comprising of non-commodity elements was now approximately 75% with only 35% being the wholesale price. As this contract was for metered electricity, the culmination of total cost of electricity being in an upward trend, and demand in a downward trend, the net effect had been the overall increase in price.

The option to procure a 100% green energy contract was available via the Manchester framework and Haven Power was able to provide this at no additional cost, with the contract extension therefore being 100% renewable source.

Since the first lockdown there had been a significant reduction in the consumption of energy by the city council, particularly in the Civic Centre and leisure centres across the city. The investments approved at minute 6 and minute 7 above would undoubtedly further reduce the city council's overall energy consumption.

The board noted that Haven Power paid at least the living wage to all employees and urged officers to encourage the company, as part of Drax Group, to become accredited with the Living Wage Foundation.

The board thanked the Energy Manager and wider team for constantly striving for best value from the city council's energy suppliers.

RESOLVED, THAT: The contract with Haven Power for the supply of over 100kW electricity supply be extended for a period of 12 months from 1<sup>st</sup> April 2021 at an estimated per annum average cost of £2,713,821.

## 9. Request for Approval – Exception to Contractual Standing Orders – Extension of Contract with Existing Provider – Handyman Service

Consideration was given to a report of the Strategic Director Place seeking approval for an exception to Contractual Standing Orders to award an extension of the contract for the Handyman Service in Salford. This was a citywide, cross tenure Handyman service for older and vulnerable people within Salford.

During the pandemic Helping Hands had managed to maintain service delivery through its business continuity plan for the benefit of vulnerable householders across Salford. The focus had been on prioritising and completing urgent works whilst building a waiting list of outstanding lower risk requests for assistance and delivery in a COVID secure manner.

The Covid 19 pandemic had had a great impact on the work of the Regulatory Services team and had required capacity to be diverted away from planned business activity. It had brought unavoidable delays in both senior managerial capacity to lead this work and the ability to undertake meaningful consultation with stakeholders and service users in order to develop a suitable service specification for procuring a new service provider from March 2021. The client group that the Handyman Service supported was vulnerable and elderly in its demographic profile and it had therefore not been possible to deliver planned focus groups to consult with service users in 2020 in order to inform and shape the planned new procurement exercise. For this reason a 12 months extension was now being requested and non-traditional methods of consultation were being considered to allow a full procurement exercise to be undertaken in time for the award of a new contract commencing in April 2022.

Board members themselves had had very positive feedback from users of the service and supported the 12 months extension prior to a full procurement exercise over the coming months.

RESOLVED, THAT:

- (1) An exception to Contractual Standing Orders be approved as the service was required so urgently as not to permit compliance with the requirements of competition, and
- (2) The contract with Helping Hands Salford for the handyman minor repairs service for vulnerable households in Salford be extended for a period of 12 months from 1<sup>st</sup> April 2021 at an estimated per annum average cost of £300,000.