

**Report to the Chief Officer (Highways and Transportation)**

**Date: 28 February 2014**

**Subject: Interim Extension of Contract – Highways and Transportation Partnership**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. This report seeks the Chief Officer's approval to extend the Highways and Transportation Partnership contract from 31<sup>st</sup> March 2014 to 30<sup>th</sup> June 2014 in accordance with Contract Procedure Rule 21.1 and utilising Item 3 of the Conditions of Contract.

**Recommendations**

2. The Chief Officer (Highways and Transportation) is requested to approve the extension of the Highways and Transportation Partnership contract from 31<sup>st</sup> March 2014 to 30<sup>th</sup> June 2014.

**1 Purpose of this report**

- 1.1 The purpose of this report is to inform the Chief Officer (Highways and Transportation) of the requirement to extend the Highways and Transportation Partnership and seek an Administrative Decision as defined by the Constitution of the Council to extend the Partnership with the existing service provider (Mouchel Ltd) who have confirmed their agreement to extend.

**2 Background information**

- 2.1 Mouchel were awarded a three year contract on 1<sup>st</sup> August 2008 to provide consultancy services to assist the Council to deliver their workload. There is provision within the contract, subject to Mouchel's agreement, to extend the contract up to a maximum contract period of 10 years.

### **3 Main issues**

- 3.1 The Partnership has successfully delivered several schemes since its award in 2008. Mouchel currently have approximately 70% of their staff working on the Partnership co-located in Leeds City Council offices. The remaining 30% generally provide specialist services from Mouchel regional offices.
- 3.2 The prevalence of Mouchel staff presently working on key projects is a principal reason why the partnership needs to be extended to ensure the Council delivers its current workload.
- 3.3 It is intended that the extension period would allow the current arrangement to continue until a review by the West Yorkshire Councils with the West Yorkshire Combined Authority on how best to procure Professional Technical Services to serve all the West Yorkshire districts and deliver the West Yorkshire Transport Fund. All West Yorkshire Councils have been requested to review their current arrangements with an aspiration that all existing arrangements are aligned by 30<sup>th</sup> September 2015.
- 3.4 The contract has been successfully extended previously in 2011 and 2013, however the new Corporate Procurement Rules require any contract that is to be extended that may be used to spend more than £250,000 to be treated as a Key decision.
- 3.5 Due to Officers oversight there is insufficient time to allow for the decision to be published on the Forward Plan and allow sufficient time for the Call-In period. The decision may still be taken under general exception rules if the completed delegated decision notification form and the report to the decision maker are made available on the Council's website five clear working days before the decision is taken. Although there are reasons to explain why it would not be possible to give proper notification of the decision under the general exception rules, it is not felt appropriate when an alternative is available. The contract can be extended as an operational decision if the value of work issued during the extension period is below £250,000.
- 3.6 It is therefore proposed to extend the existing contract for three months to 30<sup>th</sup> June 2014 with the proviso that the value of work issued during this period does not exceed £250,000 until the full extension is in place, and to publish as a forthcoming Key decision to extend the contract to 30<sup>th</sup> September 2015, which will be subject to a separate report and Decision.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 Mouchel are agreeable to the Partnership being extended in accordance with its terms and conditions.
- 4.1.2 Consultation has taken place with the Finance Team who confirmed that funding will be authorised from the capital or revenue budget of each respective scheme as and when required.

4.1.3 The Procurement Section has also looked into the appropriateness or otherwise of the proposed extension and concluded that it is justifiable.

## **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 Due consideration to equality has already taken place as part of the Corporate Procurement Process before the Partnership was originally awarded. It is currently not applicable to carry out an EDCI screening or impact assessment at this time.

## **4.3 Council policies and City Priorities**

4.3.1 The Partnership is used to procure consultancy services to assist the Department in the delivery of projects. Each project instruction is issued subject to the necessary approvals in accordance with the Council's rules.

4.3.2 The proposed extension of the Partnership will maintain an efficient method of procuring consultancy services.

## **4.4 Resources and value for money**

4.4.1 Mouchel's were 24% cheaper than the nearest lowest tender when the contract was awarded in September 2008. During the last 6 years they have reduced their rates by a further 7.4% which represents good value for money.

## **4.5 Legal Implications, Access to Information and Call In**

4.5.1 There are no specific legal implications arising from this report. All activities relating to the proposed extension have been executed strictly in accordance with the Council's Contract Procedure Rules. In accordance with the CPR's for the extension of contracts that may be used for expenditure of less than £250,000 the decision is not subject to Call In.

## **4.6 Risk Management**

4.6.1 The expiry of the Partnership without an alternative source of consultancy provision being in place would cause significant delays in the Departments programme of delivering works.

## **5 Conclusions**

5.1 The extension of the Highways and Transportation Partnership contract will maintain continuity of projects and using Mouchel staff who are already familiar with Council processes and procedures ensures disruptions to services will be minimised. It is considered an efficient use of Council resources and is judged to be value for money with the Remuneration Multipliers being maintained at their current rate.

## **6 Recommendations**

- 6.1 The Chief Officer (Highways and Transportation) is requested to approve the extension of the Highways and Transportation Partnership contract from 31<sup>st</sup> March 2014 to 30<sup>th</sup> June 2014.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.