

**Report of the Head of Business Planning and Risk**

**Report to the Chief Officer Strategy and Policy**

**Date: 9 January 2020**

**Subject: Request to waive Contracts Procedure Rules 8.1 and 8.2 to award a new contract to Potato Lane Projects Ltd (PL Projects) for project management training on behalf of Leeds City Council**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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**

**1. Main issues**

- In 2013 the council carried out a review of training requirements for project managers. This resulted in the adoption of the Association for Project Management's (APM) Project Management Qualification (PMQ) as the authority's basic project management qualification for staff delivering projects.
- The company appointed to deliver the PMQ training was Potato Lane Projects Ltd (PL Projects) which has since trained over 100 council staff through intensive 12-week classroom-based learning and revision sessions culminating in a final exam. 86% of these have successfully passed the exam to become APM qualified, compared to a national pass rate of 74%.
- The contract has now expired and so, with demand high across services to undertake the PMQ, this report seeks to award a new contract to PL Projects. This would be a one-year contract with the option to extend for a further 12 months (that option not to be taken up more than once), allowing time for the council to review future project management training requirements, in particular whether the new project management apprenticeship will sufficiently meet needs and potentially replace the traditional PMQ training and qualification.

## **2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- The adoption of a consistent and professional approach to project management across the council supported by trained and qualified project staff helps to successfully deliver projects to time, cost and anticipated outcomes, thereby supporting all city and organisational outcomes and priorities set out in the Best Council Plan.

## **3. Resource Implications**

- Encouraging development and the upskilling of the project management workforce will help the council to deliver its projects to time, cost, anticipated outcomes and more effectively.
- The recommended provider, PL Projects, will tailor the PMQ to meet the council's requirements and deliver it using council premises, securing a saving of up to approximately £205 per candidate per course compared to the average cost of £1,390 from other providers. The council pays only for its own training delegates.

## **Recommendations**

- The Chief Officer Strategy and Policy is recommended to approve the waiver of the following Contracts Procedure Rules: Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements using the authority set out in CPR 1.3 and award a contract to PL Projects without competition in the sum of up to £31,000 for the year, £62,000 over the 2 years should the contract be extended for a further 12 months. The contract shall commence on 27<sup>th</sup> January 2020 and expire on 26<sup>th</sup> January 2021 with the option to extend for a period of 12 months, such option not to be taken up more than once.

### **1. Purpose of this report**

- 1.1 This report seeks approval to waive Contracts Procedure Rules 8.1 and 8.2 in order to award a new contract to PL Projects without competition for project management training on behalf of Leeds City Council.

### **2. Background information**

- 2.1 In 2013 through a wider 'Better Business Management' programme, the training requirements for the council's project managers were reviewed resulting in the adoption of the Association for Project Managers (APM) qualification. The APM is a chartered body for the project management profession that offers access to a wider project management community, best practice and also nationally recognised qualifications, ranging from the initial 'fundamentals' through to 'management' and 'professional'.
- 2.2 The council decided that the PMQ qualification (assessed through a final exam) would be the authority's basic project management qualification for all project managers. It has been delivered by an external provider, PL Projects, through an intensive 12-week classroom-based training programme and revision sessions. With 106 council staff trained, pass rates have been high at 85% compared to the national average of 74%.

- 2.3 The contract has now expired and so, with demand from services across the authority remaining high to undertake the qualification, and with a need to continue to develop project management capability and capacity within the council, this report seeks to award a new contract to PL Projects to continue providing this PMQ training.

### **3. Main issues**

#### **Reason for Contracts Procedure Rules Waiver**

- 3.1 In November 2019 the first cohort of council staff began a Level 4/5 project management apprenticeship which will run for 12 to 24 months (the timescale is dependent on how quickly the candidates can complete their portfolios). This results in apprentices gaining the APM PMQ. However, as this is a new course, time will be needed to carry out a review to assess whether such an apprenticeship route should replace the fast-track 12-week intensive training or, indeed, whether a mix may be more appropriate, in particular for those members of staff unable to commit to a longer term apprenticeship.
- 3.2 With services across the council – in particular from Resources and Housing, Adults and Health and City Development directorates – continuing to express interest in this more intensive but well established route, this report seeks to award a 12 month training contract to a provider able to deliver this (24 months if the option to extend is taken up). During this time the council will undertake a review of project management qualification and training requirements and, should the decision be made to continue offering an intensive PMQ course, a full competitive procurement exercise will be carried out, in line with the Publics Contracts Regulations 2015 and the Council's CPRs. This will be led by a newly created project management community of practice.
- 3.3 PL Projects has a proven track record of successful training to council staff delivered by an experienced team, including a fellow of the APM. Their flexibility to tailor the course to meet the council's requirements and willingness to deliver the training using council premises delivers value for money – the latter reducing costs by up to approximately £205 per trainee compared to the average cost of £1,390 from other providers, based on market research undertaken. Previous consultation with project staff indicates that classroom-based learning is preferable to distance/online learning for such an intensive course, benefits including the ability for group discussions and knowledge sharing and face-to-face contact with a tutor throughout the course.
- 3.4 PL Projects is also the council's framework provider for the apprenticeship PMQ, both facilitating consistency and continuity across the two types of learning and will further enable the council to better undertake a comparison of the two types of training (intensive v longer-term apprenticeship) at the end of the first cohort of apprenticeships.
- 3.5 The new contract with PL Projects would start on 27<sup>th</sup> January 2020 due to availability of funding and the need for the new cohort to start by the end of January to meet the exam timescale. Once approval to award has been obtained, a contract will be entered into using the council's standard tender documentation.
- 3.6 The contract would enable 2 cohorts per year of up to 13 candidates per cohort to be trained. Interest is already high and, if the contract is awarded, promotion activities will be carried out (for example through the council's InSite intranet website and the project management community of practice) to further raise awareness of the opportunity. The contract with PL Projects would also enable the

provider to train a small number of external candidates at the same time should there be capacity (the council pays only for its own training delegates), which would enable knowledge sharing and support between people from different organisations. PL Projects would only use council premises to deliver this training when council staff are in attendance and will indemnify the authority for its use of the premises and in respect of any non-council candidates.

### **Consequences if the proposed action is not approved**

- 3.7 Though the project management apprenticeship will, in 1 to 2 years, result in a number of APM-qualified staff, this does not meet the authority's requirement to provide more immediate professional training and accreditation and support the successful delivery of projects. A number of staff are unable to commit to a long-term apprenticeship and so demand is high for a shorter intensive course.
- 3.8 PL Projects has an established record of successfully delivering the course, is able to commence the training imminently, tailor the course to meet the council's requirements and use council premises, resulting in up to approximately £205 saving per candidate in comparison to the average cost of other providers. Should the contract not be awarded, these benefits would not be realised.

### **Advertising**

- 3.9 It is not proposed to advertise this opportunity for the reasons set out in section 3 above. However, if a decision is made to procure in the future, then the opportunity will be advertised in accordance with the council's Contract Procedure Rules.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 In 2013, 284 project and programme managers across the council were consulted on the approach to project management training. Cross-council focus groups representing all directorates were then involved in the development of the adopted route for professional project management training, resulting in agreement to provide intensive, classroom-based training leading to the APM PMQ. Interest is high from potential delegates requesting this means of training, indicating this is currently still required. Once a decision has been made on the future of project management training, this may change.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The training will be available to all council project management staff and other staff involved in projects wanting to develop their careers in professional project management.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The adoption of a consistent and professional approach to project management across the council supported by trained and qualified project staff helps to successfully deliver projects to time, cost and anticipated outcomes, thereby supporting all city and organisational outcomes and priorities set out in the Best Council Plan.

### Climate Emergency

- 4.3.2 Climate implications for this contract are limited as candidates are only required to attend sessions at Merrion House, meaning limited travel is involved. However if a full procurement exercise is carried out this will be reviewed.

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

- 4.4.1 The recommended provider, PL Projects, will tailor the PMQ to meet the council's requirements and deliver it using council premises, securing a saving of up to approximately £205 per candidate per course compared to the average cost of £1,390 from other providers. The council pays only for its own training delegates.

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 This is a Significant Operational Decision which is not subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 The value of the direct award detailed within this report is below the threshold for the application of the Public Contracts Regulations 2015 for the procurement of public services contracts and therefore it is not subject to the full EU procurement rules. However, the council's Contracts Procedure Rules 8.1 and 8.2 require competition for procurements valued between £25K and £100K and the invitation of at least three written tenders. A waiver of these Contracts Procedure Rules is required to award a contract direct to PL Projects. Awarding the contract directly to PL Projects in this way could leave the council open to a potential claim from other potential providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the council should always consider whether contracts of this value should be subject to a degree of European wide advertising and that it is the council's decision as to the appropriate degree of advertising. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices etc.) and the geographical location of the place of performance.
- 4.5.3 The Head of Business Planning and Risk has considered this and, due to the nature of the services being delivered, the relatively low value and short length of the contract and the requirement to deliver classroom-based learning in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states.
- 4.5.4 There is a risk of an ombudsman investigation arising from a complaint that the council has not followed reasonable procedures, resulting in a loss of opportunity. The complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration; however such investigations are by their nature more subjective than legal proceedings.
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver of CPR 8.1 and 8.2, the above comments should be noted. In making their final decision, the Chief Officer Strategy and Policy should be satisfied that the course of action chosen represents Best Value for the council.

#### **4.6 Risk management**

- 4.6.1 Whilst there are a number of providers able to deliver PMQ training, few are able to tailor the requirements to the authority and provide the training at candidates' place of work. PL Projects is able to meet these requirements and has a proven track record.

- 4.6.2 The contract would be on an interim basis pending review of a longer-term approach to project management training across the council. It is therefore anticipated that there is a low risk of challenge from other providers.
- 4.6.3 The use of council premises for the training poses a limited risk to the council in terms of damage by third parties, however PL Projects and their external candidates will only use council premises whilst accompanied by council employees, they will be provided with a health and safety briefing to ensure effective and efficient evacuation in the event of a fire, they will only use the premises during council office opening times and the company will indemnify the council for any damage caused by their or their external candidates' actions.

## **5. Conclusions**

- 5.1.1 Demand is high from project staff seeking professional project management training and accreditations and, in order to support the successful delivery of projects, it is in the council's interest to support this. A new project management apprenticeship has recently been established with the first cohort starting in November 2019 but, as a 12- to 24-month course, it is not yet known whether this should replace the shorter term 12-week intensive training course or whether a blended approach may be appropriate. In the interim, with PL Projects also being the council's framework provider for the apprenticeship PMQ, this will ensure consistency and continuity across the two types of learning. This report therefore seeks to award a new contract to PL Projects to provide the intensive training for a period of 12 to 24 months, during which time a review will be carried out of future project management training and qualification requirements. Should the decision be made to continue offering intensive training, a full competitive procurement exercise will be undertaken.

## **6. Recommendations**

- 6.1.1 The Chief Officer Strategy and Policy is recommended to approve the waiver of the following Contracts Procedure Rules: Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements using the authority set out in CPR 1.3 and award a contract to PL Projects without competition in the sum of up to £31,000 for the year, up to £62,000 over the 2 years should the contract be extended for a further 12 months. The contract shall commence on 27th January 2020 and expire on 26th January 2021 with the option to extend for a period of 12 months, such option not to be taken up more than once.

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

- 7.1 None.

---

<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.

## Appendix

### What is your reason for waiving CPRs?

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process (e.g. to deal with the consequences of extreme weather).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other (please provide summary here)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No