

Highways and Transportation Cost Consultancy Services Contract – Approval to Tender

Date: 13 June 2022

Report to: Chief Officer (Highways & Transportation)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report seeks the approval of the Chief Officer (Highways and Transportation) to invite tenders for the Highways and Transportation Cost Consultancy Services Contract (the **Contract**).
- The Contract will be used to provide cost assurances and cost management on a number of large schemes the Council intend to construct during the life of the Contract. This will provide specialist expertise and resources (not currently available in-house) to ensure the Council obtain the best value for money when undertaking such schemes.
- The current Contract is due to expire in April 2026 but has surpassed the £1,050,000 contract value limit it was originally tendered for in 2020. This is due to highest level of capital programme funding in the services history. We are now required to retender with a higher contract threshold.
- As the value of orders are estimated to be around £1,000,000 per annum, exceeding the threshold for service contracts. The contract will be advertised on the Find a Tender Service (FTS) as an open tender ensuring it follows the compliant route to market.
- The initial contract period will be for two years with the ability to extend the contract for a further two-year period.
- The new contract will be awarded to one supplier following the “price-quality” separated approach that is the Council’s standard evaluation policy recommended in Leeds City Council’s Contract Procedure Rule 15.1.
- The contract will ensure the Council obtains value for money as per the Best City Ambition Vision.

Recommendations

- a) The Chief Officer (Highways and Transportation) is requested to approve the recommendation to tender the Highways and Transportation Cost Consultancy Services Contract through the FTS Open Procedure.

Why is the proposal being put forward?

- 1 The purpose of this report is to inform the Chief Officer (Highways and Transportation) of the requirement to tender the Highways and Transportation Cost Consultancy Services Contract.

- 2 The Contract was originally created after the Partnership Contract, which included cost consultancy services, expired and the need for the service was great enough to require a separate Contract.
- 3 The contract value limit has been reached four years sooner than anticipated. This is due to highest level of capital programme funding in the services history and evidence that the level of demand from within the service is such that a higher value contract is required to enable the delivery of the extensive capital programme.
- 4 Due to the lack of in house commercial and cost management expertise, this procurement will provide the additional resource required by offering access to flexible cost management expertise to support the service.

Wards Affected:

Have ward members been consulted? Yes No

What impact will this proposal have

- 5 Due consideration has already taken place vis-a-vis the impact of the proposal as part of the corporate procurement process. Further, the proposal is not currently applicable for an Equality, Diversity, Cohesion and Integration screening/impact assessment to be undertaken at this time.

What consultation and engagement has taken place?

- 6 Consultation has taken place within Civil Engineering (Major Schemes) who will deliver the vast majority of the capital programme and have expressed their need for this contract to ensure cost management is in place to reduce the risk of overspending.
- 7 Consultation has taken place with the Finance Section who confirmed that the funding is available from the capital budget as and when the services are required.

What are the resource implications?

- 8 The tender of this Contract is an efficient use of Council resources and is judged to be value for money in comparison to procuring individual contracts.
- 9 The Contract will provide additional resource within Highways and Transportation by offering access to cost management expertise.
- 10 The estimate for this contract is £1,000,000 per annum (Total: £4,000,000.00 including extensions).

What are the legal implications?

- 11 There are no specific legal implications arising from this report. All activities relating to the procurement will be executed strictly in accordance with the Public Procurement Regulations 2015 and Council's Contract Procedure Rules.
- 12 This is a Key decision due to the value of the services that could be ordered through the Contract. It was accordingly published on the List of Forthcoming Key Decisions on the 23rd May 2022.
- 13 There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.

What are the key risks and how are they being managed?

- 14 The proposed contract is to provide consultancy expertise in cost management services with the ability to offer agile and reactive working arrangements to support the Council.
- 15 The cost management services associated with this commission will provide an independent assurance and audit role to supplement the Council's governance protocols.

Does this proposal support the council's 3 Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

- 16 Several City Centre schemes which require cost management aim to improve transport links for walking and cycling. This would make the city more accessible and more affordable, allowing people access to facilities and opportunities within the city. Travelling by foot or cycling can improve physical and mental health. The projects will also improve air quality and reduce CO2 emissions.

Options, timescales and measuring success

a) What other options were considered?

- 17 The tender of this Contract is an efficient method of procuring the service required and is judged to be value for money in comparison to procuring individual contracts.

b) How will success be measured?

- 18 The procurement of compliant tenderers that can meet the Council's need for cost assurances, management and provide an audit role on some of the service's largest contracts.

c) What is the timetable for implementation?

- 19 It is anticipated the contract will start in September 2022.

Appendices

- 20 N/A

Background papers

- 21 N/A