

Cabinet Member Report



City of Westminster

Meeting:	Cabinet Member for Finance, Property and Regeneration Cabinet Member for Place Shaping and Planning
Date:	7 November 2019
Classification:	For General Publication with Partial exemption – Part B.
Title:	Project Resource Contracts for Oxford Street District (OSD) and other Regeneration Programmes
Ward Affected:	West End, Marylebone High Street, Bryanston & Dorset Square and Hyde Park.
City for All:	This proposed Place Shaping Programme will meet the Council's City for All objectives. Creating great local places where people enjoy living, working and visiting; and taking pride in our role as custodian of this great city; protecting our heritage by managing places and spaces that can be enjoyed now in the future. A City that Celebrates its Communities by creating places and opportunities for everybody in the city to be physically active and play a role in their community;
Key Decision:	Yes
Financial Summary:	The estimated contract values are based on a forecast quantity of mixed usage resources and will cover both OSD and other Regeneration projects. The Programme and Project Management is valued at £2.732m over three years. The Commercial and Cost Management Services is in final stage of evaluation and is valued at between £1.7m and £1.9m over three years. The Capital Strategy approved by Full Council in March 2019 included a Capital budget allocation for Oxford Street District of £150m. In April 2019, Cabinet approved spend of £21m, of which £4.7m was for resourcing costs associated with the OSD programme. The OSD roles sourced from these contracts are included within the £4.7m approval.
Report of:	Barbara Brownlee, Executive Director Growth, Planning and Housing

1. Executive Summary

- 1.1. Following a public consultation exercise Cabinet approved the Oxford Street District Place Strategy and Delivery Plan on 25 February 2019. The Place Strategy promotes a set of 15 overarching place-based principles and delivery of 96 projects to deliver the ambition for the district. These place-based projects are specifically aimed at improving and enhancing the whole district, including its residential neighbourhoods, while securing its future as a global destination, with an unrivalled experience and visitor offer.
- 1.2. To realise the ambition of the strategy, in this high profile and challenging environment and given the scope of Place Shaping projects required, a Design and Build Contract was procured and the award of the contract was subject to a Cabinet Member Report dated 12 September 2019.
- 1.3. To drive the evolution and delivery of the Place Shaping Strategy, additional resources are essential to work with the senior management team to lead the programme client team, ensuring programme management, project management, stakeholder liaison, budget and funding management. The contracts for these supporting services allows for scaling up and down where there are peaks and troughs in times of high demand during the programme as well as providing a programme management lead.
- 1.4. Two procurement exercises commenced in Summer 2019 to ensure that the above support would be available in the Autumn/Winter 2019.
- 1.5. This report brings together a number of process approvals that are required to deliver against the strategic approvals that have already been granted for the Oxford Street programme and therefore avoids the need for a number of separate approval papers. The contract values are each estimated based on a forecast mix of resources utilised over three years for both OSD and non-OSD regeneration projects:
 - Programme and Project Management - £2.732m over three years;
 - Commercial and Cost Management Services – in final evaluation stage, so forecast between £1.7m and £1.9m over three years.
- 1.6. This report seeks to obtain approval from the Cabinet Member for Finance, Property and Regeneration and the Cabinet Member for Place Shaping and Planning to:
 - award a contract for Project and Programme Management Services for the Oxford Street Programme. The contract contains provisions which allow it to be used for other (non-OSD) regeneration projects but there is no obligation on the Council to use it for any other projects. The Council is

only committed to the expenditure based on the services that it draws down as set in section 4 of this report; and

- to delegate to the Executive Director of Growth, Planning and Housing authority to award the Commercial and Cost Management Services Contract for the Oxford Street Programme and other (non-OSD) regeneration schemes.

2. Recommendations

2.1. That Part B of this report be exempt from disclosure under s100B(2) and Schedule 12 A of the Local Government Act 1972, (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.2. That the Cabinet Member for Finance, Property and Regeneration and the Cabinet Member for Place Shaping and Planning:

- Approve the award of a contract for the provision of project and programme services (the “Project and Programme Management Services Contract”) to Turner and Townsend Project Management Limited for a period of three years for the Oxford Street District Programme and other regeneration programmes and schemes;
- Delegate to the Executive Director of Growth, Planning and Housing authority:
 - to agree that the services provided under the Project and Programme Management Services Contract may be provided by the contractor in respect of other suitable projects and, if so,
 - to take such steps and execute such documents as may be necessary to enable that service to be provided in respect of such other projects.
- Delegate to the Executive Director of Growth, Planning and Housing authority to award and execute a contract with a selected contractor in respect of the Commercial and Cost Management Services as set out in section 5 of this report.

3. Reasons for Decision

3.1 The Oxford Street District Programme contributes to the City for All as a key scheme to Westminster as part of the theme a City that Celebrates Communities and is critical to the future of the district. A decision concerning the award of the design and build contract is due to be taken shortly and is the subject of a Cabinet Member Report dated 12 September 2019. These resources contracts will drive the implementation of the programme and

ensure that the design and build contractor is held to account and to ensure that the contractor keeps within the agreed budgets and programme.

4. Project and Programme Management Services Contract

4.1 A range of procurement options for project management resources were reviewed, including the use of frameworks and advertisement in the Official Journal of the European Union. Due to the number of good frameworks in the market a procurement via a mini competition under a framework was deemed appropriate. It was considered that the Crown Commercial Services Project Management and Full Design Team Services Framework Lot 2: Project Management had the scope of services required by the Council.

4.2 Two rounds of soft market testing were conducted, one informal and one formal where several firms expressed an interest to validate the route to market.

4.3 The Procurement Assurance Board reviewed the procurement strategy and an invitation to tender was issued in accordance with the Public Contract Regulations 2015 (as amended) and the Council's Procurement Code.

4.4 More details of the procurement are located in Part B.

5. Commercial and Cost Management Services Contract

5.1 A range of procurement options for project management resources were reviewed, including the use of frameworks and advertisement in the Official Journal of the European Union. Due to the number of good frameworks in the market a procurement via a mini competition under a framework was deemed appropriate. It was considered that the Crown Commercial Services Project Management and Full Design Team Services Framework Lot 4: Cost Management had the scope of services required by the Council.

5.2 Two rounds of soft market testing were conducted, one informal and one formal where several firms expressed an interest to validate the route to market.

5.3 The Procurement Assurance Board reviewed the procurement strategy and a tender was issued in accordance with the Public Contract Regulations 2015 and the Council's Procurement Code.

- 5.4 An invitation to tender has been issued and bids have now been received and are currently being evaluated.
- 5.5 To ensure a seamless implementation of the Oxford Street District Design and Build Contract, the commencement of the Commercial Management Services Contract is imperative as the successful firm will support the Council in cost control.
- 5.6 To avoid programme risk, this paper is therefore seeking approval to delegate authority to the Executive Director for Growth, Planning and Housing to proceed with the procurement, award and execution the Commercial and Management Services contract.

6. Background

- 6.1 The background and policy context to this report is unchanged from that described within the Cabinet Member Report dated 12 September 2019 and the Business Case and Investment Approval and Capital Strategy 2019/2020 to 2023/2024 approved by full Council on 8 April 2019.

7. Financial Implications

- 7.1 The Capital Strategy approved by Full Council in March 2019 included a Capital budget allocation for Oxford Street District of £150m. A business case was approved by Full Cabinet on 8th April 2019 which provides justification for investment in to the project.
- 7.2 The Council is only committed to spend against the resources it calls off from the contract during the contract lifetime. The figure of £2.723m for Programme and Project Management and between £1.7m and £1.9m for Commercial and Cost Management Services, are estimates based on usage for both OSD and non-OSD projects. The demand levels will be controlled and managed by the Oxford Street Project team. The approved budget of £4.7m for resourcing includes the OSD requirements which will be called off from these contracts.
- 7.3 Under the terms negotiated, the Council can terminate the contract with 10 working days written notice.

8. Legal Implications - Selection of contractors

- 8.1 The contracts will be awarded under Crown Commercial Services Framework Agreements which comply with the Public Contracts Regulations 2015 (as amended) and which the council is entitled to use.

8.2 The council's rights and obligations are those set out in the respective contracts. The council is not permitted to make significant changes to the terms of the contracts and must carry out the evaluation of tenders in accordance with the terms for doing so set out in the framework agreement.

8.3 Legal implications provided by: Keith Simkins Principal Solicitor 020 7641 7204

9. Consultation

9.1 The Council has undertaken consultation exercise and the outcome of that consultation was set out in the Cabinet Report dated 25 February 2019.

9.2 A dedicated Public Liaison Officer will be employed on the project to engage with residents, businesses, visitors and other interested parties throughout the period of the works.

10. Equalities Duties

10.1 In deciding whether to approve the proposals, Members must comply with the public sector equality duty under Section 149 of the Equality Act 2010 and these contracts will no have impact.

11. Consultation

11.1 Ward Councillors have been briefed on the programmes progress via regular briefings.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Deidra Armsby, Director of Place Shaping, Oxford Street District Programme darmsby@westminster.gov.uk

Candace Bloomfield, Head of Category Management, cbloomfied@westminster.gov.uk

For completion by the **Cabinet Member for Finance, Property and Regeneration**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
**Councillor Rachael Robathan, Cabinet Member for Finance,
NAME: Property and Regeneration**

State nature of interest if any

.....

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to decide in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Oxford Street District Programme - Approval to award the Project and Programme Management Services Contract and Delegated Authority to enter into a Contracts for Commercial and Cost Management Services** - and reject any alternative options which are referred to but not recommended.

Signed

Councillor Rachael Robathan, Cabinet Member for Finance, Property and Regeneration

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....
.....
.....
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further

relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

For completion by the **Cabinet Member for Place Shaping and Planning**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
Councillor Richard Beddoe, Cabinet Member for Place Shaping and Planning
NAME: _____

State nature of interest if any

.....

.....
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Oxford Street District Programme - Approval to award the Project and Programme Management Services Contract and Delegated Authority to enter into a Contracts for Commercial and Cost Management Services** - and reject any alternative options which are referred to but not recommended.

Signed

Councillor Richard Beddoe, Cabinet Member for Place Shaping and Planning

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....
.....
.....
.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision

and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.