

# OFFICER DELEGATION SCHEME RECORD OF DECISION

<b>Date:</b> 13 <sup>th</sup> February 2025	<b>Ref No:</b> BGI128
<b>Responsible Officer:</b> Richard Spensley (Major Projects Manager, Business, Growth and Infrastructure)	
<b>Title/Subject matter:</b> Western Access scheme Pre-construction stage consultancy services (External Professional Team Lead) - Approval of Bentley Project Management Ltd Fee Proposal and entering into an associated Professional Services Contract.	
<b>Budget/Strategy/Policy/Compliance:</b>	
(i) Is the decision within an Approved Budget?	Yes
(ii) Is the decision in conflict with the Council's policies, strategies or relevant service plans?	No
(iii) Does the decision amend existing or raise new policy issues?	No
Is publication still required? (see guidance)	Yes

**Item for decision:**

To support the Council deliver the Northern Gateway Western Access scheme during the scheme's pre-construction stages, a dedicated external consultancy, Bentley Project Management UK Ltd, has been procured to provide project management, cost management, business case preparation and assurance, and land and property development commercial services. The Council does not have the necessary internal resources or skills to deliver this time critical work which is required to progress the Pre-construction stages of the Western Access scheme in compliance with Investment Zone grant funding requirements (see below).

Bentley Project Management (UK) Ltd were procured and named as preferred bidder on 20<sup>th</sup> January 2025 following a competitive tender exercise utilising the Procure Partnerships Procurement Framework (North West Professional Consultancy Services LOT). This tender exercise commenced on Friday 13<sup>th</sup> December 2024 when ITT documentation was issued. Tender returns were subsequently submitted to the Council on Monday 13<sup>th</sup> January 2025. The tender consisted of a Quality submission and was weighted 70% quality and 30% price based on Bentley Project Management's tendered Framework rates. Bentley Project Management (UK) Ltd was the highest scoring bidder with an overall score of 95.3%. The tender exercise was undertaken in full compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCR 2015), and with the full support and endorsement of the Council's Corporate Procurement service.

At its meeting on 12<sup>th</sup> February 2025, Cabinet approved a report delegating approval allowing officers to finalise contract arrangements with the Western Access scheme's main construction contractor (Balfour Beatty). The same Cabinet report also noted the good progress that had been made with the procurement of the External Professional Team Lead (Bentley Project Management) and recorded the fact that the value of this procurement is below the threshold requiring notification as a Cabinet Key Decision.

The comprehensive scope of External Professional Team Lead services which have been procured utilising the Procure Partnerships Framework and which Bentley Project Management will provide to the Council, include the following core activities:

- Contract Administration inc:
  - Day to day administration of contract mechanisms;
  - Advising the Client as pre-construction stage and construction stage contracts are scoped, prepared, negotiated and finalised with the main Construction Contractor;
- Cost Consultancy inc:
  - Preparing monthly cost plan reports and cash flow (supporting Western Access scheme budget monitoring, Funding Strategy);
  - Contract administration duties inc. assessing, validating monthly NEC 4 PSC / ECC contract payment claims from the main contractor

- Providing cost assurance – checking / validating pre-construction and construction cost estimates provided by Contractor during OBC / RIBA 3 and FBC / RIBA 4 stages, and assessing tender prices provided by the main Contractor/ supply chain covering the main construction works packages (RIBA 5), including producing a tender report for the Council
- Business Case inc:
  - Assuring draft business case iterations produced by main Contractor to ensure compliance with HM Treasury Green Book process (and Client OBC / RIBA 3 and FBC / RIBA 4 briefs)
  - Producing specific business case elements that will feed into the main OBC and FBC inc:
  - Co-ordinating / leading Quantifiable Risk Assessment (QRA)
  - Developing Procurement Strategy / Management Case
  - Inputting into the preparation of other business case elements as required, including Commercial Case / funding strategy and any which may be determined during the initial Feasibility Study stage with the main Contractor.
- Commercial inc:
  - Advising and inputting into the preparation of the Western Access scheme Funding Strategy / Infrastructure Delivery Plan including:
  - Assessing commercial land and property development appraisals for the Northern Gateway Investment Zone site, including advising on commercial assumptions such as yields, profit, abnormal and infrastructure costs, commercial financing etc.
  - Assessing commercial development programmes and phasing plans
  - Advising Client about any funding gaps identified and funding / financing arrangements / options such as:
    - s106 / developer contributions
    - Other external grant funding sources
    - Financial subsidies / incentives (eg. business rates relief free periods)
    - PWLB prudential borrowing and payback mechanisms aligned to the project's cash flow (inc. clawback / overage, roof tax options)
    - Equalisation mechanism
    - Subsidy Control implications inc. in line with the requirements of the "English IZ Subsidy Scheme", "UK subsidy control regime")
    - Contractual mechanism/s that will be required to be put in place between the Council / Accountable Body, grant funders, 3<sup>rd</sup> party funders, landowners, developers to ensure the robust implementation and assurance of the Funding Strategy.
    - Advising on the preparation of the Western Access scheme OBC and FBC as the Funding Strategy is developed (inc. Financial and Commercial Cases) during the Western Access scheme pre-construction phases.
    - Supporting the Council in commercial discussions and negotiations with developers, 3<sup>rd</sup> party landowners (including Council legal representatives and land and property team in support of the development of the scheme Land Acquisition Strategy during the pre-construction stage).

As the ITT documentation noted during the procurement tender exercise, and as also presented in the Cabinet report on 12<sup>th</sup> February 2025, the appointment of the External Professional Team Lead (Bentley Project Management) will utilise a

pre-construction contract form of agreement, such as the NEC4 Professional Services Contract form, that will cover the full duration of the pre-construction stage (ie. OBC / RIBA 3 stage and subsequent FBC / RIBA 4 stage).

Importantly, this pre-construction contract will include break clauses to protect the commercial interests / minimise commercial risk for the Council (eg. in the unlikely event of consultant team underperformance, withdrawal of external grant funding, changes to scheme circumstances etc).

Funding for this work will come from a £10M Investment Zone grant funding allocation which is administered by the Greater Manchester Combined Authority (GMCA). This grant funding will specifically support Western Access scheme delivery over a 5-year funding period between 2024/5 and 2028/9. An associated Grant Funding Agreement (GFA) has been signed between the GMCA and Bury Council (as the accountable body). The GFA will cover the first-year tranche of £800k grant allocation for 2024/25. Acceptance of this initial grant funding tranche was agreed at Bury Council's Cabinet meeting on 6<sup>th</sup> November 2024. The costs associated with the appointment of Bentley Project Management UK Ltd to provide its services during the Western Access scheme's Outline Business Case / RIBA 3 planning stage, will be covered by this grant funding amount and will be charged to the existing budget code for the Northern Gateway Western Access scheme.

The Table below outlines Bentley Project Management's Fee Proposal that covers the provision of its services during the initial phase of the scheme's Pre-construction Stage (which is the Outline Business Case / RIBA 3 planning stage):

Project Management inc. Land Acquisition Strategy, Planning Strategy	£79,200
NEC 4 Contract Preparation Support	£22,050
NEC 4 Contract Management and Cost Management inc. cost plans, cash flows, Quantifiable Risk Assessment	£129,250
Outline Business Case Preparation and Assurance inc: Benefits Cost Ratio, Financial Case, Management Case, Commercial case elements	£26,250
Viability Assessment / Funding Strategy – Cost Management inc. assessing JV abnormals / build costs, funding model	£23,100
Viability Assessment / Funding Strategy - Commercial Appraisal Review of property market, assessing JV commercial development appraisals (inc. values, market assumptions, quantum, phasing)	£19,695
Funding Advice / Prepare Financial Appraisal inc. identifying level of developer contribution	£44,255

<b>TOTAL =</b>	<b>£343,800</b>
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Note: A separate fee proposal will be required to be submitted by Bentley Project Management Ltd later in 2025/26, that will specifically cover the provision of its services covering the Western Access scheme's subsequent Full Business Case / RIBA 4 technical design stage. This future fee proposal is expected to be submitted at the end of FY 2025/26 which is when the Outline Business Case / RIBA 3 planning stage is currently anticipated to be completed. A further Op Dec will be prepared at that future point for consideration in respect to Bentley Project Management's FBC / RIBA 4 fee proposal.

*Options considered: Option 1 (recommended option)* – Approve Bentley Project Management's Fee Proposal covering OBC / RIBA 3 stage activities, as outlined above, which reflects their resource allocation aligned with the scheme's pre-construction programme timeframes. Bentley Project Management Ltd has been procured following a competitive tendering exercise and the costs of this Fee Proposal are accounted for within the Year 1 Investment Zone Western Access scheme grant funding allocation. As noted in the report presented to Cabinet on 12<sup>th</sup> February 2025, the value of this procurement also falls below the threshold requiring notification as a Cabinet Key Decision. The procurement of Bentley Project Management Ltd and entering into a Pre-Construction Services contract are critical to ensuring the delivery of the Western Access outline business case and associated RIBA 3 plans in line with Grant Funding Agreement timeframes and requirements.

Option 2 – Source alternative external Project Management / Contract Management, Cost Management, Business Case and Commercial property support for the scheme. This would have significant time and cost implications for the project as this would adversely impact on the Council's ability to achieve the Investment Zone grant funding expenditure deadlines and associated grant funding milestones for the development of the scheme's business case and associated outputs. Bentley Project Management Ltd has a longstanding track record of successfully delivering consultancy services for similarly complex, major civils schemes elsewhere in the UK. This experience includes the provision of similar Client-side services on major strategic highway schemes where the main contractor is Balfour Beatty. Bentley Project Management Ltd has been procured following a competitive tendering exercise and was the highest scoring bidder. The tender exercise was undertaken in full compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015 (PCR 2015).

#### Decision

For the reasons set out in this report, it is recommended that the Bentley Project Management Fee Proposal for the provision of services covering the OBC / RIBA 3 planning stage is now approved and formalised via this Operational Decision and that a Professional Services Contract covering the Western Access scheme's pre-construction stages is now entered into.

Decision made by:	Signature:	Date:
Authorised Officer		04/03/2025
Approved / reviewed Executive Director		19/02/2025
Approved / reviewed Director		14/02/2025
<b>Member Consulted (only if applicable) [see note 4 below]</b>		

#### Notes

1. In most cases a single signature is required in accordance with the Table below.
2. The form must be published if expenditure is over £100K. However, this must be after all the required contract documentation has been completed. This is to avoid publishing exempt confidential information.
3. A report to Cabinet must be made if expenditure is over £500K.
4. In a small number of cases in accordance with the requirements of the Officer Delegation Scheme, consultation is required from the appropriate Cabinet Member who must sign the form to confirm that they have been consulted and that they agree with the proposed action. Please refer to the Guidance.
5. This form must not be used for urgent decisions.
6. Where there is any doubt officers should always err on side of caution and seek advice from Democratic Services, the Monitoring Officer or Corporate Procurement where applicable.

### EXPENDITURE APPROVAL TABLE

<b>Approval Limit</b>	<b>Approval By</b>	
Over £500,000	Cabinet.	
Over£250,000 to £500,000	Chief Executive	
Over£100,000 to £250,000	Executive Director	
Over £50,000 to £100,000	Director/Assistant Director	
Over £10,000 to £50,000	Head of Service	
Up to £10,000	Service Lead	