

Finance and Resources Committee

10.00am, Thursday 23 May 2019

Programme Support – Award of Contracts

Executive/Routine
Wards
Council Commitments

Executive

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
- 1.1.1 Notes the actions taken to extend the initial appointment of Turner and Townsend under the Scotland (SXL) Engineering and Technical Consultancy Services Framework to provide programme and project management capability and capacity to support the delivery of Granton Waterfront Regeneration, Active Travel and City Deal West Edinburgh Transport Improvements (CDWETI) and Local Development Plan (LDP) Action Programme, the actions having been taken under the Urgency Procedure (section 4.1 of the Council's Committee Terms of Reference and Delegated Functions); and
 - 1.1.2 Agrees to award short term extensions to these said appointments, in respect of the above-mentioned projects, to a value of £457,400.

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Finance and Resources Committee

Programme Support – Award of Contracts

2. Executive Summary

- 2.1 In order to provide additional capacity, additional programme and project management support has been commissioned on an interim basis from Turner and Townsend under the Scotland (SXL) Engineering and Technical Consultancy Services Framework.
- 2.2 As per Council Contract Standing Orders, the appointment of a consultant where the services are anticipated to be £25,000 or more, is subject to approval to award from Finance and Resources Committee.
- 2.3 It was necessary to extend these appointments beyond that permitted under the delegated authority available to officers, by use of the Urgency Procedure, as work carried out had exceeded the delegated authority of £25,000 for the appointment of programme and project management services. The decision to extend these appointments was undertaken by the Executive Director of Place, in consultation with the Convener of the Finance and Resources Committee, subject to the matter being reported to the next meeting of the Committee.
- 2.4 These appointments require Committee approval to be extended beyond the date of Committee, to pilot new project management arrangements in Active Travel to the end of December 2019, finalise the next stage of the City Deal West Edinburgh Transport Improvements (CDWETI) by June 2019 and develop the delivery framework and outline business case for the Granton Waterfront Regeneration programme by October 2019.
- 2.5 The cost of the appointments to date, is £278,250, and the cost of these extensions would total £457,400, with the total estimated value of these appointments, inclusive of extensions, £735,650.

3. Background

- 3.1 In 2018/19 Turner and Townsend was commissioned under the Scotland (SXL) Engineering and Technical Consultancy Services Framework to provide additional interim capability and capacity for a number of infrastructure programmes including Active Travel, CDWETI , Local Development Plan (LDP) Action Programme and Granton Waterfront Regeneration.

- 3.2 This work was originally commissioned under delegated authority, but as approval limits would have been exceeded for additional work to be undertaken, the Urgency Procedure (Section 4.1 of the Council's Committee Terms of Reference and Delegated Functions) was used to continue to provide operational capacity until the end of May 2019, and to allow Committee the ability to consider the award of further extensions to these appointments to provide the necessary programme and project management support.

4. Main report

- 4.1 This report seeks committee approval for the extension of appointments to provide additional programme and project management capability, and capacity, on an interim basis to support the delivery of Active Travel, CDWETI and Granton Waterfront Regeneration.
- 4.2 **Active Travel and LDP Local Development Transport Action Plans (LDPTAP):** including a review of existing programme management and planning arrangements and piloting a new approach to programme management to December 2019. This project will complete at the end of December 2019. Thereafter revised programme management arrangements would be finalised, which may include a mix of internal and external resources.
- 4.3 **City Deal West Edinburgh Transport Improvements (CDWETI):** including a review of the current appraisal and prioritisation of projects for City Deal infrastructure funding. This commission will complete in June 2019.
- 4.4 **Waterfront Regeneration (Granton):** including project management support and preparation of preliminary business case to October 2019. This commission will complete in October 2019.
- 4.5 Turner and Townsend were appointed under the Scotland (SXL) Engineering and Technical Consultancy Services Framework . The cost of the appointments under delegated authority and then urgency provisions was £278,250.
- 4.6 A summary of the scope of work associated with each major programme is included within Appendix One.
- 4.7 To complete this work Committee approval is sought to extend the appointments for each project.
- 4.8 For Active Travel and LDPTAP the cost of the extension would be £361,300 to the end of 2019. The value of the projects within the Active Travel Programme is £59million and the budget available for the LDPTAP is £6.500million
- 4.9 For CDWETI the cost of the extension would be £5,500 until June 2019. The value of the City Deal regional infrastructure funding for West Edinburgh is £36million.
- 4.10 For Granton Waterfront Regeneration the cost of the extension would be £90,600 to the end of October 2019. The scope of the total value of the Granton Waterfront Regeneration Programme is under review. However, housing projects by the Council and its RSL partners in the Granton Waterfront regeneration already amount to a value of nearly £200 million.

- 4.11 The Scotland (SXL) Engineering and Technical Consultancy Framework is a national framework which can be utilised by any local authority in Scotland. The Council is an active user of this framework. The awards are direct awards permissible under the terms of the Framework and commissioned via Lot 7 (Project Management Services). The awards demonstrate Best Value and are in the Council's best interests as they enable the planned work on these strategically important infrastructure projects to be completed, at competitively procured framework rates and incorporate learning from the project management of tram and other Council infrastructure projects.

5. Next Steps

- 5.1 Subject to Committee approval, appointment extensions will be put in place with Turner and Townsend for ongoing support to delivery of these programmes, as set out in this report.
- 5.2 The Council successfully executes implementation of the initial programming methodology and progression of the works programmes.

6. Financial impact

- 6.1 The total value of the original appointments was £278,2500, comprising £137,800 for Active Travel and LDPTAP, £52,800 for City Deal Transport Prioritisation and £87,650 for Waterfront Regeneration. Inclusive of extensions, as noted within this report, the total value of the commission is estimated to be £735,650. This will be contained within the overall capital budgets for these projects, within the Place Directorate, and will be funded from a mixture of external funding and realignment of Place Directorate budgets.

7. Stakeholder/Community Impact

- 7.1 Stakeholders and members have expressed concern regarding the delivery of the Active Travel Programme and delays to some active travel projects. The measures recommended in this report will significantly add to the capability and capacity to improve delivery of this programme and allow the service to pilot new approaches to programme delivery.
- 7.2 The CDWETI and prioritisation of projects within it, is a critical first step to taking forward measures to improve regional transport infrastructure under the City Deal programme. Local communities, the business sector and Airport, neighbouring local authorities and the Scottish Government all have an interest in moving transport infrastructure in West Edinburgh forward.
- 7.3 Significant consultation is underway with partners and local communities on the future shape of a regenerated Granton Waterfront which forms a much larger part of the development of the city's coastline. The project will help ensure that the first stage of the development of the development framework is in delivered and an

outline business case is produced which assess costs and the development of a funding strategy.

8. Background reading/external references

8.1 None.

9. Appendices

9.1 Appendix One – Scope of Services.

Appendix 1 – Scope of Services

Active Travel and LDPAP

To May 2019

- Establish project prioritisation of all AT and LDPAP projects including current status of each project and key risks.
- Develop a Master Schedule based on prioritised projects to include project staging.
- Develop the Programme Delivery Plan (PDP) in coordination with the Client Sponsor.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Verify source and validity of all project estimates.
- Support Finance in the creation of a spending profile for the 5-year programme, establishing a cost baseline and a budget.
- Work with Finance and Planning to establish linkage between S75 contributions and LDPAP.
- Compare spending profile against budget availability and identify funding gaps and 3rd party income requirements such as Sustrans.
- Based on the Master Schedule, develop a commercial tracking tool for onward programme management.

To end December 2019

- Provide PMO (Project Management Office) management including the management of the Master Schedule, risk management, commercial management, change management and reporting in accordance with governance structures set out in the PDP. This will require the following support personnel on a part time basis:
 - ✓ Risk Manager
 - ✓ Planner
 - ✓ Commercial Manager
- It will also require a full time PMO Lead who will sit across Active Travel and LDPAP. The PMO Lead will have overall responsibility for the Programme Management Office ensuring the Programme is being managed on time and on budget and meeting all relevant targets and milestones. The PMO Lead will work with the Programme Delivery Manager in identifying key issues and providing any necessary information to support the escalation of matters in a timely manner utilising the agreed governance structures.
- Provide the Programme Delivery Manager to coordinate and manage the Active Travel Programme. In consultation with the client Project Director, the Programme Delivery Manager will provide client direction and instructions, provide leadership support to create an open, honest and positive culture committed to delivering at pace, work with the PMO Lead in identifying key issues and providing any necessary information to support the escalation of matters in a timely manner utilising the

agreed governance structures, and coordinate all work on the Programme ensuring a joined-up approach.

- It is intended that the Programme Delivery Manager role will work alongside a Council resource during the second half of 2019 allowing the Council to adopt the role from the start of 2020.
- Provide Project Managers (PM) to work within the agreed delivery structure. These Project Managers will work on Active Travel and LDPAP to augment the existing Council PM resource.
- As with the Programme Delivery Manager, it is envisaged that these Project Managers will work alongside a Council resource during the second half of 2019 allowing the Council to adopt the roles from the start of 2020.
- We envisage working with the Council to support any necessary recruitment including the scoping and grading of the project management roles and any support required in assessment of candidates.

City Deal West Edinburgh Transport Improvements (CDWETI) To End

- Review CDWETI refresh report and agree selection criteria based on objectives set out in report and affordability.
- Work with the Council to carry out assessment and agree prioritised projects and support Council in agreeing the projects with key stakeholders in WEPF.
- Commence development of an outline Project Initiation Document (PID) in coordination with the Client Sponsor including an advisory delivery strategy for the Programme.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Verify source and validity of all project estimates.
- Review project information to establish level of scope definition and develop high level contracting strategy.
- Finalise business case templates to take projects forward.
- Finalise and manage the Master Schedule based on prioritised projects to include project staging.
- Finalise Project Initiation Document (PID) in coordination with the Client Sponsor including an advisory delivery strategy for the Programme.
- Draft scope of service for advisors.
- Implement programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Based on the Master Schedule, develop a commercial tracking tool for onward programme management.

Granton Waterfront Regeneration

To End May 2019

- Develop the Master Schedule for Granton Waterfront Programme;
- Develop template for the preliminary strategic case;
- Develop the draft Programme Delivery Plan (PDP) in coordination with the Client Sponsor, including the following:
 - Definition of roles, functions and responsibilities within the PMO, detailing resources required.
 - Governance, procedures and terms of reference for Board and Working Groups.
 - Communications and reporting.
 - Baseline Master Schedule and management protocols.
 - Budget, funding and cost management.
 - Risk management.
 - Change management.
 - Stakeholder management.
 - Programme close out and benefits realisation.
- Develop programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme. from End of March 2019

To end October 2019

- Provide Project Director support to the project team and assist in shaping the programme.
- Manage the Master Schedule for Granton Waterfront Programme.
- Manage inputs to the preliminary strategic case.
- Finalise the Programme Delivery Plan (PDP) in coordination with the Client Sponsor, including the following:
 - ✓ Definition of roles, functions and responsibilities within the PMO, detailing resources required.
 - ✓ Governance, procedures and terms of reference for Board and Working Groups.
 - ✓ Communications and reporting.
 - ✓ Baseline Master Schedule and management protocols.
 - ✓ Budget, funding and cost management.
 - ✓ Risk management.
 - ✓ Change management.
 - ✓ Stakeholder management.

- ✓ Programme close out and benefits realisation.
- Implement programme tracker (RAD log) and programme dashboard for their use during the lifecycle of the programme.
- Provide interim PMO support including reporting, risk management, RAD log management, commercial management and programme management.