

PROCUREMENT UPDATE AND GOVERNANCE ARRANGEMENTS
WDA/35/24

Recommendation

That Members:

- 1 Note the progress made in relation to appointment of the Procurement Director, Technical Advisors and Project Management Office.
- 2 Agree to the recommendations set out in the report, in particular the:
 - Establishment of the Project Board
 - Adoption of Project Board Terms of Reference
 - Adoption of a Project Decision Making matrix
- 3 Agree a Member of the Authority to sit on the Project Board in addition to the Chairperson.
- 4 Delegate the power to make decisions at Project Board in accordance with the decision-making matrix to the Chief Executive Officer.

THIS PAGE INTENTIONALLY BLANK

MRWA PROCUREMENT UPDATE AND GOVERNANCE ARRANGEMENTS
WDA/35/24

Report of the Chief Executive

1. Purpose of the Report

- 1.1 There have been a number of previous reports setting out the necessity of embarking upon a re-procurement as one of the Authority's key contracts, the Waste Management and Recycling Contract (the WMRC), which reaches its conclusion in 2029, as well as making recommendations on how best to resource the project.
- 1.2 Since the earlier reports the Authority has engaged a Procurement Director and is progressing with the establishment of the necessary project infrastructure to support a successful procurement.
- 1.3 This report seeks Members approval to proceed with establishment of the project governance arrangements in relation to the Project Board.

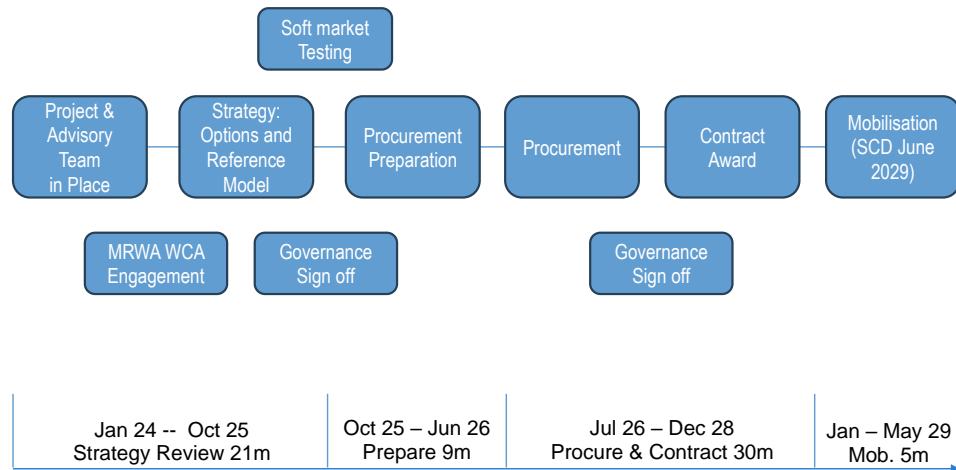
2. Background

- 2.1 The WMRC commenced in 2009 and since then the contractor Veolia ES Merseyside and Halton (Veolia) has provided services for the Authority and for the people of the Liverpool City Region (LCR)
- 2.2 The contract secures the provision of 16 Household Waste Recycling Centres (HWRCs) as well as two Materials Recovery Facilities (MRFs), four Waste Transfer Stations as well as Waste Transport.
- 2.3 The contract is just over 5 years from reaching its conclusion, and whilst there is an option for an extension to the term it is right that the Authority also looks at re-procuring services under a new contract, that will reflect changes to the statutory framework and which may allow for more social value to be included for the LCR.

3. Project Phase 0

- 3.1 Members agreed to the project timeline and key stages as follows, with the programme structure and governance being established during Phase 0 which runs from January – June 2024.

Key stages and timeline



- 3.2 Members also agreed to the project operating under standard programme governance arrangements, with an internal Project Management Office and External Advisors appointed for technical, legal and financial input.
- 3.3 The Procurement Director has been appointed and is working to support the establishment of the project infrastructure and governance arrangements.
- 3.4 Good progress has been made with the establishment of the Project Management Office with roles currently being advertised with a view to appointments being made by the end of June. Similarly good progress is being made with the selection of external technical advisors which was the subject of a recent Executive Decision regarding the procurement of these roles.
- 3.5 A Project Board is now required to be established to ensure good governance of the project. The proposed Membership and Terms of Reference for the Project Board can be found at Appendix 1.
- 3.6 The Authority Chairperson will automatically sit on the Project Board but it is recommended that another member, preferably from a different District Council to the Chairperson also sits on the Board. Members are asked to nominate an appropriate Authority Member.

- 3.7 It should be noted that the Project Board will meet monthly, usually via virtual technology but at times face-to-face. It is important that whichever Member is nominated alongside the Chairperson is able to commit to the time required in this important role.
- 3.8 It is important that decisions relating to the project are made at the most appropriate level with the necessary oversight and governance in place. However, it is also important that decision making does not unnecessarily hinder the project. It is therefore proposed that the decision-making matrix at Appendix 2 is adopted for the duration of the project . In doing so this will ensure decisions can be made with the appropriate degree of oversight but in a timely manner.
- 3.9 In relation to the Board terms of reference and the decision making matrix, decisions can only be made by the Authority or be delegated by it to a committee of the Authority or an officer. The Board is not a committee as it is comprised of members and officers so strictly cannot have decision making powers. This is a fairly common issue with project boards of this type and the way it is usually made to work practically is that where formal decisions are required by a project board either these are referred to the authority for confirmation or the decision-making power is strictly legally delegated to the senior officer on the Board who confirms the actual decision.
- 3.10 Where decisions are required at Project Board level it is therefore recommended that this is delegated to the Chief Executive officer as the most senior officer on the Project Board.

4. Risk Implications

- 4.1 The following risks have been identified in relation to the development and implementation of the Authority's corporate planning processes:

Identified Risk	Likelihood Rating	Consequence Rating	Risk Value	Mitigation
Failure to establish a Project Board - leading to lack of governance and oversight	1	5	5	The Authority should agree to the recommendation to establish the project board according to the Terms of Reference at Appendix 1 and nominate an

				Authority Member to sit on the Project Board alongside the Authority Chairperson
Failure to adopt a proportionate approach to decision making – leading to decisions without appropriate governance or significant delay to the project	2	5	10	The Authority should agree to the adoption of the decision making matrix at Appendix 2

5. HR Implications

- 5.1 The Project Manager and Project Support Assistants will be appointed on fixed term contracts for the duration of the project.
- 5.2 There are no HR implications associated with the recommendations in this report

6. Environmental Implications

- 6.1 A new procurement that considers not just the services being provided at present, but also the services that are likely to be required going forwards is likely to present different environmental implications than the present contract. As these become clearer Members will be updated and their views sought over how best to proceed for the Authority.

7. Financial Implications

- 7.1 The Authority has already been provided with an estimate of the financial implications of the project. The recommendations set out in this paper bring no additional financial implications.

8. Legal Implications

- 8.1 In pursuit of the procurement the Authority will need to ensure that it continues to meet current and future legislative requirements as the Government's approach to waste develops.
- 8.2 At the same time the Authority will need to demonstrate that any and all of the proposed appointments it makes fall properly within the legal guidelines for the procurement of each of the services.

9. Conclusion

- 9.1 Members are asked to agree to the recommendations set out in this report in particular the:
- Establishment of the Project Board
 - Project Board Terms of Reference
 - Project Decision Making matrix
- 9.2 Agree a Member of the Authority to sit on the Project Board in addition to the Chairperson.
- 9.3 Delegate the power to make decisions at Project Board in accordance with the decision-making matrix to the Chief Executive Officer.

The contact officer for this report is: Lesley Worswick
7th Floor, Number 1 Mann Island, Liverpool, L3 1BP

Email: lesley.worswick@merseysidewda.gov.uk
Tel: 0151 255 2542
Fax: 0151 227 1848

The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.