

**REPORT TO:** Mersey Gateway Executive Board

**DATE:** 17<sup>th</sup> March 2011

**REPORTING OFFICER:** Strategic Director – Environment & Economy

**SUBJECT:** Mersey Gateway – Market Engagement and Industry Day.

**WARDS:** All

## **1.0 PURPOSE OF THE REPORT**

1.1 The report explains the recent market engagement exercise, including a local Industry Day event held to present details of the proposed Mersey Gateway procurement process to firms that are interested in being part of consortia who could qualify as bidding candidates for the project.

## **2.0 RECOMMENDATION: That**

**(1) The MGEB note the encouraging high level of market interest evident in the market engagement exercise.**

## **3.0 SUPPORTING INFORMATION**

3.1 The work required to prepare for procurement commenced in November last year, on receiving funding approval from the Spending Review. Progress has been made towards defining the procurement process and the contract framework to be applied. Before confirming the procurement and contract strategy it is prudent to consult potential suppliers on certain key aspects of the emerging proposals.

3.2 Given that we expect government to clear the project for procurement in time for the formal expression of interest invitation to be published in early summer the market engagement has been launched through a Prior Information Notice in the Official Journal of the European Union (The PIN). The PIN was published during the week of 31<sup>st</sup> January and responses were invited on the following topics:-

- the process proposed to be adopted for the procurement;
- the proposed payment mechanism ;
- the approach to contaminated land;
- the approach to tolling infrastructure;
- the approach to operational governance arrangements;
- the scope of advance works; and
- the potential for possible alternative contractual and risk sharing arrangements in relation to the commercial support role for tolling.

- 3.3 To support the market engagement a project information memorandum has been produced which is attached at annex 1. In addition to the Industry Day event interested parties were given the opportunity to meet with the project team on an individual or group basis. Eight meetings have taken place so far.
- 3.4 Responses to the market consultation are required by close on 4<sup>th</sup> March and an oral summary of the points raised in the responses received will be given at the meeting.
- 3.6 This event focused on the organisations that are competent in forming bidding groups embracing the challenging scope of our requirements to deliver the main Design Build Finance and Operate contract for Mersey Gateway. In addition the project team intend to launch a seminar for the local suppliers, who now number over 200, that are registered on the project local supplier list. Dates and arrangements for the local supplier seminar are under consideration and any further developments will be reported orally at the meeting.

#### **4.0 POLICY IMPLICATIONS**

- 4.1 The project is a key priority for the Council which will deliver benefits locally and across the wider region.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children and Young People in Halton**

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

##### **5.2 Employment, Learning and Skills in Halton**

see above

##### **5.3 A Healthy Halton**

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all, including improved cycling and walking facilities.

##### **5.4 A Safer Halton**

Mersey Gateway is forecast to deliver road safety benefits for vehicles and facilitate safer conditions for walking and cycling in the borough

##### **5.5 Halton's Urban Renewal**

Mersey Gateway is a priority project in the urban renewal programme.

## **6.0 RISK ANALYSIS**

- 6.1 The high number of organisations present at the Industry Day underlines the competitive interest in tendering for the Mersey Gateway DBFO contract. The market engagement at this stage alerts potential interested parties to the procurement programme and provides the project team with an opportunity to set out our requirements. This consultation prompts these interested parties to form bidding groups that embrace all the competence we would like to see in a competent bidder and consequently prepares for a successful prequalification process.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

Mersey Gateway provides an opportunity to improve accessibility to services, education and employment for all.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

<b>Document</b>	<b>Place of Inspection</b>	<b>Contact Officer</b>
None under the meaning of the Act		