

## MERSEY GATEWAY EXECUTIVE BOARD

*At a meeting of the Mersey Gateway Executive Board on Thursday, 17 March 2011 in the Marketing Suite, Municipal Building*

Present: Councillors Polhill (Chairman), Stockton and Wharton

Apologies for Absence: None

Absence declared on Council business: None

Officers present: B. Dodd, D. Parr, M. Reaney, D. Tregaea, S. Nicholson and L. Derbyshire

Also In Attendance: Councillor Redhead

### ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

MGEB14MINUTES

*Action*

The Minutes of the meeting held on 27 January 2011 were taken as read and signed as a correct record.

MGEB15MERSEY GATEWAY, INDUSTRY DAY AND PROCUREMENT PREPARATION

The Board considered a report of the Strategic Director – Environment and Economy which explained the recent market engagement exercise, including a local Industry Day event which had been held to present details of the proposed Mersey Gateway procurement process to firms that were interested in being part of consortia and who could qualify as bidding candidates for the project.

The Board was advised that the work required to prepare for procurement had commenced in November last year, on receiving funding approval from the Spending Review. Progress had been made towards defining the procurement process and the contract framework to be applied. It was reported that before confirming the procurement and contract strategy it was prudent to consult

potential suppliers on certain key aspects of the emerging proposals.

The Board was further advised that given that it was expected that Government would clear the project for procurement in time for the formal expression of interest invitation to be published in early summer, the market engagement had been launched through a Prior Information Notice in the Official Journal of the European Union (The PIN). The PIN had been 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.

It was reported that in order to support the market engagement a project information memorandum had been produced which was attached to the report at Annex 1.

In addition to the Industry Day event, interested parties were also given the opportunity to meet with the project team on an individual or group basis. To date eight meetings had taken place.

The Board was also advised that responses to the market consultation were required by close on 4<sup>th</sup> March 2011. A report on the responses to the market consultation would be presented to a future meeting of the Board.

The event, it was reported had focused on the organisations that were 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 intended to launch a seminar for the local suppliers (over 200), that were registered on the project local supplier list. Dates and arrangements for the local supplier seminar were under consideration.

It was reported that the high number of organisations present at the Industry day underlined the competitive

interest in tendering for the Mersey Gateway DBFO contract. The market engagement at this stage, alerted potential interested parties to the procurement programme and had provided the project team with an opportunity of five or six bidding groups that embraced all the competences that the Council required of a competent bidder and consequently prepared for a successful pre qualification process.

RESOLVED: That the encouraging high level of market interest evident in the market engagement exercise be noted.

#### MGEB16 AGREEMENT WITH MERSEYSIDE INTEGRATED TRANSPORT AUTHORITY

The Board considered a report of the Strategic Director – Environment and Economy which gave Members details of the proposed Agreement with Merseyside Integrated Transport Authority (MITA) that would, in general, establish the relationship between the Council and MITA in respect of Mersey Gateway.

The Board was advised that the Agreement, requires the Council to “ have regard to ” the comments of the MITA, in respect of certain matters. A Disputes Procedure was also provided for in the Agreement.

All information covered by the duty of confidence to the tenderers (the bidders) was excluded from this arrangement.

It was further reported that in order to support an effective operation of the Agreement the Council had requested that these consultation arrangements be protected by a separate Confidentiality Undertaking between the Council and the MITA. The Mersey Gateway project team had proposed a draft Confidentiality Undertaking Agreement to officers at the MITA and had been advised that subject to the MGEB approving recommendation 1) below MITA would consider the Confidentiality Undertaking at their meeting in April 2011.

RESOLVED: That

- (1) The Operational Director for Legal and Democratic Services, subject to reaching Agreement on a Confidentiality Undertaking (set out in recommendation 2 below), be authorised to enter into the Agreement with the MITA, as attached to the report at Annex 1;

Strategic Director  
– Environment &  
Economy

- (2) The Chief Executive be authorised to agree and execute a Confidentiality Undertaking between the Council and the MITA to support the operation the above Agreement: and
- (3) The executed Agreement be reported for information only to the Liverpool City Region Cabinet at the next available opportunity.

#### MGEB17PROCUREMENT PROCESS FOR MERSEY GATEWAY - NECESSARY DELEGATION

The Board considered a report of the Strategic Director – Environment and Economy which gave Members details of the proposed governance arrangements for the next phase of project preparation, which would cover the pre-qualification of private sector firms (the bidders) and the competitive dialogue procurement process, leading to the selection of a preferred bidder and contract execution.

The Board was advised that the Council had established a dedicated project organisation equipped with the authority and resources to deliver the project through the development and preparation phase. The established project delivery structure was set out in Annex 1 of the report. The established arrangements had been reviewed to ensure that they were appropriate to support a robust delivery plan that would progress the project through an intense procurement process.

The Board was further advised that the MGEB was a committee of the Council Executive with terms of reference agreed by the full Council in June 2006. These terms of reference were attached at Annex 2 of the report.

It was reported that a project executive structure based on best project management practice (PRINCE2) reported regularly to the MGEB. In PRINCE2 terms the Chief Executive was the Senior Responsible Owner (SRO) who was accountable to the MGEB for the success of the project. The SRO operated with specific project authority as delegated by the MGEB from time to time, where his executive decisions were taken in consultation with the Council Leader.

In addition, the SRO had the support of the Officer Project Board (OPB) to assure robust and effective direction and management of the project. The OPB also provided the SRO with advice, guidance, challenge and scrutiny which was provided by individuals with extensive knowledge and

wide experience of delivering projects of the magnitude of Mersey Gateway through both the private and public sector. This ensured that an informed and intelligent client approach could be taken by the SRO in exercising his delegations. The size of the OPB, frequency of meetings and relationships that were in place and would develop, would also ensure that decision-making on the project was not only well informed and robust but was sufficiently agile to make quick decisions wherever necessary.

It was also reported that the procurement phase of delivery would require project decisions to be taken promptly, where authority was exercised at the appropriate level. The current terms of reference plus membership of the MGEb were considered to be appropriate to support procurement. The delivery plan required the authority of the Chief Executive to be clearly stated and understood. Therefore, a scheme of delegation was attached at Annex 3 to the report covering the key project outcomes required to be delivered for a successful procurement and including the acquisition of all property and the completion of the advanced works programme. The MGEb were also requested to approve the scheme of delegation.

The Board noted the potential nominees to be included as members of the Mersey Gateway Officer Project Board. It was also noted that any decisions taken under delegated authority would be reported back to the Board at the next available meeting.

RESOLVED: That

- (1) The Board endorse the overall governance structure; and
- (2) the proposed scheme of delegation to the Chief Executive, where key procurement and project decisions will be taken in consultation with the Leader be approved..

Strategic Director  
– Environment &  
Economy

**MINUTES ISSUED: 18 March 2011**

**CALL-IN: 28 March 2011**

**Any matter decided by the Mersey Gateway Executive Board may be called in no later than 5.00pm on 28 March 2011**

*Meeting ended at 3.35 p.m.*