

REPORT TO: Mersey Gateway Executive Board

DATE: 16th June 2011

REPORTING OFFICER: Strategic Director- Policy and Resources

SUBJECT: Mersey Gateway – Preparation for Procurement

WARDS:

1.0 PURPOSE OF THE REPORT

1.1 The report explains the progress made in preparing for the procurement process.

2.0 RECOMMENDATION: That

(1) The MGEB note that the project team are now ready to launch the procurement process subject to receiving the required approval from Government.

3.0 SUPPORTING INFORMATION

- 3.1 Although the Council is not able to commence procurement until the funding agreement with Government is settled in detail, we have made good progress with our procurement preparation. Discussions with Department officials are also progressing and the project continues to receive expressions of support from Government including advice from the Prime Minister that reinforced the backing given to the project.
- 3.2 The project team is now ready to launch procurement with the following key developments now in place:
- 3.3 The statutory powers required to acquire land and to construct and maintain the scheme, including operating tolling/charging powers for the new crossing and for Silver Jubilee Bridge, were confirmed in December and we have now developed a programme of compulsory acquisition ready to be executed. The land will be assembled in order of priority, taking into account the need to undertake advanced works and surveys on specific sites and the time required to relocate businesses. The land assembly will need to be completed by the time we expect to award the DBFO contract, and to achieve this the first phase is expected to be executed over the summer.
- 3.4 The Council specification is intended to provide maximum opportunity for the private sector to innovate. A design guide is close to completion which explains the site constraints alongside the requirements of the Council and other third parties, including regulating authorities. The Council, as the Local Planning Authority, will also be called upon to

consider submissions under the Planning Conditions that are in place to control the approved development and were issued as part of the planning approval announced in December. The project team are looking to provide bidders with a clear understanding of how the Council will assess the Planning Condition submissions. To assist this, a Planning Officer has been seconded to the project team but it is important that the development control decision remains independent to the promotion of Mersey Gateway.

- 3.5 The funding discussions with Department for Transport officials are based on toll charges currently applying at the Mersey Tunnels, and the project team has developed a commercial framework that is designed to make this toll revenue go as far as possible towards contributing to the total cost of the project. By ensuring that economic arrangements are in place for securing the value of tolls, the Council will have more scope to target the funds available for toll discount schemes.
- 3.6 The procurement strategy has been developed based on selecting three candidates (the bidders) who will be invited to participate in a Competitive Dialogue procurement process. The level of market interest evident in Mersey Gateway indicates that the Council may have more than three groups who express an interest, and a pre-qualification process has been prepared that is designed to select the three best candidates from those applying. The Project Information Memorandum and the Pre-Qualification Questionnaire have been prepared along with an evaluation methodology and assessment process.
- 3.7 So, once we receive approval from Government we can launch procurement. The timing of the launch is sensitive to the main holiday months as we would want to avoid publishing the Contract Notice in the period between the end of July and early September so that we gain the maximum response to the procurement opportunity.

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 OTHER IMPLICATIONS

- 5.1 None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

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

6.2 Employment, Learning and Skills in Halton

See above.

6.3 A Healthy Halton

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

6.4 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.

6.5 Halton's Urban Renewal

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

7.0 RISK ANALYSIS

- 7.1 The preparation process in advance of securing final funding approval from Government commits preparation costs, but being ready to start procurement on receiving approval will reduce delay. The cost of delay is estimated to be between £1m and £2m a month.

8.0 EQUALITY AND DIVERSITY ISSUES

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

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
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