



**Mersey Gateway Executive Board**

**Thursday, 17 November 2011 3.00 p.m.  
The Board Room - Municipal Building,  
Widnes**

A handwritten signature in black ink, appearing to read 'David W R', is positioned above a rectangular stamp.

**Chief Executive**

**BOARD MEMBERSHIP**

<b>Councillor Rob Polhill (Chairman)</b>	<b>Labour</b>
<b>Councillor John Stockton</b>	<b>Labour</b>
<b>Councillor Mike Wharton</b>	<b>Labour</b>

*Please contact Lynn Derbyshire on 0151 471 7389 or e-mail  
[lynn.derbyshire@halton.gov.uk](mailto:lynn.derbyshire@halton.gov.uk) for further information.  
The next meeting of the Board is on Thursday, 26 January 2012*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	
<b>2. DECLARATION OF INTEREST</b>	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda no later than when that item is reached and, with personal and prejudicial interests (subject to certain exceptions in the Code of Conduct for Members), to leave the meeting prior to discussion and voting on the item.	
<b>3. CONFIRMATION OF CONDITIONAL FUNDING APPROVAL AND THE COUNCIL ACCEPTANCE OF THE FUNDING CONDITIONS (KEY DECISION)</b>	<b>1 - 13</b>
<b>4. COMMENCEMENT OF PROCUREMENT</b>	<b>14 - 17</b>

***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**REPORT TO:** Mersey Gateway Executive Board

**DATE:** 17 November 2011

**REPORTING OFFICER:** Chief Executive

**SUBJECT:** Detailed funding proposals for Mersey Gateway  
(Key Decision)

**WARDS:** All

## **1.0 PURPOSE OF THE REPORT**

1.1 The terms of the Conditional Funding Approval proposed by Ministers were reported to Council on 19<sup>th</sup> October. The Council agreed unanimously to accept the funding offer without modification. This report advises members of the formal exchange of correspondence between the Department for Transport and the Chief Executive which puts the funding agreement in place.

**2.0 RECOMMENDATION: That the Mersey Gateway Executive Board note that the Conditional Funding Agreement is now in place.**

## **3.0 SUPPORTING INFORMATION**

3.1 The draft terms of the Conditional Funding Approval offer were considered by the MGEB on 22 September and forwarded to full Council on 19<sup>th</sup> October, with a recommendation that the terms be accepted. The Council resolved unanimously that:

1. the Council accepts the Conditional Funding Offer from Government in the form received.;
2. the Council supports the further development of the Mersey Gateway Project on the basis of
  - (a) the Conditional Funding Offer; and
  - (b) the information set out in the report and the attachments to this report (attachments to Council report not included in this report to MGEB);
3. the Council and its Officers take all reasonable steps to maximise toll discounts for residents of Halton; and
4. the Council delegate to the Chief Executive in consultation with the Leader of the Council, the Portfolio Holder for Resources and the Portfolio Holder for Transportation the power to take all reasonable steps necessary to achieve the delivery of the Mersey Gateway Project.

- 3.2 The funding offer was confirmed in a letter of 19<sup>th</sup> October 2011 from Mostaque Ahmed to the Chief Executive. The terms of the funding offer were accepted by the Chief Executive in his reply of 20<sup>th</sup> October 2011. This exchange of letters establishes the Conditional Funding Agreement with Ministers and the correspondence is attached at Appendix 1.

#### **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 All substantive implications are reported above and in the report annex.

#### **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 terms of the Conditional Funding Agreement set the parameters for delivering the Mersey Gateway project through the procurement phase and the project team are charged with satisfying these conditions. The procurement strategy based on a Competitive Dialogue procedure presents the best opportunity for a successful outcome from procurement. Market conditions are however outside the control of the project team and the cost of project finance remains potentially volatile. The financial projections used to settle the Conditional Funding Approval terms include a risk allowance and the robustness of forecasts will be monitored throughout

procurement. Any substantive adverse movement of market conditions will be reported to members.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

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

## **9.0 REASON FOR DECISION**

9.1 The Council acceptance of the Conditional Funding offer from Ministers allows the project to proceed to the procurement phase.

## **10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

10.1 The funding support from Government is essential to deliver the project within affordable limits.

## **11.0 IMPLEMENTATION DATE**

11.1 As reported above the Conditional Funding Agreement with Government is now in place.

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

None under the meaning of the Act

*Department for*  
**Transport**

David Parr  
Chief Executive  
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Mostaque Ahmed  
Local Capital Programmes and Delivery  
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19 October 2011

Dear David,

**MERSEY GATEWAY BRIDGE PROJECT**

I am pleased to inform you that Ministers have now agreed to award Conditional Approval to the Mersey Gateway Bridge Project, subject to the acceptance of the terms and conditions in this letter. This letter sets out the conditions which must be satisfied following Conditional Approval and the wider funding conditions for the project.

Please provide written confirmation that Halton Borough Council agrees to these terms and conditions including certification from your section 151 officer that the Council accepts the requirements set out in this document.

This Funding Offer, subject to the conditions set out below, comprises:

1. **Development Cost Grant** of up to £86m payable (including preparatory, land and remediation costs)
2. **Availability Support Grant** of a maximum of £14.55m per annum for 26.5 years following full service commencement under the proposed DBFO agreement.

This Funding Offer is made on the conditions below and is based on the Outline Business Case submitted to the Department for Transport (DfT) in February 2011, as revised in September 2011 and agreed with HM Treasury. Ministers reserve the right to re-consider this Funding Offer if there are any significant changes to the scheme or the business case at any time and/or if a complete Full Business case (FBC) has not been submitted for approval by 30 October 2014.

The Funding Offer is conditional on

- (i) Halton Borough Council implementing a process to monitor the ongoing costs of the project (including preparatory, land and remediation costs) and report the results of this to the Department on a regular basis. To the extent that Halton Borough Council becomes aware of a potential shortfall in funding available to deliver the project that it will notify the Department immediately setting out how it proposes to remedy the shortfall. The Secretary of State reserves the right to make no further payments under this

- Funding Offer if such a notification is made and is not remedied to his satisfaction.
- (ii) Approval by the Department and HM Treasury of a Final Business Case in accordance with DfT/HM Treasury guidance that applies at the time.
  - (iii) The unitary charge of the scheme does not exceed that set out in the September 2011 Finalised Outline Business Case (section 8.6, taking into account any changes in the unitary charge profile).
  - (iv) Sufficient private finance (in the context of the Outline Business Case) being raised at financial close on reasonable market terms to the satisfaction of the Secretary of State.
  - (v) The use of a privately financed procurement route remaining value for money at the point of Full Approval in the opinion of the Secretary of State.

In relation to the **Development Cost Grant:**

- (vi) Development Cost Grant will be paid in accordance with normal DfT grant rules and be limited to net costs necessarily incurred directly by Halton Borough Council in the connection with the development of the Scheme.
- (vii) The £86m Development Cost Grant will be available and, subject to the aforementioned, payable as set out below:
  - a. £3.0m already paid
  - b. £1.7m at Conditional Approval (October 2011)
  - c. a maximum of £10m available in 2013/14 subject to the scheme having received full approval
  - d. a further £71.3m available from April 2014 subject to the scheme having received full approval
- (viii) To the extent that actual eligible costs incurred, net of any actual or potential cost recovery, are less than £86m in total then the total Development Cost Grant will be the lower amount.
- (ix) Halton Borough Council is responsible for seeking to minimise Development Costs incurred and any development costs above the maximum Development Cost Grant are at Halton Borough Council's own risk.
- (x) In the event that the Secretary of State decides not to proceed with the scheme or the parties agree the scheme is undeliverable at or before Full Approval is confirmed, DfT would review the situation jointly with Halton Borough Council at that time but with no obligation on our part to reimburse any costs incurred.

In relation to the **Availability Support Grant:**

- (xi) The Department, HM Treasury and Halton Borough Council acknowledge that the project is not a PFI, but recognise that the principles set out in the Department for Communities and Local Government Local Government PFI Project Support Guide 2009-10, 1st Revision (September 2009), available on DCLG's website will apply to the project unless otherwise agreed. In particular, Halton Borough Council is reminded of the requirements on the use of standardised PFI contract documentation (SoPCv4) and on sharing documentation. The Department, HM Treasury and Halton Borough Council will seek to agree prior to the commencement of procurement a flexible

procedure for agreeing any derogations from this documentation that may be required. It is also a requirement that a finalised outline business case (OBC) is published on the promoter's website (redacting any sensitive information) and we would expect this to occur by the end of October 2011. At financial close you should also provide the Department with a copy of the project agreements and the financial model.

- (xii) A recalculation of the scheme funding requirements will be performed by Halton Borough Council immediately following Financial Close to reduce permanently the maximum Availability Support Grant for 70% of project savings emerging prior to Financial Close, and confirmed at Financial Close in comparison with the base case unitary charge in the Outline Business Case on a like for like basis. The Availability Support Grant cannot exceed the £14.55m per annum noted in 2 above.
- (xiii) Should the DBFO undergo refinancing, any gains for the Authority will need to be shared on a 50/50 basis with the Department, in a manner to be agreed at the time. The option as to the manner of sharing chosen by the Department and Halton Borough Council will be based on Value for Money considerations.
- (xiv) A Crossings Board is being established and empowered as set out in Draft in Appendix 7-B of the Outline Business Case and operating with key actions as set out in this agreement. The Crossings Board will establish, prior to the introduction of charges, a Liquidity Reserve for holding cash or cash equivalent assets to a minimum value of 20% of the net revenues forecast for the following 12 months from the Crossings.
- (xv) The Liquidity Reserve should be held separately from the other assets of the Crossings Board and used solely to manage unexpected deviations in revenues and costs for the Crossings Board from the prevailing forecasts at that time, and in accordance with its objectives as set out in Appendix 7-B. It will be for the Council and Crossings Board to decide how this reserve will be established and funded prior to scheme opening and they will need to satisfy the Department that this is robust and in place before scheme opening
- (xvi) The actual amount of Availability Support Grant will be adjusted periodically, subject always to the maximum amount calculated in (xii) above, in line with the Review procedures described below.

### **Availability Support Grant Review Procedures**

- (xvii) There will be specified Review Points following full service commencement of the project where the Mersey Gateway Crossings Board and DfT will consider the financial performance of the Crossings and the Board since the last Review Point (or in the case of the first Review Point, since the commencement of full service) and agree forecasts for the revenues and costs of the scheme together with the operating costs of the Crossing Board for the period to the next Review Period (or in the case of the last Review Point, for the period to the end of the concession period). The first Review Point will be on the 5th anniversary of full service commencement with subsequent review points every 3 years thereafter until the end of the period during which Availability Support Grant is payable.



- (xviii) The review of performance for the next period will consider revenue levels achieved in the preceding years, future economic and transport forecasts and other issues that will impact on revenues as agreed between the parties. In the event that revenues for the next period cannot be agreed, then the average of the annual revenues since the last Review Point, adjusted for expected future changes in RPI, will be used as the forecast revenues for each year during the next period.
- (xix) To the extent that actual net revenues in the period since the last Review Point have exceeded the amount assumed in setting the Availability Support Grant for that period (or in the case of the first Review Point the revenues expected in the Outline Business Case), after allowing for discounts (subject to these not exceeding 10% of the revenue that would have been earned in the absence of any discount regime) and the cost of maintaining the Liquidity Reserve at the required amount (including to replenish any use of the Liquidity Reserve to cover revenue shortfalls during the last Review Period), but before any deductions for revenue leakage then this will be an Actual Excess. If forecast revenues, after taking into consideration any monies for discounts (subject to these not exceeding 10% of the revenue that would have been earned in the absence of any discount regime) and the cost of maintaining the Liquidity Reserve at the required amount (including to replenish any use of the Liquidity Reserve to cover revenue shortfalls during the last Review Period), but before any deductions for revenue leakage, exceed those used at the Outline Business Case Stage then this will be a Forecast Excess.
- (xx) The Availability Support Grant payable in each year by the DfT shall be the maximum Availability Support Grant set out in (xii), subject to a reduction for the years to the next Review Point equal to 85% of any Forecast Excess and 85% of any Actual Excess calculated at a Review Point.
- (xxi) For the avoidance of doubt, the term discounts refers to all discounts given to local residents and regular users of the bridge, including all vehicle types.

### **Demand Management Participation Agreement**

- (xxii) The Department recognises that Halton Borough Council wishes to explore the possibility of putting in place a Demand Management Participation Agreement (“DMPA”) and Halton Borough Council will explore this during the dialogue phase of the procurement.
- (xxiii) The Department wishes to assess the benefits of such an approach based on the information gained during the procurement and agree jointly with Halton Borough Council whether such an approach will be beneficial. Decisions on whether to go ahead with the DMPA and how these proposals would be reflected in the funding arrangements will need to be made before the end of dialogue and as part of the submission of the IFBC to the DfT and the Treasury Approval Point Panel.
- (xxiv) To the extent that a DMPA or similar is put in place it will be necessary to reflect any savings in unitary charge levels in accordance with (xii) above and revenue forecasts made at the Review Points will need to be net of any revenue share due to the DMPA party under that arrangement.

## Future Tolls and Charges

- (xxv) At any date prior to the date being the later of
- (a) the end of the Availability Support Grant payment period; or
  - (b) repayment in full of any Mersey Gateway Crossings Board borrowing
- no commitments shall be made by Halton Borough Council or the Crossings Board as to whether tolls/charges will or will not continue after these dates and/or at what level.
- (xxvi) At a point 3 years before the later of (a) or (b) above the Crossings Board, Halton Borough Council and DfT will jointly assess the benefits of continuing with tolling/charges in the light of the economic and transport network needs of the region, the overall context relating to road charging, and also considering any legal constraints and the prevailing legal position at that time.
- (xxvii) If tolling/charges continue then DfT will be entitled to share in the net financial benefits either directly in terms of direct payments to DfT or through reduced contributions to other local or regional transport schemes and initiatives as agreed with the Secretary of State. The sharing will be 70/30 in favour of Government unless otherwise agreed at the time.

## Mersey Gateway Crossings Board

- (xxviii) The Governance arrangements of the Mersey Gateway Crossings Board will be agreed with the Secretary of State and cannot be amended without the specific agreement of the Secretary of State. Draft Heads of Terms / Governance Arrangements are detailed within Appendix 7-B of the Outline Business Case and fully detailed arrangements must be in place and agreed by the Secretary of State before Full Approval;
- (xxix) The Secretary of State reserves the right to withdraw funding if further amendments to Governance arrangements are made without his consent;
- (xxx) The Board should have an independent capability to carry out its main tasks and should not solely rely upon Halton Borough Council and / or its officers;
- (xxxi) As a minimum the Crossings Board will be required to:
- Increase average weighted tolls/charges annually by RPI;
  - Have the ability to decide independently to increase average weighted tolls/charges by as much as 20% (in real terms) above the toll/charging levels set out in the Outline Business Case during the life of the concession (subject to the limits set out in the Scheme Orders) to take into account revenue shortfalls and overall finances of the Crossings Board;
  - Act in a transparent and open book manner;
  - Operate to ensure the financial stability of the Board.
- (xxxii) It will be for the Crossings Board to establish and implement their actual discounts policy, in accordance with the Crossings Board governance arrangements.

### **Other Requirements**

- (xxxiii) That the Department's Commercial & Technical Services team (CTS) will be invited to attend the Mersey Gateway Bridge Project Board meetings to support the successful delivery of the project and to monitor its progress;
- (xxxiv) That you keep us closely informed on the progress of this scheme, complete the Department's three monthly monitoring forms by the due date and provide such information as the Department may reasonably require in relation to this Funding Offer;
- (xxxv) That you notify the Department immediately in the event of any significant changes to the scope, design or expected benefits of the scheme;
- (xxxvi) The Department will use reasonable endeavours to ensure that all necessary regulations to permit open road tolling to be implemented on the Mersey Gateway and Silver Jubilee Bridges from the scheduled full service commencement date will be in force by October 2012 but your procurement process should still allow for a switch to plaza tolling if for any reason the required orders/ regulations are not in place by this date. If this occurs the Department and Halton Borough Council will jointly review the situation.

### **Application for Full Approval**

An application for Full Approval (Full Business Case) should be submitted to the Department following completion of the tender process and should include:-

1. a brief report of the tender exercise with details of the preferred bidders Best and Final Offer;
2. a revised estimated total scheme cost in light of the prices bid during the procurement process;
3. a report on the private financing of the project and confirmation from your advisors that the final proposal represents value for money in the context of prevailing market conditions;
4. updated assessment of the value for money of the procurement route chosen;
5. your confirmation that the broad scope and design of the scheme remains unaltered, with details of any substantive changes resulting from the detailed design and procurement process;
6. confirmation by the authority's Section 151 officer that a Gateway 3 Review has been completed and the necessary remedial action has been taken in respect of any 'Red' recommendations;
7. an agreed approach to monitoring and evaluation of the scheme, the scope of which will be subject to the Department's agreement prior to submission of the Full Business Case and funded by the promoter.
8. an assessment of the Social and Distributional Impacts of the scheme in accordance with DfT guidance as it stands at the time of the Full Approval application. The results of this assessment will be considered by Ministers as part of Full Approval consideration. You will be expected to show that you have made reasonable efforts to mitigate any significant negative impacts associated with the scheme.
9. an up to date risk register and project plan with milestones;
10. an up to date mobilisation and operational management plan; and
11. your confirmation that you take full responsibility to bear any further increases in cost following Full Approval;

12. your plans for the tolling structure for the crossing including how discounts will be applied including requirements to consider value for money; and
13. confirmation of the detailed Governance Structures, policies and constitution of the Mersey Gateway Crossings Board.

In addition to those areas outlined above, the Full Business Case should also specifically highlight those areas where there have been changes from the Outline Business Case

This letter is without prejudice to any other consent that may be required, for example, in connection with planning legislation.

### **Procedures**

Please keep in touch with us about the progress of your project during procurement.

You must inform us immediately if you wish to change aspects of the project in any material way from the case agreed, in particular the scope or the timetable. If changes are required to any of these aspects of the project you will need to obtain the Department's written agreement in good time before the contract is signed. Subject to the protocol to be agreed pursuant to (xi), written consent will also be needed for any significant derogations from the standard contract conditions. Failure to obtain any of these could potentially mean withdrawal of support for the project, and would invalidate any undertaking by the Department to support your scheme. We hope our involvements in the Project Board during the procurement phase will help keep us up to date with progress.

You should be aware that the project is subject to further review by the Treasury Approval Point Panel at two points in the future; firstly at the end of the dialogue phase and then when you are seeking full approval.

This will require the submission of an **interim final business case** (IFBC) at least four weeks prior to the close of dialogue. The IFBC should comprise of a Full Business Case detailing progress from the OBC submission, financing terms and noting where there have been changes. Subject to the protocol to be agreed pursuant to (xi), the IFBC approval submission may need to include a full list of the derogations proposed by the authority and each of the remaining bidders and will require endorsement by the Department and HM Treasury before the project can proceed to close dialogue.

The Full Business Case itself will also be subject to review and appraisal by the Department and the Treasury Approval Point Panel before a full approval letter is issued.

In good time prior to the submission of the Interim and Final Business Case, please seek further guidance from the Department as to what the exact requirements are.

The full approval letter will provide details of how and when Availability Support Grant can be claimed. Your Authority will need to ensure that funds are available to cover that part of the payments to the contractor which will not be met by central Government. You will be eligible for Availability Support Grant on full service commencement under the DBFO agreement.

Availability Support Grant is not intended to match or correlate directly to the payments that arise under the DBFO contract. However, subject to affordability and value for money the Government is committed to supporting good projects and to assisting the development of such projects in the local authority sector. Its policy is therefore to maintain revenue for such projects in the long term, consistent with the long-term nature of these contracts, even though formally such support cannot be guaranteed.

The main Departmental contact point for this scheme will continue to be Charlie Sunderland although the Department's CTS (Nick Joyce/Colin Goodwillie) will be able to help if any specific technical advice is required on the procurement process.

We look forward to continuing to work with you on this project.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Ahmed', written in a cursive style.

**Mostaque Ahmed**





Mostaque Ahmed  
Local Capital Programmes and Delivery  
Department for Transport  
Room 2/14  
Great Minster House  
33 Horseferry Road  
London  
SW1P 4DR

Our ref                    DWP/BH  
If you telephone Mr. D. W. Parr  
please ask for  
Your ref  
Date                      20 October 2011  
E-mail address        david.parr@halton.gov.uk

Dear Mostaque,

**Mersey Gateway Bridge Conditional Funding Approval**

Thank you for your letter of 19 October 2011, granting Conditional Funding Approval for the Mersey Gateway Bridge Project, subject to funding conditions.

I note this letter supersedes the funding conditions agreed with the Department back in December 2008, as proposed in the letter from John Dowie of 18 November 2008.

Full Council considered the contents of your letter of the 19<sup>th</sup> at their meeting last night, (the 19<sup>th</sup> October 2011).

I am delighted to confirm that the Council **unanimously agreed** to the Conditional Funding Approval and funding conditions, as set out in your letter of the 19<sup>th</sup>.

The funding approval and the Council decision now clears the way for procurement to commence and matters are in hand to advertise the contract opportunity in the Official Journal of the European Union.

We are well placed to deliver the project within the funding limits and will provide you with regular progress reports as requested.

Your clarification, of the information you will require to support our future Final Funding Submission, is appreciated and reflects the Department's aim to scale back the assessment burden at full approval stage.

It's all happening **IN HALTON**

David W. Parr LLB, Chief Executive  
Municipal Building, Kingsway, Widnes, Cheshire. WA8 7QF  
Tel: 0303 333 4300 Fax: 0151 471 7562 www.halton.gov.uk



2

20 October, 2011

Mostaque Ahmed

I would also like to personally thank you and your colleagues for the support we continue to receive in moving this high priority project forward.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'David Parr', with a long horizontal flourish extending to the right.

**David Parr**  
**Chief Executive**

<b>REPORT TO:</b>	Mersey Gateway Executive Board
<b>DATE:</b>	17 November 2011
<b>REPORTING OFFICER:</b>	Chief Executive
<b>SUBJECT:</b>	Mersey Gateway Bridge – Commencement of Procurement
<b>WARDS:</b>	All

## **1.0 PURPOSE OF THE REPORT**

- 1.1 The Conditional Funding Agreement with Ministers allows the procurement process for Mersey Gateway Bridge to commence. This report advises members of the procurement actions already taken and provides an overview of the activity planned for the next two years.

## **2.0 RECOMMENDATION: That the Mersey Gateway Executive Board note that the procurement process has commenced.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 The procurement process commences with the publication of the Contract Notice in the Official Journal of the European Union (OJEU), which invites interested parties to express an interest in the procurement of Mersey Gateway Bridge. The Contract Notice was dispatched on 20 October 2011 and responses are required by 14 December 2011. The Contract Notice was published in the OJEU on Monday 24 October. The terms of the Contract Notice are drawn to allow the procurement process to develop the most economically advantageous solution (referred to as a bid).
- 3.2 The invitation to the private sector to express an interest in procurement is supported by a project brief called the 'The Prequalification Document', which is available on the project website, merseygateway.com. The Prequalification Document Appendices contain instructions for candidates wishing to express an interest and responses are required in the form of Prequalification Questionnaire. The project team are using the northwest Local Authorities' procurement portal, 'the Chest', to administer the prequalification process. Candidates must register on the Chest to gain access to the Project portal. Candidates need to register in order to request access to project information (the Dataroom), name their authorised representative, and to receive subsequent prequalification circulars (containing clarifications and responses to queries). Guidance on registering and using the Chest during the prequalification period is included in the Prequalification Document. The prequalification evaluation team (evaluators and moderators) has been identified and the process will use the 'Award' evaluation software proven to provide a robust selection procedure that can stand up to scrutiny.



3.3 The evaluation of prequalification submissions will take place from mid December to the end of January 2012. The aim is to select the three best candidates based on the published evaluation criteria. In February 2012 recommendations are to be reported to this board leading to the successful candidates being informed. The announcement of the prequalification result will enable the selected candidates to mobilise for the Competitive Dialogue process. The dialogue stage is programmed to start in February 2012. Dialogue will start with a series of briefing sessions with bidders and then goes into dialogue proper; the bidders will submit Draft Final Tenders towards the end of the dialogue stage. The Council will evaluate these, close the dialogue, and invite Final Tenders around February 2012. A preferred bidder will be selected on the basis of the Final Tenders. The programme of key procurement events is set out in Appendix 1.

3.4 To enable an efficient Competitive Dialogue to take place the project team are preparing the draft contract documents, including guidance and instructions for the bidders. The documentation will be embraced in the Invitation To Participate in Dialogue (ITPD). The project team plan to complete the ITPD in time for dialogue to commence next February.

3.5 Members are also aware that additional planning applications are being developed (called the Further Applications) with consultation currently taking place. The aim is to enable the Council as Local Planning Authority, to consider the Further Applications so that a decision is available at the commencement of Dialogue.

#### **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 All substantive implications are reported above and in the report annex.

#### **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 procurement process will be supported by robust risk assessment and management with key issues reported to the Officer Project Board and members (as part of a risk escalation management regime).

### **8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 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**

9.1 None under the meaning of the Act

## Mersey Gateway Procurement programme (schematic)

