

APPENDIX A: Report to Property & Regeneration on 8th July 2019 and to Procurement Board on 10th July 2019

REPORT OF
THE STRATEGIC DIRECTOR PLACE

TO PROPERTY & REGENERATION FOR BRIEFING

ON 8TH JULY 2019

AND

PROCUREMENT BOARD FOR DECISION

ON 10TH JULY 2019

A5063 Trafford Road Corridor – Growth Deal 3

RECOMMENDATIONS:

That the City Mayor:

- a. Notes the progress to date and endorses the proposals for the detailed design and delivery of the project, including the procurement route as proposed in this report.
 - b. Delegates Authority to the Strategic Director Place in consultation with the S151 officer to submit the Full Business Case (FBC) to the Greater Manchester Combined Authority (GMCA) for review.
 - c. Delegates Authority to the Strategic Director Place in consultation with the S151 officer to draft and approve the Grant Funding Agreement (GFA) between Salford City Council, Transport for Greater Manchester (TfGM) and the GMCA.
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EXECUTIVE SUMMARY:

The Trafford Road Corridor Project is a Growth Deal 3 Major Project for which Conditional Approval was granted at Chief Executives' Investment Group on 30th November 2018.

A report was taken to the City Mayor on 25th May 2018 outlining the project proposals and requesting approval for the necessary requirements to deliver the project.

This report provides a scheme update following the successful bid to the Mayors Challenge Fund (MCF) gaining £4.835m programme entry and seeks further approval for the next steps of delivery.

The Trafford Road corridor itself is a key transport artery which runs from the M602 to the bridge over the Manchester Ship Canal to the Borough of Trafford and provides a vital highway connection to MediaCityUK.

The project aims to improve the infrastructure to deliver:

- Improved capacity for vehicles
- Reduce congestion
- Improve pedestrian and cycle connectivity
- Support continued growth
- Better neighbourhood connections

The scheme will achieve this by introducing new layouts at key junctions and enhancing facilities for pedestrians and cyclists for movements both along and across Trafford Road.

The Growth Deal 3 funds must be spent by the end of March 2021. The Mayors Challenge Funds must be spent by the end of March 2022. To achieve this it is necessary to submit the Full Business Case for Growth Deal funding by December 2019 and start works on site in summer 2020.

The overall project is valued at £19.835m comprising: £4.835m MCF, £10.5m of Growth Deal 3 funding and £4.5m of local match funding by SCC.

Appendices:

Appendix A: Trafford Road Corridor Plan

Appendix B: Appendix C: City Mayor Briefing Growth Deal 3 25th May 2018

Appendix C: Merchants Quay MCF Visualisation

KEY DECISION: Yes.

DETAILS:

1. Background

- 1.1 MediaCityUK (MCUK) and the Salford Quays area is already one of the UK's most successful regeneration projects with over 1,000 businesses providing 30,000 jobs and 10,000 residents living there. An independent economic assessment concluded that employment will increase by a further 18,500 jobs and the population will grow by 34,000 by 2040.
- 1.2 With such a high volume of growth predicted, Salford City Council conducted a feasibility study to understand the potential impacts of this growth on the highway network. The study concluded that the Trafford Road corridor would become increasingly congested and would therefore hinder the predicted growth for the area. In order to support growth the study recommended a series of junction improvements on this corridor.
- 1.3 The study predicted the following junctions along Trafford Road would operate beyond capacity when taking into consideration the additional development and associated traffic growth in the area:
 - Trafford Road / Broadway
 - Trafford Road / The Quays
 - Trafford Road / Ordsall Lane
 - Trafford Road / Exchange Quay / Clippers Quay
 - The Quays / Waterfront Quay
 - The Quays / Furness Quay
- 1.4 Salford City Council submitted a bid to fund a major infrastructure project through the GMCA Growth Deal 3. Details of the Growth Deal 3 bid were presented to the City Mayor on 16th May 2016. In March 2017 the Greater Manchester Combined Authority, confirmed funding approval for highway capacity improvements on the A5063 Trafford Road corridor, through the Growth Deal Round 3 funding arrangements.
- 1.5 The Trafford Road project aligns with the key strategic aims from Salford 2025: A Modern Global City by:
 - Encouraging growth by supporting new businesses in a high-priority regeneration area;
 - Providing additional highway capacity that will enable more ambitious development proposals to be accommodated;
 - Improving existing transport links and supporting access to additional new homes, culture and sport;

- Supporting the development of the area by enhancing and accelerating opportunities for growth and ensuring the continued success of existing facilities in the area.

2. Project Scope & Scheme Development

Project Scope Development

- 2.1 In late 2017, the Cycling and Walking Commissioner for Greater Manchester Chris Boardman produced the *Made to Move* action plan to double and then double again cycling in Greater Manchester and make walking the natural choice for as many short trips as possible. He noted the objective is to 'build a new and high quality network for cycling and walking that benefits all of our town and city centres but that also delivers high quality commuter routes into the heart of the regional centre'. This is to be achieved by:
- New, better and more innovative design
 - Safer streets and junctions
 - Reclaiming the school run
 - Genuinely joined up public transport
 - Increasing peoples access to bike
 - Culture shift
 - Efficient investment
- 2.2 In May 2018 it was announced that between 2018 and 2022, £160m of funding will be made available through the Transforming Cities Fund to encourage more people to cycle and walk more often in Greater Manchester. Funding applications are made through a quarterly bidding cycle via the Greater Manchester Mayor's Walking and Cycling Challenge Fund (MCF).
- 2.3 As a result of 'Made to Move' and to support aspirations set within a number of Salford City Council's policies which support this agenda, a decision was taken in June 2018 to review the initial scheme proposals to establish how enhanced cycling and walking infrastructure could be incorporated whilst still delivering capacity benefits for vehicles.
- 2.4 Salford City Council and Urban Vision officers have worked closely with TfGM and the Greater Manchester Cycling Officers' team to develop a feasibility layout which delivers enhanced innovative cycling and walking facilities whilst delivering vehicular capacity improvements at junctions and reducing overall travel time along the corridor.
- 2.5 The feasibility proposals include: full junction re-signalisation; improved signal timings; improved pedestrian and cycling facilities; and enhancements to the public realm along the length of the corridor.

- 2.6 The enhanced cycle option feasibility design requires substantial changes to the existing corridor infrastructure, and as a result has increased the project costs. Salford City Council submitted a £4.835m funding application to the MCF to cover the additional estimated costs in September 2018, and received confirmation of programme entry in December 2018. The MCF funding must be spent by 31st March 2022.

Scheme Proposals

- 2.7 The enhanced cycle option feasibility proposals are as follows:
- Reallocation of space from the central reserve to improve carriageway, footway and verge facilities;
 - Provision of segregated pedestrian and cycle facilities wherever feasible along the corridor, including junctions;
 - Incorporation of innovative junction configurations that provide separate and dedicated crossing facilities for both pedestrians and cyclists;
 - Renewal of street furniture along the corridor to better suit the proposed layout;
 - Incorporation of public realm and green infrastructure improvements along the corridor wherever possible;
 - Enhanced placemaking and wayfinding through material selection and introduction of gateway features;
 - The layout supports and complements existing and future planned development.
- 2.8 To maintain junction consistency and continuity of the segregated footway & cycle track facilities along the corridor, the following junctions have been brought in to the scope of works for this scheme:
- Trafford Road / Merchants Quay
 - Trafford Road / Phoebe Street

3. Progress to Date

- 3.1 In accordance with the governance process for Growth Deal schemes, an Outline Business Case (OBC) was prepared and submitted in October 2018. The OBC submission was based on the initial design development layout to avoid delays associated with undertaking a full re-assessment of the scheme to correspond to the enhanced cycle option proposals. The OBC received conditional approval in December 2018. A Grant Claim to reimburse OBC development costs up to the end of February 2019 was made in March 2019 and has been paid by TfGM.
- 3.2 The development of the enhanced cycle option layout concluded in early November 2018, and a feasibility cost estimate developed. A cost review was undertaken, and the feasibility design refined to align costs with available

funding. The estimated cost of the finalised feasibility layout inclusive of allowances for Risk is currently equal to the total available funding figure of £19.835m. The estimated costs include the 'C3' Budget Estimate figures provided by the Statutory Undertakers' for the diversion/protection of their apparatus which are based upon a high level review of the works proposals. The Detailed Design has been progressed with the expectation that the utility diversion costs are likely to reduce as the engagement with the Statutory Undertakers progresses to the 'C4' Detailed estimate stage, informed by the results of the site investigations.

- 3.3 The detailed design activities are currently on-going and it is anticipated that the Invitation to Tender for the works will be issued in August 2019 to the contractors on Lot 4 of the Manchester City Council Framework. This route was arrived at following an evaluation of all available options which involved consultation with the project board, SCC's Procurement Team and TfGM's Senior Procurement Manager.
- 3.4 Following an evaluation of the works requirements, delivery programme and project risks, it is considered advantageous to carry out a package of enabling works in advance of the main works. This will reduce risk to the project by undertaking the required utility diversions, time-critical vegetation clearance and some limited permanent works such as installation of the proposed CCTV system to enhance traffic monitoring during the main contract. The cost of the enabling works has been estimated at £1.6m, including approximately £1.2m of Statutory Undertakers costs.
- 3.5 The Growth Deal team have been consulted and have indicated that we may seek agreement to fund the enabling works package in advance of Full Business Case (FBC) approval. However, this would have to be repaid should the FBC not be approved or if the main works were cancelled for any other reason. It is considered that the benefits to SCC in commissioning the enabling works to be carried out in advance will be to reduce risk to cost and programme and provide greater certainty of achieving the funding deadlines. The reasoning is expanded upon in section 4.2 below.

4. Programme

- 4.1 In the report to the City Mayor on 29th May 2018, it was indicated that the main works would commence in February 2020 for a duration of 15 months. As a result of incorporating the enhanced cycling and walking infrastructure, the start of the main works is expected to be in the summer months of 2020 for a duration of 18 months, with the enabling works starting in January 2020. SCC and UV officers are currently in discussions with TfGM regarding opportunities to shorten Full Business Case approvals to allow the start of works to commence earlier in order to maximise the benefits of the reduced traffic volumes during the summer months.

4.2 A number of risks and opportunities to reduce costs have been identified in respect of the main works. It is recommended that an enabling works package is procured to complete the following activities between January 2020 and the start of the main works:

- There is a risk of construction programme delays associated with Statutory Undertaker diversions if undertaken as part of the main works; undertaking these works prior to the main works would de-risk associated works for the main contract.
- There is substantial vegetation within the existing central reservation, much of which will need clearing to facilitate the proposed scheme. It is recommended that these works be undertaken outside the bird nesting season (approx. March to September) in advance of the main works to avoid potential delays to the construction programme.
- The existing CCTV equipment is to be replaced as part of the works. It is recommended that the new CCTV equipment is installed and commissioned as part of an enabling works package to avoid temporary installations for traffic monitoring purposes during the main works.
- Several street lighting columns require relocation in close proximity to Metrolink apparatus. There is an opportunity to undertake limited street lighting works using Urban Vision Street Lighting prior to the enabling works package during planned Metrolink closures in late 2019; this would reduce significant costs associated with temporary Metrolink power disconnections to undertake street lighting works in these areas.

4.3 The current scheme delivery programme runs procurement of both enabling works and main works packages in parallel, seeking SCC approval to award a contract or contracts in late 2019. This approach is being recommended to minimise the risk associated with any delay to FBC approval, as Business Case Review and other key assessment outcomes will be available to inform a decision. The funding for the enabling works, including commentary on the associated risks is discussed in Section 3.4

4.4 The key project milestones for the enabling works are detailed in the table below:

Enabling Works Milestones	Forecast Date
Confirm Enabling Works Package Approach (via this report)	July 2019
Enabling Works Package Invitation to Tender Issue	August 2019
Tender Action and SCC Approvals complete	December 2019
Start of Enabling Works	January 2020
Completion of Enabling Works	June 2020

4.5 The key project milestones for the main works are detailed in the table below:

	Milestone Dates
Main Works Milestones	Current Forecast
Detailed Design Completion & Invitation to Tender Issue	August 2019
Tender Action and SCC Approvals complete	November 2019
Full Business Case Submission	January 2020
Start of Main Works	August 2020
Completion of Main Works	January 2022
Snagging / Commissioning	February 2022
Retention period end	February 2023

4.6 TRO advertising is programmed to end two weeks prior to the FBC submission to enable feedback to be included within FBC report and provide the maximum legal two year window for sealing the orders post advertisement. This approach is recommended to minimise the risk of TROs having to be re-advertised post FBC submission or contract award.

5. Procurement

5.1 The procurement route recommended for the main works contract is the 'Manchester City Council Highways & Infrastructure Construction Works Framework Agreement' (MCC). The value of the works will require procurement under Lot 4 (works value greater than £5,000,001). The contractual basis for the framework is the NEC3 Engineering & Construction Contract, Main Option A or C, with the preferred option to be determined at a contract workshop. The Lot 4

contractors are: Balfour Beatty Civil Engineering Ltd; Colas Ltd; North Midland Construction PLC; Galliford-Try Infrastructure Ltd; John Sisk & Son Ltd.

- 5.2 The enabling works would be procured under Lot 1 of the MCC Framework with the invitations to tenders issued concurrently. The Lot 1 contractors are: North Midland Construction PLC; Galliford-Try Infrastructure Ltd; Eurovia Infrastructure Ltd; Coffey Construction; AE Yates; ACS Construction Group Ltd.
- 5.3 To engage with the framework contractors and their supply chain, a note summarising the project details will be issued to them along with an invitation to attend a briefing session in July.

6. Costs & Funding

High Level Project Cost Summary

- 6.1 The current estimated total cost of the project is £19,835,000. This is inclusive of £2,500,000 risk allowance in accordance with Growth Deal guidance.

Funding Stream Allocations

- 6.2 The table below shows the current funding allocations for the scheme and their associated expenditure deadlines:

Funding Source	Expenditure Deadline	Funding Allocation
Growth Deal 3 (GD3)	March 2021	£ 10,500,000
Mayor's Challenge Fund (MCF)	March 2022	£ 4,835,000
Salford Match Funding (SCC)	March 2023	£ 4,500,000
Total Funding Allocation		£ 19,835,000

- 6.3 To meet the funding deadline requirements, it has been agreed with Growth Deal Board that funding shall be drawn down in the order shown in the above table.

Funding Agreement

- 6.4 As part of the Growth Deal process for Full Business Case, Salford City Council must enter into a legally binding Grant Funding Agreement (GFA). This forms a financial contract between Salford, TfGM and GMCA. This is currently being drafted and will be completed working with Salford Legal Services representatives and TfGM.

- 6.5 This report seeks delegated authority for the Strategic Director Place in consultation with the S151 officer to draft and approve the Grant Funding Agreement (GFA) between Salford City Council, TfGM and the Greater Manchester Combined Authority.

7. Consultation

- 7.1 A detailed Stakeholder Management and Communications Strategy has been created for the project. This sets out the roles and responsibilities of the parties, the measures to be implemented, provides the terms of reference for a tri-partite Communications Working group and identifies: who the key stakeholders are and why; what communications channels are available to all partners to ensure information sharing and engagement with stakeholders is informative, timely, relevant and consistent.
- 7.2 Two rounds of public engagement are proposed, the first in July 2019 held at Oasis Academy to inform the public of the scheme in general and the second in September/October 2019 to provide greater detail including visualisations of the completed design. The events will be complemented by an 'FAQ' and feedback form on the scheme website hosted by SCC.

KEY COUNCIL POLICIES:

Salford 2025, a Modern Global City.
Transport in Salford 2025.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

Social Value

The scheme will be procured in accordance with public procurement principles and in accordance with the City Council's Contractual Standing Orders.

The tender returns have an element worth 20% of the award criteria which requires the contractor to propose how they intend to maximise social benefits to Salford residents and businesses.

Engagement is also taking place with the University of Salford and Salford City College in connection with recruitment, analysing data and the market place with regard to construction projects in Salford.

ASSESSMENT OF RISK:

Low: A robust risk management process has been implemented, commencing at project inception stage. A risk register has been established and this is being maintained as a live

document which is reviewed periodically and updated following any noteworthy changes to the situation.

An expert in Risk Management has been engaged via TfGM to assist in the assessment, mitigation and control of risks to the project.

As discussed in Section 4.2 and reflected in the Financial Implications below, there is a risk that any expenditure prior to FBC approval, including the enabling works would have to be repaid to Growth Deal if approval for the scheme to go ahead is not granted. This scenario is considered to be unlikely given the continued engagement with TfGM governance for the arrangements for this funding and the risk is rated as very low.

LEGAL IMPLICATIONS Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323

When commissioning contracts for the procurement of goods, services, or the execution of works, the Council must comply with the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. The proposed procurement of the works will be by way of a tender exercise in accordance with the process set out in the Manchester City Council Highways and Infrastructure Construction Works Framework, which itself was procured in accordance with the PCR following using an OJEU process, and will therefore ensure that the risk of challenge to the award of any contract is minimal and that any challenge, should it materialise, is extremely unlikely to be successful.

The purpose of a framework agreement is to select through a procurement/ evaluation process a number of providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council will undertake an exercise to call off the services from one or more of the providers who have been selected to be on the framework and this may be through any number of ways such as mini-competition as in this instance, or direct allocation, depending on the circumstances. A contract will then be formed between the Council and the chosen provider/s.

The Council will need to follow the procedure set out in the framework agreement to ensure the procurement process is compliant and evaluated in accordance with published criteria resulting in the proposal of any award. The procurement procedures therefore appear robust and compliant with the requirements of CSO's and PCR.

In respect of the grant funding agreement, as part of the Growth Deal process for Full Business Case, the Council must enter into a grant funding agreement with TfGM and GMCA. This will be reviewed by Legal Services when received from TfGM to protect the Council's interests, and it is understood that the grant funding agreement is currently being drafted ready for circulation.

FINANCIAL IMPLICATIONS Supplied by: Natalie Birchall, Finance Officer. Ext 2316

The overall project is valued at £19.835m comprising: £4.835m MCF, £10.5m of Growth Deal 3 funding and £4.5m of local match funding by SCC.

The OBC received conditional approval in December 2018 and OBC development costs have been reimbursed to the council.

The proposals in this report recommend that an enabling works package is procured, estimated at £1.6m, including approximately £1.2m of statutory undertaker's costs, in advance of FBC.

These proposals will be managed in accordance with Growth deal rules, SCC will cash flow the project and re-claim from TFGM.

There is a low risk that any spend prior to FBC approval may have to be re-paid, the reasoning is section 4.2 consider the benefits to SCC commissioning the enabling works in advance is worth the risk in order to safeguard the programme, works costs and funding deadlines.

PROCUREMENT IMPLICATIONS supplied by: Jennifer Hilton, Category Manager, x.6241

Procuring this requirement through the Manchester City Council Highways & Infrastructure Construction Works Framework Agreement complies with both EU legislation and Salford City Council's Contractual Standing Orders. The value of the works will require procurement under Lot 4 (works value greater than £5,000,001)

The tender returns have an element worth 20% of the award criteria which requires the contractor to propose how they intend to maximise social benefits to Salford residents and businesses.

HR IMPLICATIONS

Not applicable at this stage.

OTHER DIRECTORATES CONSULTED: None

CONTACT OFFICER: Stephen Hands Tel no: Ext 4931

WARDS TO WHICH REPORT RELATES: Ordsall

Appendices:

Appendix A: Trafford Road Corridor Plan

Appendix B: City Mayor Briefing Growth Deal 3 25th May 2018

Appendix C: Merchants Quay MCF Visualisation