

REPORT OF
The Strategic Director for Place
TO
Procurement Board
ON
11th May 2022

TITLE: Approval to go out to competition for New Bailey Gateway Phase 2 –
Junction Of New Bailey Street And Chapel Street

RECOMMENDATION:

That Procurement Board grant authority for the New Bailey Gateway Phase 2 scheme to be procured in accordance with the Council's Contract Procedure Rules through an *existing Framework*.

EXECUTIVE SUMMARY:

The purpose of this report is to request approval to go out competition for the delivery of the abovementioned scheme.

BACKGROUND DOCUMENTS:

- Report Of The Strategic Director For Environment And Community Safety To The City Mayor For Property And Regeneration Briefing On 13th March 2017. New Bailey Gateway
 - Report to Lead Member For Planning And Sustainable Development (Briefing) 15th March 2022
 - Report to Lead Member for Housing, Property and Regeneration at Property & Regeneration Briefing on 28th March 2022
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KEY DECISION: NO

DETAILS:

In September 2015 design feasibility work commenced on the New Bailey Gateway project. Based on criteria established through the funding partners, the key aims of the scheme are to support regeneration in this key location within the city centre. The optioneering phase also resulted in the splitting of the scheme into two distinct phases of works.

Phase 1 works were completed in March 2018 and centred on improvements along New Bailey Street but excluded the junction with Chapel Street.

The Phase 2 scheme includes improvements to the junction of New Bailey Street and Chapel Street and the introduction of a bus gate on New Bailey Street and Bridge Street. The bus gate, to be delivered by Manchester City Council, would create a bus only route heading out of Manchester to the west of Left Bank on Bridge Street. Procurement Board approval is sought only for elements of the scheme at the junction of New Bailey Street and Chapel Street.

The scheme has been developed following traffic modelling carried out by Transport for Greater Manchester (TfGM) and design discussions with TfGM's Urban Traffic Control (UTC) team.

The following benefits have been identified for the delivery of the full Phase 2 scheme (incorporating the junction of New Bailey Street and Chapel Street and the New Bailey Bus Gate):

- Improves bus journey times at a known delay point;
- Locks in the benefits of recent improvements to the Manchester and Salford Inner Relief Road by forcing more through journeys to use this route;
- Complements the new public realm introduced on New Bailey Street by reducing traffic;
- Supports the ongoing development of New Bailey and regeneration in the city centre;
- Supports proposals that are being developed for the junction of Trinity Way and Chapel Street including improved cycling and pedestrian facilities. A reduction in general traffic using New Bailey Street is expected to be required to deliver this scheme in full.
- Supports emerging plans in Manchester for Deansgate and regeneration of the St Mary's Parsonage area of Manchester.

The next stage of the project requires the scheme to be tendered for a price. This will allow the selection of a preferred supplier and an update of the scheme costs.

The recommended procurement route for the main works contract is the existing Bolton Council Highways Framework Contract 2019/2023 (Option B).

The Bolton Framework has successfully delivered a number of schemes of a similar scale/nature to the junction of New Bailey Street and Chapel Street over the course of its lifespan and has been used to procure contractors for adjoining schemes on Gore Street (Rosgal Limited) and Chapel Street East Phase 1 (The Casey Group Limited). This successful track record, potential for achieving value for money and the nature of the works being proposed are the reasons the Bolton Framework is recommended.

The forecasted key project milestones for the scheme are detailed below:

Junction of New Bailey Street and Chapel Street Key Milestones	Completion (Forecasted)
Detailed Design	May 2022
Presentation to Lead Member regarding proposed Traffic Regulation Orders	May 2022
Procurement (up to completion of tender assessment)	July 2022
Construction Starts	August 2022
Construction Finishes	February 2023

The scheme will be funded through a mix of sources which are contributing towards all phases of the New Bailey Gateway scheme. £1.7m Growth Deal 2 monies have been secured, along with match funding from English Cities Fund (£362k). In addition, S106 contributions have been secured totalling £638k.

KEY COUNCIL POLICIES:

The scheme will contribute to Salford's Great Eight priorities by supporting improvements to our streets and is particularly relevant to priority 3, Tackling the climate emergency, and priority 6, Promoting transport and digital connectivity.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The scheme will contribute to improving accessibility for all through the establishment of safe and attractive routes for pedestrians and cyclists. This will support greater equality through promoting affordable transport options that facilitate access to employment and public transport (through improved access to Salford Central Station and quality bus services along Chapel Street and New Bailey Street).

Contribution to Social Value will also be considered as an element within the assessment of tender options through quantitative assessment using the Social Value Portal and part of the assessment of the quality submission. This is expected to include, but not limited to, consideration of the following:

- Details of any traineeships, apprenticeships, work experience placements and employment of local labour on this contract;
 - Details of any commitments to pay the Salford Living Wage;
 - Details of any local companies to be employed as sub-contractors or local suppliers to be utilised in delivering this contract;
 - Details of any planned engagement with local secondary schools around curriculum and careers development;
 - Details of any proposed donations or in-kind contributions to local community and user groups; and
 - Details of any proposed corporate volunteering days.
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ASSESSMENT OF RISK:

Medium: 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.

Detailed designs are in the process of being finalised for the project and will be completed ahead of the tender process and submission of tender prices. The completion of the tender process is required to provide confirmation of the scheme costs and to inform the final review of the overall funding requirements.

SOURCE OF FUNDING:

The approved funding submission identified that the scheme is to be paid for through a combination of Growth Deal 2 funding, secured from Transport for Greater Manchester (TfGM), along with third party match funding from English Cities Fund and local authority match funding secured from S106 contributions.

The below table provides a summary of the approved funding allocations for Phase 1 and Phase 2 and the total funding for the scheme. The total cost of completing phase 1 of the scheme was £1.4m with the remaining funding of £1.3m to be allocated for phase 2.

Scheme funding and spend profile

Funding Source	Secured Funding	Phase 1 Outturn Costs	Phase 2 Funding
Growth Deal 2	£1,700,000.00	£1,015,506.58	£684,493.42
LA Match Funding (S106)	£310,000.00	-	£310,000.00
Third Party (ECF) Match Funding	£690,000.00	£362,232.96	£327,767.04
Total	£2,700,000.00	£1,377,739.54	£1,322,260.46

Greater Manchester Combined Authority (Growth Deal 2) £1.7 million

Following submission of a mini-business case this grant funding was approved at the Greater Manchester Transport Growth Group meeting on the 20th December 2016. All costs associated with the scheme incurred by the City Council are being drawn down on a quarterly basis through TfGM.

Select Property Group (S106)

Two separate S106 agreements to the value of £880,000 have been signed with the Select Property Group in relation to the developments at 'Riverside' and 'Riverview'. The projects named in these agreements include allocations to contribute to the delivery of New Bailey Gateway.

S106 Climate Change £90,000

A contribution of £90,000 is to be drawn down from within the councils S106 funding allocation from S106 relating to climate change.

English Cities Fund (match funding)

Salford City Council's development partner English Cities Fund (ECF) has agreed to contribute a total of £362,232 towards phase 1 of the scheme.

See financial comments below.

LEGAL IMPLICATIONS: Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323.
Date: 03.02.22

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 (CSOs), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's stipulate that

where a suitable framework exists, this must be used unless there is an auditable reason not to do so.

The proposed procurement of the works will be by way of a tender exercise in accordance with the process set out in the Bolton Council Highways Framework Contract 2019/2023 (Option B), which itself was procured in accordance with the PCR 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, in this instance by way of mini competition. A contract will then be formed between the Council and the chosen provider(s). The Council will need to have followed the procedure set out in the framework agreement for mini competition to ensure the procurement process is compliant.

It is important that the Council complies with the terms of the Growth Deal 2 grant funding agreement with TfGM (in particular ensuring that the fund is only used for eligible expenditure) and any timescales around expenditure and reporting are adhered to, otherwise the Council may be at risk of TfGM seeking clawback of the funding for failure to comply.

The report refers to funding for the works coming from s106 funds. The expenditure must be in accordance with the terms of the relevant planning obligations. Should the Council allocate S106 funding outside of the conditions within the agreements, or outside the timescales, or in breach of applicable Regulations, a developer may challenge that decision and claim back contributions.

FINANCIAL IMPLICATIONS: Supplied by: Natalie Birchall Finance Officer L2 Ext 2316. Date: 03.02.22

The New Bailey Gateway scheme is being delivered in two phases with total funding of £2.7m secured through a combination of Growth Deal 2 funding from Transport for Greater Manchester (TfGM), third party match funding from English Cities Fund and local authority match funding secured from S106 contributions.

The first phase of the scheme had an outturn cost of £1.4m and was funded from a mix of secured Growth Deal grant and secured ECF contribution.

The second phase of work is estimated to cost £1.3m and is to be funded through the remainder of the Growth Deal grant and secured S106 contributions. The confirmed S106 contributions include two separate S106 agreements signed with the Select Property Group in relation to the developments at 'Riverside' and 'Riverview'. A further

contribution is to be drawn down from within the councils S106 funding allocation from S106 relating to climate change.

In accordance with Growth Deal 2 rules, SCC will cash flow the project and re-claim from TfGM, via quarterly claims.

PROCUREMENT IMPLICATIONS: Supplied by:

The Bolton Council Highways Framework Contract 2019/2023 is a compliant procurement in line with the Public Contract Regulations 2015 and SCC Standing Orders. Procurement will support the technical team to undertake a complaint mini competition through this framework in line with the framework agreement.

HR IMPLICATIONS: Supplied by:

Not Applicable

CLIMATE CHANGE IMPLICATIONS: Supplied by: Simon Telford in consultation with Michael Hemmingway – Principal Officer Climate Change

The scheme and the development of the Bee Network in city centre Salford will support mode shift from private car to walking and cycling. One of the objectives of the scheme is supporting walking and cycling and greater public transport use. More sustainable travel choices will help to reduce transport related emissions.

Tenderers were asked to provide details of any specific environmental sustainability practices / measures to be employed on this contract.

OTHER DIRECTORATES CONSULTED:

Not Applicable

CONTACT OFFICER: Simon Telford

TEL NO: 07799677214

WARD(S) TO WHICH REPORT RELATE(S):

Not applicable
