

Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside

Commercial Case



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Version Status:	DRAFT FOR APPROVAL	Prepared by:	Transport for Greater Manchester on behalf of the 10 Local Authorities of Greater Manchester
Authorised by: Date:	Simon Warburton 28 th February 2019		

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3 Commercial Case

3.1 Outline Business Case Introduction

- 3.1.1 Since 2010 major urban areas in the UK, including the ten local authorities of Greater Manchester, have been in breach of the European Union Limit Values regarding levels of NO₂ as implemented through the Air Quality Standards Regulations (2010). These Regulations require the Secretary of State to develop and implement a national Air Quality Plan to achieve the relevant EU Limit Value within the “shortest possible time”¹.
- 3.1.2 As a result of the ClientEarth case in 2015, the UK Government was found to have produced inadequate plans and was directed by the UK Supreme Court to take action². Subsequent defeats for the UK Government in the UK High Court on the basis of inadequate planning and action, in 2016³ and 2018⁴, have further emphasised the need for an improved approach.
- 3.1.3 Government Air Quality Plans⁵ have subsequently required local authorities with persistent exceedances to undertake local action to consider the best option to achieve statutory NO₂ limit values in the “shortest possible time”, and this Outline Business Case investigates the feasibility of possible interventions that form the Greater Manchester Clean Air Plan (GM CAP).

¹ Department for Environment Food and Rural Affairs, Department for Transport, ‘UK plan for tackling roadside nitrogen dioxide concentrations: Detailed plan: July 2017’ (2017), available at: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>.

² *R (On the Application of Client Earth) v Secretary of State for the Environment, Food and Rural Affairs* [2015] UKSC 28.

³ *R (On the Application of Client Earth (No 2)) v Secretary of State for the Environment, Food and Rural Affairs* [2016] EWHC 2740.

⁴ *R (On the Application of Client Earth (No 3) v (1) Secretary of State for the Environment, Food and Rural Affairs (2) The Secretary of State for Transport and (3) Welsh Ministers* [2018] EWHC 315.

⁵ Department for Environment Food and Rural Affairs, Department for Transport, ‘UK plan for tackling roadside nitrogen dioxide concentrations: Detailed plan: July 2017’ (2017), available at: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>

- 3.1.4 It is vital to improve air quality because of the effect air pollution has on the health of people living, working and travelling in Greater Manchester. The Greater Manchester Strategy states that Greater Manchester should be ‘a place at the forefront of action on climate change with clean air and a flourishing natural environment’ including by ‘improving air quality’⁶. Greater Manchester’s ten local authorities have chosen to take a regional wide approach to producing a GM CAP to complement other GM-wide strategies such as the existing GM Air Quality Action Plan⁷ and GM Low-Emission Strategy⁸.
- 3.1.5 The proposed GM CAP is a package of measures to address the NO₂ levels in Greater Manchester aimed at and achieving compliance in the “shortest possible time”. Each of these elements is integral to the successful delivery of the GM CAP and protecting the health of the Greater Manchester population, and therefore these measures must to be considered as a whole package if compliance is to be achieved. The package comprises the following:
- **Clean Air Zone across Greater Manchester**
 - Phase 1: (assumed from 2021) buses, taxis, Private Hire Vehicles and Heavy Goods Vehicles (Clean Air Zone Category B)
 - Phase 2: (assumed from 2023) expanding to Light Goods Vehicles and minibuses (Clean Air Zone Category C)
 - **Vehicle Renewal Schemes** – to provide an affordable incentive to dispose/retrofit vehicles
 - Clean Freight Fund, Clean Taxi Fund, Clean Bus Fund, Loan Finance
 - **Electric Vehicle Infrastructure and Promotion**
 - **Sustainable Journeys** – an extensive behaviour change programme of travel planning with schools, workplaces and individuals
 - Supported by Local Authority and Greater Manchester Fleet Upgrades, a review of Parking Standards and Bus Capacity Network Planning.
- 3.1.6 Improving air quality and reducing emissions harmful to health is a key policy priority for Greater Manchester, and the Measures proposed in the GM CAP will also be complemented by ongoing activity arising from existing investment decisions by TfGM to improve Greater Manchester’s active travel and transport network.

⁶ Greater Manchester Strategy: our people our place, available at: <https://www.greatermanchester-ca.gov.uk/ourpeopleourplace>

⁷ Greater Manchester Air Quality Action Plan 2016-2021, available at <https://www.greatermanchester-ca.gov.uk/media/1272/air-quality-action-plan-2016-21.pdf>

⁸ Greater Manchester Low-Emission Strategy, available at <https://www.greatermanchester-ca.gov.uk/media/1276/low-emission-strategy-dec-2016.pdf>

- 3.2 Commercial Case Introduction
- 3.2.1 The Commercial Case for the GM CAP covers the required procurement and commercial arrangements relating to the services and infrastructure to implement all the proposed Measures of the GM CAP.
- 3.3 Legal Status of Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM)
- 3.3.1 In accordance with the Greater Manchester Combined Authority (GMCA) Order 2011, the powers of the ten Greater Manchester Authorities (Manchester, Stockport, Tameside, Salford, Trafford, Bolton, Bury, Rochdale, Oldham and Wigan) in relation to specific sections only of the Environment Act 1995 are exercisable by GMCA concurrently with the ten authorities.
- 3.3.2 Section 101 of the Local Government Act 1972 and Section 19 of the Local Government Act 2000 (and Regulations made under it) are also applied with modifications to enable the GMCA to sub-delegate activity and decisions to Transport for Greater Manchester (TfGM).
- 3.3.3 Subject to the necessary approval and governance arrangements by the Greater Manchester local authorities, TfGM will be appointed to act as lead Contracting Authority for the Greater Manchester Clean Air Plan. This will allow for the efficient delivery of the Measures in order to satisfy the statutory duties and actions necessary to fulfil the Secretary of State's direction to reduce NO₂ exceedances and achieve compliance in the shortest possible time.
- 3.4 Development of Procurement Strategy
- 3.4.1 The Commercial Case outlines the proposed procurement and commercial activities required to implement a commercially viable scheme for the GM CAP that will be refined through the development of the Full Business Case (FBC) to ensure that the GM CAP delivers GM-wide compliance and Value for Money to the taxpayer, is attractive to the market place, can be procured and is commercially viable. It considers all Measures to be procured will be funded as detailed within the Financial Case and subsequently delivered, unless otherwise subsequently agreed, through a central programme team as outlined in the Management Case.
- 3.4.2 The procurement strategy will support the development and implementation of these Measures whilst recognising that the viability of a GM CAP will be subject to demonstrating that it meets the UK Government's Critical Success Factors.
- 3.4.3 The Primary Critical Success Factors are:
- Reduction in NO₂ emissions
 - Feasibility: the likelihood of the Measure being implemented in time

3.4.4 The Secondary Critical Success Factors will consider:

- Strategic fit with local strategies and plans
- Value for money
- Distributional Impacts: to understand the potential impacts on different groups within society
- A series of Measures assessing the deliverability of the options - in terms of the affordability, supply-side capacity and capability and achievability

3.4.5 Due to the requirement to further assess and define the Measures documented throughout the OBC, it will be necessary to engage with the market once the OBC has been delivered. The Commercial Case addresses key assumptions made during the development of a proposed programme of Measures as part of the GM CAP, recognising that both market and stakeholder engagement will be critical in refining the procurement strategy during 2019.

3.4.6 The procurement strategy outlines the routes to market and preferred options in the delivery of all the necessary activities in support of the Clean Air Zone (CAZ), plus the additional Measures of the GM CAP as set out in the Strategic Case.

3.5 General Commercial Assumptions

3.5.1 This procurement strategy has been developed on the basis that all the Measures within the GM CAP will be funded entirely through UK Government sources.

3.5.2 For the purposes of this Commercial Case it is assumed that the local authorities will delegate to the GMCA the necessary powers to act as the primary contracting entity, subject to appropriate governance arrangements as required by each local authority. This permits the GMCA to appoint a Delivery Body to propose a procurement strategy for the development and implementation of the proposed GM CAP.

3.5.3 The Delivery Body appointed will be able to satisfy the specific rules regarding procurement routes and any procurement activity undertaken by it will be as if acting as a public entity subject to public procurement regulations, including Public Contracting Regulations 2015 and appropriate EU procurement directives and those directives already implemented by statutory instruments in the UK. Subject to the necessary approval and governance arrangements, TfGM will act as the Delivery Body for the purposes of the GM CAP.

- 3.5.4 Contracts may be procured centrally by TfGM for the delivery of the components of the CAP and these contracts may, if required, allow the ten Greater Manchester local authorities to contract directly with suppliers for any elements that are agreed to be delivered locally. Established contracts and public sector frameworks that fulfil all GM CAP procurement requirements will be the preferred route.
- 3.5.5 Procurement activities and the public consultation for a Charging Scheme Order (CSO) are scheduled to run in parallel, with tender documents released to market prior to full consultation being complete. All procurement activity and subsequent contracts required to implement the GM CAP Measures would only be awarded strictly subject to the outcome of the public consultation and funding approval from government.
- 3.5.6 Items excluded from being procured by TfGM for the proposed Measures, including the CAZ, include specifically those to be provided by the Joint Air Quality Unit (JAQU) to enable, in the required timescales, Greater Manchester to fulfil implementation of the Measures in the shortest time possible. It is assumed that the items below are being provided by JAQU and/or other parties and are therefore excluded from the services to be procured by TfGM.
- 3.5.7 **Central Charging Service:** Procurement of the central charging portal that is intended to be used by the specified authorities for the purposes of collecting the monies from the penalties incurred within the CAZ.
- 3.5.8 **Design of Traffic Signage for the CAZ:** The designs for the traffic signage to be used throughout the UK where CAZ schemes have been supplied by JAQU.
- 3.5.9 An Operating Body may be established for the maintenance and operation of the CAZ once implemented which may include the delivery of a customer services function.
- 3.5.10 The GM CAP will require access to data sets for consideration in respect of CAZ for assessment as to whether or not a vehicle is compliant. These are likely to include:
- Driver and Vehicle Licensing Agency (DVLA) data;
 - Taxi data;
 - Euro emission standards;
 - registration of vehicles with retrofitted abatement technology; and
 - commercial arrangements including the provision of personal data by DVLA which will need to be put in place by JAQU.

The above data will be required for the provision of a central government charging system.

3.5.11 The Delivery Body will lead all centralised procurement and all activities which form the Programme will be delivered and operated by a combination of different Delivery and Operating Agents including TfGM, local authorities and other bodies. The Delivery and Operating Agents are detailed within the Management Case in the tables in section 5.12.

3.6 Procurement Requirements

3.6.1 A number of procurement activities will be required to deliver the proposed GM CAP. A full description of the Measures that comprise the GM CAP and the potential services are placed in Appendix 0.1.1 of the Management Case and those Measures requiring procurement activities are summarised in Table 3- 1 below. Table 3- 1 includes only a high-level description of the Measures and is provided as an indicative outline of types of activity at this stage.

Table 3- 1: GM CAP Measures

Clean Air Zone (CAZ)
Description
<p>A Clean Air Zone is proposed to be implemented across the region in two phases as follows:</p> <p>Phase 1: (assumed from 2021) buses, coaches, taxis, private hire vehicles and Heavy Goods Vehicles (Clean Air Zone Category B).</p> <p>Phase 2: (assumed from 2023) expanding to Light Goods Vehicles and minibuses (Clean Air Zone Category C).</p>
Outline of Works and Services to be procured
<p>Technical, Design and Professional Services:</p> <ul style="list-style-type: none"> • Scheme design specification of the CAZ, including all required elements, data collection and modelling to support design, appraisal and impact assessment. • Highway Infrastructure design including signage, road markings, changes to highway layout, survey data to determine exact locations of signage, Automatic Number Plate Recognition (ANPR), camera locations, poles, camera installation, power and data ducting. • Outline development of the customer-facing elements of the CAZ, such as developing the strategy for the management of any potential discounts and/or exemptions, managing queries and complaints and the issuing and enforcement of Penalty Charge Notices (PCN). • Development of the appropriate technology solution including but not limited to the specification for the ANPR cameras, power ducting, data transmission, software, hardware systems and interfaces with the JAQU-provided central charging portal. • Preparation of technical documents for establishing the exemptions listing for the database for charging for the CAZ scheme. • Services to support the ongoing stages of the project, during the tender period in preparation of the tender documents, construction management/supervision during the implementation stage and at the decommissioning stage. • Planning and traffic regulations support and advisory services.

Programme/Project Management:

- Manage the core system delivery, risks and schedule

Communications:

- Develop the GM CAP communications plan, local media and advertising, direct engagement awareness, mail campaign, social media, website updates (<https://cleanairgm.com/>). It is to be noted that a communications and engagement programme will be undertaken to promote all elements of the GM CAP and not solely for the CAZ Measure.

Legal Services:

- TfGM will provide legal advice, drafting of the joint CSOs, Traffic Regulation Orders and support the public consultation process and drafting of the agreements with supplying organisations.

Information Systems and Communications Services:

- Detailed architecture and design of the technology, communications, and interface requirements for the delivery of the CAZ. This will include development or sourcing of software, hardware and installation of the technology solution, customer management systems development and integration with the JAQU central charging system. Testing, commissioning and obtaining the necessary certification of the systems and achieving readiness of the system for handover for operations and the fit out of the Operations Facility itself.

Civil Engineering works:

- Supply and installation of items such as signage, cameras, posts. Additional works include roadside marking, highway modifications and parking near public transport facilities.

Provision of Mobile Enforcement Vehicles:

- Mobile enforcement units and appropriate technology including mobile ANPR camera technology.

Provision of building facility for Operational Delivery:

- Potential leasing of building/floor space for the operational delivery of the CAZ if no suitable space is available across the GM Local Authority estate.

Operations of the installed/certified CAZ scheme:

- Services required to operate the ANPR Camera Network, mobile enforcement units, issue of the PCNs, monitor performance of the system, manage enforcement proceedings, communications with tribunals.

Maintenance of the installed CAZ systems:

- Fixing, repairing and replacement of defective ANPR cameras, signage and equipment.

Linked monitoring activities:

- CAZ scheme monitoring, air quality measurement and monitoring, assessment of traffic levels and economic performance of the scheme.

Decommissioning of the installed/certified CAZ scheme:

- Provision of the physical removal of the installations, cameras, signage etc. following the agreed date for sustained compliance.

Vehicle Renewal Scheme - Clean Air Funds
Description
<p>The Clean Air Fund comprises two funding mechanisms that propose to offer financial support to increase the number of compliant vehicles across Greater Manchester:</p> <p>Clean Freight Fund (Heavy Goods and Light Goods Vehicles): Offering local businesses a discount on the purchase of a compliant commercial vehicle from an approved supplier, when trading in (for disposal) a non-compliant vehicle. Priority given based primarily on air quality impact.</p> <p>Clean Taxi/Private Hire Fund: Offering GM-registered taxi and private hire driver's support to upgrade non-compliant vehicles.</p>
Outline of Works and Services to be procured
<p>Technical, Design and Professional Services:</p> <ul style="list-style-type: none"> • Policy design for the scheme, including technical and economic elements, Information Systems (IS) (e.g. application services), customer services and any facilities required to implement the vehicle renewal scheme, and manage the scheme i.e. the applications to the fund. • Capability to administer and operate the fund. • Capability to take vehicles accepted by the renewal schemes and if necessary either dispose of the vehicle or redeploy. • Vehicle renewals partner. <p>Legal Services:</p> <ul style="list-style-type: none"> • Support to understand the legal risks associated with any proposed implementation of the schemes.
Vehicle Renewal Scheme - Loan Finance Fund
Description
<p>In addition to a centrally funded vehicle renewal scheme which would be funded by JAQU, TfGM is looking at the possibility of a Measure which would provide loan facilities for vehicles or subsidy to lease plans. This scheme is to be determined at FBC stage and fully scoped out following consultation with stakeholders.</p>
Outline of Works and Services to be procured
<p>Professional Services:</p> <ul style="list-style-type: none"> • Specialised professional services and advice required within a regulated Financial Conduct Authority (FCA) environment. • A third party will be required to administer loans covering activities from credit checks to recovering loan defaults and taking monthly payments.
Vehicle Renewal Scheme - Clean Bus Fund
Description
<p>Offering grants: to retrofit existing Euro IV and V buses; and towards the purchase of the cleanest buses, electric buses and electric bus charging infrastructure, prioritising air quality impact (including the TfGM operated bus fleet).</p>

Outline of Works and Services to be procured
<p>Technical, Design and Professional Services:</p> <ul style="list-style-type: none"> • Design for the funding scheme, including technical and economic elements, administrative systems and processes development, engagement with bus operators and management of the scheme. • Capability to administer and operate the fund. <p>Legal Services:</p> <ul style="list-style-type: none"> • Support to understand the legal risks associated with any proposed implementation of the schemes. <p>TfGM acting on behalf of the GMCA has been awarded £3 million under the Clean Bus Technology Fund 2017-19. TfGM currently administer these clean bus funds for retrofit – with the initial funding being awarded under two Phases. Tendering to market is done on criteria that include vehicle age, mileage and routes run, which focus on priority roads and exceedance levels.</p>
Electric Vehicle (EV) Infrastructure and Promotion
Description
<p>Delivery of 300 additional rapid charging points (Dual Headed) across Greater Manchester, including some exclusively for taxis/private hire vehicles.</p> <p>Offer and facilitate experience days to showcase the benefits of electric vehicles, highlight the support available and allow people to compare EVs from a range of suppliers, and ‘try before you buy’.</p>
Outline of Works and Services to be procured
<p>Technical, Design and Professional Services:</p> <ul style="list-style-type: none"> • Improve the design for charging locations, technology options analysis, commercial opportunity identification and business case. <p>Civils Works; and Operate and Maintain:</p> <ul style="list-style-type: none"> • To install, operate and maintain the electric vehicle charge points and various promotion activities.

3.6.2 The following Measures are integral to the delivery of the GM CAP and the best solution for delivery of these elements will be determined. However, in all cases external services that may be required can be procured through existing frameworks or low-value procurements. Additional personnel may need to be recruited to manage these procurements and services.

3.6.3 **Sustainable Journeys:** Travel planning and support to encourage sustainable travel options across different sectors of Greater Manchester to be delivered through advice and briefings. Engagement with schools is planned to be undertaken to promote reduction in travel during busy periods as a way to reduce congestion. These services may be procured through GM charities.

- 3.6.4 **Local Authority and Greater Manchester Fleet Upgrade:** Upgrade of local authority fleets to become fully compliant, including all authority-operated cars/vans, refuse collection vehicles, HGVs, and contracted services. Engagement with authority fleet management teams to understand current purchase and leasing arrangements is underway.
- 3.6.5 **Parking Standards and Local Authority Parking:** Review of parking standards, conversion of long stay to short stay car parks and local authority and GMCA staff parking
- 3.6.6 **Bus Capacity:** Liaison with bus operators to understand which routes may have expected increase in demand to allow bus operators to plan increases in commercial services. Commitment to inform all bus operators through communication and marketing strategies.
- 3.6.7 **Ongoing Improvements:** A programme of investment in public transport and the highway network is already planned and underway. Coordination with ongoing projects, work packages and business as usual to ensure air quality benefits are maximised.
- 3.7 Procurement Models
- 3.7.1 A high-level options analysis has been undertaken to consider the viable routes to market and contracting mechanisms available to deliver the GM CAP in accordance with the UK Government's success criteria, principally in supporting compliance in the shortest possible time.
- 3.7.2 As a Greater Manchester-wide scheme, the consistency and standardisation in implementing the Measures within the GM CAP is considered essential and integral to the establishment of a procurement strategy to be adopted throughout all ten local authorities.
- 3.7.3 The procurement model to deliver the GM CAP will be through the GMCA via delegated powers and with TfGM as the appointed Delivery Body to deliver the works and services required for the GM CAP (as outlined in Section 3.5 General Commercial Assumptions).
- 3.7.4 It is intended that the local authorities will be responsible for the procurement of Measures that are delivered locally to their respective areas. It is considered that they are best placed to procure and oversee the successful implementation of the local Measures using existing relationships with relevant stakeholders in that community with any required oversight from GMCA/TfGM on communications and 'overall project oversight'.

3.8 Enabling Procurements

3.8.1 To deliver a GM CAP in a coordinated and consistent approach throughout Greater Manchester, encompassing all Measures, it is recognised that the specialist support and services from a number of organisations will be required to advise on and manage a programme of works which are time-dependent and which have key interfaces. The roles currently identified as integral to delivering the GM CAP from a scheme-wide perspective are Lead Advisor and Legal Advisor.

Lead Advisor

3.8.2 TfGM developed the TPS (Transport Professional Services Framework) during 2016 to engage 40 consultancies and have successfully delivered large projects under this Framework. The Lead Advisor will be part of a multi-disciplinary team and appointed through the TPS Framework.

Table 3- 2: Lead Advisor Timeline

Invitation to Tender	December 2018
Tenders received from five bidders	January 2019
Tender evaluation	February 2019
Appointment of Lead Advisor	March 2019

3.8.3 The appointment of a Lead Advisor in the overseeing of the design elements of the Measures has a number of advantages for the GM CAP. Early engagement will allow for the design process to commence and for the outputs of outline design to best inform and facilitate the tendering of the works for delivering the Measures. This will give greater certainty of design throughout the procurement and FBC process.

3.8.4 Working with the TfGM Programme Sponsors, the role of the Lead Advisor will be to provide the strategic leadership and accountability for the development and delivery of significant elements of the proposed Measures for delivery of the GM CAP. Full accountability and progress reporting will be critical for this engagement. A summary of the core services to be undertaken is in the table below:

Table 3- 3: Lead Advisor Core Services

Workstream	Description
Data, Evidence & Modelling	Commissioning and collection of additional data and further development of the underpinning information for the modelling of the preferred option. Building on the data and assumptions from the OBC stage to produce robust and defensible traffic, emissions and air quality modelling for the future case (using the Target Determination data). Updating and re-running of models to help optimise and determine the final scope of the Projects and Work Packages.
Project and Work Package Development	Continued development and detailed assessment of the programme of Measures against the Critical Success Factors. Coordination of development across various workstreams to optimise and determine the final scope and required outputs of the Projects and Work Packages. Development of appropriate assurance and gateway processes.
Programme and Project Business Case	Production of the Full Business Case for the Programme, Projects and Work Packages, to meet JAQU guidance.
Programme and Project Management	Programme and Project Management including project controls, risk management, cost management and document control. Adherence to TfGM's programme and project requirements, including development and drafting of Measures, monitoring and managing cost, schedule and quality. Coordinate/manage internal and external teams across the Programme, including the workstreams, Projects and Work Packages.

3.8.5 It is anticipated that the services above will be delivered by the Lead Advisor in order to meet the output of the scheme design from outline into detailed for all identified Measures through to the delivery of the FBC.

Legal Advisor

3.8.6 As outlined in section 5.6.7 in the Management Case, due to the complexity of the GM CAP, the procurement of external legal services will be undertaken to provide ongoing support for the following workstreams required to implement the proposed Measures, including, but not limited to:

- Advice regarding appointment of Operating Body
- Support and provision of legal advice in respect of the legal requirements for the programme, projects and work packages
- Ensuring the legal robustness of policies, procedures and the FBC
- Formulation of direct agreements with supplier organisations
- Drafting of the joint CSOs
- Supporting the public consultation activities
- Drafting of the Traffic Regulation Orders

- 3.8.7 The framework for accessing the correct expertise and capability has been identified as the Legal Services Framework led by CENTRO which includes the following providers:
- Eversheds
 - DWF
 - Pannone
 - Trowers & Hamblins
 - Addleshaw Goddard
 - Legal Services Alliance (Lead bidder Bircham Dyson Bell)
 - Shoosmiths
 - Pinsent Masons
 - Winckworth Sherwood
- 3.8.8 The appointed Legal Advisor will be required to work across the complete GM CAP throughout the development of the scheme until FBC stage and into implementation. This will provide a consistent approach and accountable structure.
- 3.8.9 The procurement of the Lead and Legal Advisor roles, under existing frameworks, provides a simple route to market, cost transparency and engagement of knowledgeable professional service providers in the transport and environmental sectors.
- 3.9 Routes to Market
- 3.9.1 It is proposed that TfGM as the GM CAP Delivery Body will undertake the procurement requirements for the delivery of the Measures. In the event that there are discrete packages of work more appropriately coordinated and managed by individual local authorities, TfGM will work in conjunction with the local authorities in the provision of coordinated support and direction.
- 3.9.2 A Primary Critical Success Factor for delivery of the GM CAP is the feasibility in meeting the required timescales. TfGM and the local authorities have a number of existing frameworks that can provide a quicker and simpler route to market, including the key supplier base for a large number of the works and services required to deliver the GM CAP. Alongside the frameworks listed below in Table 3- 4 there are Crown Commercial Service (CCS) framework agreements and other public sector frameworks which are easily accessible.
- 3.9.3 There are currently a small number of procurements which, due to their relative complexity, would be inappropriate for a framework approach and TfGM propose utilising the Official Journal of the European Union (OJEU) tender process. No decision at this stage has been made as to which procedure under the procurement regulations would be most appropriate for the type of goods and services potentially being required.

- 3.9.4 There is no defined route to market agreed and frameworks identified are subject to change dependent on the specification which emerges through the ongoing design process.
- 3.9.5 The following table outlines the key routes to market, which would be feasible for delivery of the GM CAP Measures as outlined in Table 3- 1.

Table 3- 4: Procurement Routes to Market

CAP Measure	Procurement Element	Potential Route to Market
Clean Air Zone (CAZ)	Signage	Design has been provided by JAQU TfGM Ducting and Minor Highway Works Framework (Ref.170601, April 2018)* (traffic signalling, CCTV and related services)
	Cameras (Fixed and Mobile)	The specification will be developed during the design stage. Approximate quantities have been identified but require additional modelling. Location maps and final requirements to be finalised. RM1089 - Traffic Management Technology 2*. Lot 2 Traffic Monitoring and Traffic Enforcement Cameras
	Civil Engineering Work	Ducting and Minor Highways Framework or North West Construction Hub (depending on value)*
	Information Systems	CCS Frameworks*: RM1089 – Traffic Management Technology 2 RM1043 – Digital Outcomes and Specialist RM1557 – G-Cloud RM1045 – Network Services RM3733 – Technology Products 2 Potential OJEU competitive tender
	Diffusion Tubes	Monitoring through diffusion tubes will form a key element of measuring the compliance of the GM CAP to the required nitrogen levels. As specialised equipment it would be potentially a competitive OJEU tender to market.
Clean Air Funds	Taxis LGVs HGVs	The Clean Air funds and the administration criteria for the process have yet to be clarified. Resource impact will be assessed through market engagement which will give clarity of the administrative and customer services resources required. A vehicle renewals partner will potentially be required to administer and manage the disposal and/or recycling of vehicles and materials rendered redundant through the administration of the Clean Air Funds.

CAP Measure	Procurement Element	Potential Route to Market
		<p>Potential remit for the Operating Body or operations to be undertaken by the Delivery Body (TfGM).</p> <p>Policy design for the funding scheme and operational elements will be a design output of the Lead Advisor.</p>
	Loan Finance	<p>Engagement with an FCA regulated supplier will be required and potential service outsourcing. Market sounding activity has commenced and the criteria and administration of the scheme will be defined with appointed supplier.</p> <p>Potential OJEU competitive tender.</p>
Electric Vehicle Charging	Charging Infrastructure	<p>The GMEV Electric Vehicle Charging Infrastructure (EVCI) Operations and Maintenance Agreement for the supply, Operations and Maintenance of Electric Vehicle Charging Infrastructure is currently being tendered.</p> <p>These agreements are considered to be a key enabling component of the TfGM Air Quality Measures programme supporting the achievement of the Greater Manchester 2040 Transport Strategy: Our Vision.</p> <p>There is an option to extend the scope for increased volume and capacity.</p>

Existing Framework Approach

- 3.9.6 Recognising the number of procurement activities that will need to be undertaken and the programme time constraints, where possible, packages of work will be developed in order to approach the market under existing frameworks.
- 3.9.7 Table 3- 4 identifies a number of existing CCS frameworks which can be utilised; and by working closely with the CCS, initial reviews of the scope of works and services required have taken place, which will enable TfGM to approach the market with attractive tenders encouraging maximum participation throughout the supply chain. Early engagement and workshops will further define these packages of activity and allow for early contractor engagement throughout the process through to active supplier management once appointed.
- 3.9.8 Where it is found that the identified framework agreements do not cover the entire scope of works required, or the organisations on the framework agreement do not have the capacity to deliver, alternative procurement routes will be considered, including using alternative public sector framework agreements.

3.9.9 Throughout the ten local authorities of Greater Manchester there are also a number of frameworks that have been/are undergoing development which may specifically support the GM CAP. The Alliance Street Scene involving the Highways Authority, utilities companies and contractors which is currently being tendered by STAR Procurement could prove to be of significant interest in delivery of a coordinated and consistent approach.

3.10 Potential OJEU Procurements

3.10.1 Table 3- 4 identifies three potential OJEU procurements for the delivery of the GM CAP being Civils, Information Systems (IS) and Loan Finance.

Civil Engineering

3.10.2 Design outputs managed by the Lead Advisor will inform the location, volume and placement of the cameras and signage throughout Greater Manchester. These works will potentially be for the installation of the CAZ equipment including the posts and highways modifications required. It is proposed that the nature of these works and capturing of a wider supplier market would be an OJEU-level exercise due to the potential value exceeding the relevant EU procurement threshold.

Information Systems Solution

3.10.3 The technology solutions architecture, IS and communications services will be critical for the implementation and operation of the CAZ. The high-level design will be led by the Lead Advisor in determining the required outputs to develop the IS Solution roadmap for GM CAP:

- Discovery Phase;
- detailed design and architecture of the solution;
- communications technology requirements; and
- interface requirements.

3.10.4 The IS solution will be defined during 2019 through the design outputs and market engagement with other cities who are delivering a similar CAZ scheme in different regions of the UK, alongside targeted market engagement with suppliers.

3.10.5 Several options exist including the external or internal development of the solution using Agile techniques or sourcing a pre-existing solution to be customised for GM CAP purposes. The complexity and value of the work may necessitate one or more OJEU-level tenders for contract(s) encompassing the following elements of a Develop and Maintain contract:

- Application Development Software;
- hosting (Cloud or on premises);
- installation of the technology solution;

- testing, commissioning and obtaining the necessary certification of the systems and achieving readiness of the system for handover for operations;
- integration with the JAQU central charging system;
- IS fit out of the Operations facility; and
- supporting systems for the ANPR Cameras such as camera connectivity, CAZ control room, CAZ system back office, software licences, local and central back-up services.

Loan Finance

- 3.10.6 Due to the specialised nature of the scope of services, a competitive OJEU tendering process will be undertaken to secure a supplier operating within the FCA Regulatory environment to deliver this service.
- 3.10.7 A third party will be required to administer loans covering services from credit checks to recovering loan defaults and taking monthly payments. The service will also be required to cover the Operations and Maintenance requirements of any proposed Loan Finance scheme covering provision of loans at preferential rates for those who are taking advantage of any loan for vehicle or subsidy of a lease plan. This would have to be determined at FBC stage and via consultation with stakeholders.
- 3.10.8 The value of this scheme and complexities of the administration would require an OJEU-level procurement to secure a regulated fund administrator to contract directly with TfGM or GMCA.

Vehicle Renewals Partner

- 3.10.9 Through the administration of the Clean Air Funds there will potentially be a requirement to appoint a vehicle renewals partner to manage the process for disposal of vehicles rendered redundant. This would require a competitive OJEU procurement to secure a locally based service provider with a key focus on the integration and management of the process in alignment with the administrative and technical support for data and application processing. A key element of such a tendering exercise will be on the potential aspect of recycling materials where appropriate.

3.11 Standard Contract Terms and Conditions

- 3.11.1 All contracts entered into by TfGM as the Contracting Authority would incorporate standard clauses inclusive of the following provisions:
- standard payment terms (30 days standard);
 - prohibiting money laundering;
 - Modern Slavery Act 2015; and
 - Social Value

3.11.2 Any contract entered into would be subject to satisfactory credit checks through Company Watch during the evaluation stage and bespoke Key Performance Indicators (KPIs) would form part of robust contract management process, post mobilisation.

3.12 Future Operating Body

3.12.1 The established Delivery Body will be responsible for the procurement of the Measures required to support the timescales for the implementation of the GM CAP. The routes to market identified support reaching compliance in the “shortest possible time”. The development of the FBC will include an options analysis for the delivery of a proposed Operating Body (or bodies) to operate and maintain the Measures through their lifetime to the future decommissioning phase once ongoing compliance is achieved.

3.12.2 The procurement strategy for the Operating Body will evolve from the design phase undertaken during 2019 and the analysis of market information required for the delivery and implementation of the GM CAP Measures. The required capability of the appointed Operating Body and resourcing requirements for the operational delivery will define the approach to market. The scope of services will include, but not be limited to:

- **Operational** – Customer services and helpline, payment irregularities and disputes, recovering of fines and general advisory services
- **Interface management** – Operational interface management with the JAQU payment portal and the management of the monetary flows. Interface requirements with third parties such as the vehicle renewals partner and Loan Finance body where required
- **Monitoring** – Performance of the CAZ and relevant service level agreements and key performance indicators. Air quality measurement and monitoring, assessment of traffic levels and economic performance of the scheme.
- **Maintenance** – Maintenance and repair of all CAZ equipment
- **Administrative** – Management of the administrative elements of the CAZ such as exemptions and the vehicles renewal scheme such as vehicle applications and allocation of funding against set criteria

3.12.3 A detailed analysis of the requirements of the Operating Body will be undertaken in 2019 as part of the development of the FBC and the commercial considerations of the implementation of the Operating Body will be undertaken as part of that work.

3.13 Procurement Timescales

- 3.13.1 Due to the timescales for the Clean Air Programme and meeting compliance in the “shortest possible time”, the procurement activity will necessitate early engagement with suppliers and a number of tendering activities to be undertaken in tandem with the Conversation and Consultation during 2019. It is anticipated that early procurement activity will be closely aligned with the design for critical long lead time items.
- 3.13.2 This approach will be planned for elements such as the IS, defining the scope and undertaking market engagement on the Operating Body and analysing the requirements for the customer handling activity and management of the supporting Measures.
- 3.13.3 Resourcing will be mapped onto the procurement plan and it is envisaged that the Lead Advisor will work closely to mobilise required resourcing levels through all programme disciplines in order to fully support the development, design and implementation of the GM CAP as and when required. Internal TfGM resources will be deployed and provide dedicated expert support in managing each element of delivery alongside a number of independent consultants providing specialist support.
- 3.13.4 All components of the Programme will be managed through the allocation of a Lead Body as outlined in section 5.12, Delivery Strategy, of the Management Case. This method of delivering the Measures will give full visibility and accountability for resource management which will be supported through the procurement plan.

3.14 Procurement Success Criteria

3.14.1 The UK Government set out a number of Primary and Secondary Critical Success Factors in the development of the GM CAP. The proposals for the procurement strategy are supportive of these success factors as tabulated below:

Table 3- 5: UK Government Success Criteria

Primary Critical Success Factors	
Criteria	Commercial Case Proposed Methodology
Reduction in NO2 emissions	Procurement activity to support implementation of GM CAP Measures to reach compliance with the EU Directive
Feasibility: the likelihood of the Measure being implemented in time	Utilisation of existing frameworks and early identification of OJEU activity on the programme critical path. This will be developed as part of the Programme Plan outlined in the Management Case.
Secondary Critical Success Factors	
Criteria	Commercial Case Proposed Methodology
Strategic fit with local strategies and plans	Existing frameworks with known supplier base and contracting terms both transparent and currently utilised. Delivery Body to manage all procurement activity consistently and transparently with local authorities to deliver local Measures where identified.
Value for Money	Existing frameworks with supplier rates that have been competitively tendered. Mini-competitions to be coordinated. OJEU procurements evaluated on both technical and commercial criteria.
Distributional Impacts: to understand the potential impacts on different groups within society	All tendering activity will be evaluated on a range of criteria including Social Value and the overall impact for Greater Manchester for local business, employment and planned delivery of procurement activity. The GMCA Social Value Policy will be applied to all procurement evaluations evidencing how Social Value will be demonstrated using standard weighted criteria.

3.15 GM CAP Procurement Process

- 3.15.1 Procurement of the GM CAP Measures and the ongoing Operating Body services for Operations and Maintenance, will be delivered within a robust framework of contract management processes and governance which ensure that there is fairness, transparency and Value for Money, delivered for the taxpayer.
- 3.15.2 Greater Manchester will drive efficiencies and align the supply chain to deliver streamlined benefits for GM in terms of volume discounts and partnering proposals to deliver effective and specialised service offering commitment to long-term relationships within the industry.
- 3.15.3 The procurement team at TfGM is highly experienced in delivering and implementing procurement strategies for complex projects covering multiple local authorities and other stakeholders.
- 3.15.4 TfGM has developed a mature procurement approach and all procurement activity is subject to internal governance within TfGM and as appropriate, GMCA, to ensure that there is full transparency of all procurement activity. The procurement approach is a commitment to the delivery of required outputs by the most efficient methodology by working closely with project teams to deliver projects to time, on budget and demonstrating Value for Money.
- 3.15.5 All procurements with an anticipated value over £10,000 are subject to a rigorous approval process within TfGM which, in accordance with the TfGM Constitution, requires that commitments which exceed certain financial thresholds require approval from the Performance, Investment and Executive Boards and from the GMCA.

3.16 Contract Management

- 3.16.1 Contract management is the management of the obligations and mechanisms of a contract to effect the intended outcome and to mitigate the risk of failure.
- 3.16.2 TfGM has a successful track record of managing effective contracts both in terms of major capital projects such as the delivery of a major light rail (Metrolink) capital programme, rail and bus interchanges, transport infrastructure such as the Leigh to Ellenbrook Guided Busway and ongoing revenue services such as the contract with Keolis Amey for the operational delivery of the Greater Manchester Metrolink Light Rail System.
- 3.16.3 As part of the implementation and operational delivery of the GM CAP the approach and lessons from the management of these and other major contracts would be applied to the disparate elements of the GM CAP to ensure successful delivery post-procurement.
- 3.16.4 The following infographic highlights the key elements of Contract Management within the context of the CAP:

Figure 3- 1: Contract Management Principles



3.17 Social Value

3.1.1 The Public Services (Social Value) Act 2012 requires bodies who commission public services to think about how they can also secure wider social, economic and environmental benefits.

3.1.2 The GMCA Social Value Policy outlines the approach of the Combined Authority in the pursuit of Social Value in the procurement and delivery of its contracts. The objectives of the policy are:

- promote employment and economic sustainability – tackle unemployment and facilitate the development of skills;
- raise the living standards of local residents – working towards living wage, maximising employee access to entitlements such as childcare and encouraging suppliers to source labour from within Greater Manchester;
- promote participation and citizen engagement – encourage resident participation and promote active citizenship;
- build the capacity and sustainability of the voluntary and community sector – practical support for local voluntary and community groups;
- promote equality and fairness – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across Greater Manchester; and
- promote environmental sustainability – reduce wastage, limit energy consumption and procure materials from sustainable sources.

- 3.1.3 As part of the procurement strategy for all of the procurement activity outlined in the GM CAP Commercial Case, Social Value will be a consideration in the evaluation of tenders with the aim of maximising the Social Value emanating from the investments made in delivering the CAP.
- 3.1.4 The appointment of the Lead Advisor will be made in alignment with the principles of the GM Social Value Policy and the proposed delivery methodology will be monitored against KPIs based on both measurement and evidence of success in delivering Social Value to Greater Manchester.
- 3.18 Stakeholder Engagement
- 3.1.5 The GM CAP encompasses ten local authorities and throughout the procurement process up until FBC and into the implementation phase it will be critical to engage all authorities in the decision making and implementation of the Measures through the GM CAP Steering Group and via District Chief Executives and Leaders. The success of the GM CAP resides in the alignment of the Measures implemented throughout Greater Manchester; and the success of the scheme requires adoption of consistent Measures within the local authorities.
- 3.1.6 Engagement with local authorities procurement teams commenced in early 2019. These foundations will be built by further engagement sessions at an individual local authority level; and this, in conjunction with the planned consultation process, will enable the GM CAP to be developed with all of the necessary commercial inputs and governance.
- 3.1.7 To support the required objectives of a GM CAP, which is to reduce NO₂ concentrations in Greater Manchester to below the EU Limit Value in the shortest possible time, through the adoption of a feasible procurement strategy that supports all of Greater Manchester, stakeholder engagement sessions will be incorporated into the procurement plan along with progress briefings which will be delivered to the Association of Greater Manchester Authorities Heads of Procurement group on a regular basis.
- 3.19 Commercial Risks
- 3.1.8 The risk profile of the GM CAP has been coordinated in a single Risk Management Plan (RMP) in Appendix E.4.2 to the Management Case.
- 3.1.9 A number of procurement risks have been identified along with mitigating Measures which have been allocated associated impact levels in line with TfGM Project Management standard procedure. The overall GM CAP risks will be centrally monitored within a dedicated TfGM risk management team and the impact of status change or the identification of new risks will be evaluated across the project.

3.1.10 Specific procurement risks identified at a high level which will form the approach to the procurement strategy include the following:

- A lack of national frameworks will entail administering a number of existing frameworks potentially in isolation from other UK regions implementing a CAP and opportunities for synergies will be reduced
- Due to timescales, tenders could be returned which exceed the Cost Plan
- Due to procurement activity being commenced prior to funding being issued, tender prices could be inflated accounting for risk
- The scope of all of the procurement activity is yet to be fully defined and there could be potential that not all requirements will be captured by existing frameworks (where indicated to be the preferred route)
- TfGM requiring extra resource across disciplines and the capacity in the candidate market to fulfil requirements

3.19.1 A risk register is contained within Appendix E.5.2 of the Management Case which identifies risks, including the above, across all projects and work packages which reflect interdependencies and impacts. Mitigation activities are documented and monitored within the risk management team.