

## Report to CABINET

# Sustainable Oldham Strategic Partnership Agreement

### Portfolio Holder:

Councillor Arooj Shah,  
Leader of the Council and Cabinet Member for Reform and Regeneration

**Officer Contact:** Emma Barton, Deputy Chief Executive, Place

**Report Author:** Alex Shaw Principal Engineer, Highways & Engineering

**13<sup>th</sup> November 2023**

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### Reason for Decision

To delegate authority to the Deputy Chief Executive (Place) in consultation with the Council Leader, to award the Sustainable Oldham Strategic Partnership Agreement (SOSPA) and a Reserve Supplier Agreement as a mechanism for delivery of key capital programmes across Oldham of up to £35m.

To delegate authority to the Deputy Chief Executive (Place) and Director of Economy, in consultation with the Portfolio Holder for Neighbourhoods, to award the individual call off orders for individual projects, due to the urgency to deliver a programme of works in accordance with the funding timeline constraints.

Finally, to delegate low value Call Off Orders (<£50K) under a direct award via the Head of Highways in consultation with Budget Holder and Finance Officer.

### Executive Summary

The Strategic Transport and Planning Team in collaboration with Highways & Engineering have successfully bid for several capital funded multi-disciplinary highway improvement programmes of work over the last few years.

The most recent of these is the City Region Sustainable Transport Settlement (CRSTS). Oldham Council's Highways & Engineering and Strategic Transport & Planning Teams are currently preparing to deliver up to £35m of highways work in the borough over the next 4 years using funding secured through a joint bid for GM via Transport for Greater Manchester, who bid to the Department for Transport (DfT) on behalf of the city-region.

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In addition, Oldham Council have been awarded Levelling Up 2 Funding (LUF2) of which £4.79m has been identified for delivery via the SOSPA Contract.

For Oldham Council to deliver this ambitious programme of work it was considered necessary to seek a new Strategic Partner (Contractor) to work alongside the Delivery Team at key stages of the design and construction process.

The current method of delivery of highway construction work can take 12-16 weeks from tender stage to commencement on site. To deliver the CRSTS & LUF2 programmes within the set timeframes, a more streamlined method of procuring construction work is required. The intention is that individual projects will be procured via a Call Off procedure under the Strategic Partnership Agreement. This will require Director sign off (in liaison with the Directors of Finance and Legal Services) rather than an individual Cabinet report for each element of work.

The Sustainable Oldham Strategic Partnership Agreement was advertised by the Procurement Team in September 2023, and it is expected to be available for use in early 2024.

The single supplier delivery model currently exists namely the 'Accessible Oldham Strategic Partnership Agreement.' This method has proven extremely successful and afforded Oldham Council a robust vehicle to deliver a large and diverse programme of civil engineering projects efficiently and effectively.

## **Recommendations**

It is recommended that delegated authority is given to:

- The Deputy Chief Executive (Place) and Economic Growth in consultation with the Council Leader to award the Sustainable Oldham Strategic Partnership Agreement (SOSPA) and Reserve Supplier Agreement, in consultation with the Director of Finance and Director of Legal Services
- The Directors of Economy/Environment in consultation with the Portfolio Holder for Neighbourhoods to award the individual call off contracts for the separate works packages under the Strategic Partnership Agreement and Reserve Supplier Agreement.
- The Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreements and Reserve Supplier Agreements, any incidental and ancillary documentation, and to the individual call off contracts under the Strategic Partnership Agreements and Reserve Supplier Agreements.
- The Head of Highways & Engineering to award low value Call Off Orders (<£50K) in line with Head of Service financial approval limits and in consultation with Budget Holder and Finance Officer.

## Sustainable Oldham Strategic Partnership Agreement

### 1 Background

- 1.1 The key objectives of awarding the Sustainable Oldham Strategic Partnership Agreement are to:
- Facilitate the development and regeneration of Oldham's sustainable transport infrastructure.
  - Improve the attractiveness of sustainable transport routes and infrastructure for pedestrians and cyclists and sustainable travel usage.
  - Maintain the integrity of the highway network in Oldham.
  - The objectives align to the CRSTS & LUF2 priorities and regional and local strategy such as the GM 2040 Transport Strategy and Oldham's Transport Strategy.
- 1.2 The Strategic Transport and Planning Team in collaboration with Highways & Engineering have successfully bid for several capital funded multi-disciplinary highway improvement programmes of work, namely City Region Sustainable Transport Settlement (£21m) managed by Transport for Greater Manchester (TfGM) under the overarching administration of Department for Transport (DfT).
- 1.3 Separately in collaboration with Regeneration colleagues Oldham Council have successfully bid for £20m of Levelling Up 2 funding of which £4m has been identified for delivery via the SOSPA Contract.

Project Name	Programme	Budget	Design & Supervision Fees	Construction
Quality Bus Transit	CRSTS	£ 10,000,000.00	£ 1,500,000.00	£ 8,500,000.00
Beal Valley Broadbent Moss	CRSTS	£ 5,700,000.00	£ 1,140,000.00	£ 4,560,000.00
Mumps	CRSTS	£ 4,500,000.00	£ 900,000.00	£ 3,600,000.00
Town Centre	CRSTS	£ 6,000,000.00	£ 1,200,000.00	£ 4,800,000.00
Oldham Greenway Corridor & Jubilee Park	LUF2	£ 4,790,000.00	£ 958,000.00	£ 3,832,000.00
<b>Sub-total</b>		<b>£ 30,990,000.00</b>	<b>£ 5,698,000.00</b>	<b>£ 25,292,000.00</b>

Fig 1. Indicative budgets and project allocations

- 1.4 TfGM have increased their expectations, with regards to information being provided by Local Authority Bidders, at all stages of the process and thus increased their scrutiny of cost, risk, and resource, at development, design and delivery stages.
- 1.5 For Oldham Council to adapt and proactively address the changes to the process, it is considered necessary to seek a mid-term (4 years) Strategic Partner (contractor) to assist the Delivery Team at key stages of the business case development and bidding process and fast-track, where applicable, the construction of projects, to meet the expectations and demands of the overseeing organisations.
- 1.6 The rationale behind the streamlined procurement process is evident when reviewing the existing route to market. The current Construction and Highways Work and Services

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Framework (CHWSF) ceases to provide a route to market as the Contract duration has now been extended.

- 1.7 The alternative process would be to approach the market in an open tender format for delivery of each element of the programmes. Typically, a project is offered to prospective Bidders who submit costed bids for evaluation. Following the evaluation process and a winner is identified, a report is distributed for comments, which are compiled and placed on the Cabinet approvals list to seek consent to award the Contract. This typically can take up to ten to twelve weeks due to the process which in turn increases the risk of delivery when working to fixed deadlines imposed by TfGM and/or DfT.
- 1.8 The current Accessible Oldham Strategic Partnership is approximately two years through its four-year term and the current pipeline of work will exhaust the term and financial commitment (£20m) by Spring 2025.

## 2 **Current Position**

- 2.1 In order to mitigate the risks of the programme slippage, development funding via TfGM has been identified to fund the creation of a Strategic Partnership Agreement and Reserve Supplier Agreements using an NEC4 Framework Contract as the basis of the Agreement (included in the recommendations of the Cabinet report of 17<sup>th</sup> October 2022 – Grant Acceptance: City Region Sustainable Transport Settlement (CRSTS) - Quality Bus Transit (QBT) Corridor).
- 2.2 The awarding of works packages funded by CRSTS or LUF2 (but not exclusively), to a single Contractor is the preferred method. Highways & Engineering has engaged external expertise to assist in the creation of a Contract and supporting information that meets the current/future demands of the programme allowing the flexibility which Oldham Council requires and includes Social Value (TOMS) to ensure the Contractor aligns its aspirations with those of Oldham Council.
- 2.3 It is expected that the benefits will provide the Delivery Team with the necessary support with current and future bidding opportunities whilst also providing Oldham Council with a mid-term Delivery Partner. It also enables construction work to begin a great deal sooner than the traditional route as projects will be issued via a Call Off procedure and awarded through a delegated decision process.
- 2.4 The proposed way forward is to prepare reports seeking the approval of the Director of Economy in consultation with the Portfolio Holder for Neighbourhoods through appropriate delegation. All reports will contain views from Legal Services, Finance Risk & Insurance and Procurement amongst others.
- 2.5 The Strategic Partnership Agreement has been advertised by the Procurement Team and feedback received to shape the Contract to the current market.
- 2.6 The Sustainable Oldham Strategic Partnership Agreement was advertised via The Chest on the 8<sup>th</sup> September 2023 and is expected to be available for use in early 2024.

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2.7 The current procurement timetable is shown below

	<b>Event</b>	<b>Date</b>
1	SQ/draft ITT published	8 <sup>th</sup> September 2023
2	Deadline for clarifications on SQ	25 <sup>th</sup> September 2023
3	Deadline for return of SQs (12:00 hours)	9 <sup>th</sup> October 2023
4	Evaluation of SQ responses and shortlisting	October 2023
5	Issue SQ notification letters	November 2023
6	Invitation to Tender (ITT) published	10 <sup>th</sup> November 2023
7	Deadline for clarifications (ITT)	11 <sup>th</sup> December 2023
8	Deadline for return of ITT (12:00 hours)	8 <sup>th</sup> January 2024
9	Evaluation of ITT	January/February 2024
10	Governance and Approval	February/March 2024
11	Notify Tenderers of tender outcome and commence Standstill Period	March 2024

2.8 The Procurement Strategy adopted is a restricted tender procedure. An initial sift will be undertaken with a shortlist of five Contractors being invited to tender with one being awarded as the outright winner and one reserve contractor. This report will be signed by the Leader of the Council and the Executive Director for Place and Economic Growth.

2.9 A selection procedure is set out within the Contract for each 'Call Off Order'. A quotation procedure is also set out. The Council retains the right not to issue the Call Off Order should the Client's Representative not be content to do so based on cost, programme, or any other reason.

2.10 The appointed Contractor will be continually monitored on performance via Key Performance Indicators (KPI) based on the following criteria:

- Health and Safety
- Social Value
- Time
- Cost
- Quality
- Local Supply
- Local Employment

2.11 If performance criteria are not met then the Council will retain the option to allocate the construction work to the Reserve Contractor. There is also provision for a Reserve Contractor to be utilised if the Primary Contractor is unable to perform its obligations under the Contract.

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### 3 Options/Alternatives

#### 3.1 Option 1 - Delegated authority is given to:

- the Deputy Chief Executive (Place) and Economic Growth in consultation with the Leader to award the Strategic Partnership Agreement and Reserve Supplier Agreement.
- the Director of Economy in consultation with the Portfolio Holder for Neighbourhoods, to award the individual Call Off Contracts for the works packages under the Strategic Partnership Agreement and Reserve Supplier Agreement if necessary.
- the Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreement and Reserve Supplier Agreement, any incidental and ancillary documentation and to the individual Call Off Contracts under the Strategic Partnership Agreement and Reserve Supplier Agreement.
- The Head of Highways & Engineering award low value Call Off Orders (<£50K) in line with Head of Service financial approval limits and in consultation with Budget Holder and Finance Officer.

#### 3.2 Option 2 – Competitive Tender process for individual Call Off Orders

- On completion of the individual design packages, adopt a competitive tendering opportunity and present to the market via The Chest to invite submissions in the conventional manner.
- This would involve an extensive process to procure a suitable Contractor for each project featured across the programmes which in turn would increase the number of Cabinet reports requiring approval and drastically increases the timeframe associated with delivery.
- This process increases risk and limits opportunities to maximise seasonal windows of opportunity conducive to certain elements of the construction process.

### 4 Preferred Option

#### 4.1 Option 1 - Delegated authority is given to:

- the Deputy Chief Executive (Place) in consultation with the Leader to award the Strategic Partnership Agreement and Reserve Supplier Agreement.
- the Director of Economy in consultation with the Portfolio Holder for Neighbourhoods, to award the individual Call Off Contracts for the works packages under the Strategic Partnership Agreement and Reserve Supplier Agreement if necessary.
- the Director of Legal Services to affix the Council's seal to the Strategic Partnership Agreement and Reserve Supplier Agreement, any incidental and ancillary documentation and to the individual Call Off Contracts under the Strategic Partnership Agreement and Reserve Supplier Agreement.
- The Head of Highways & Engineering award low value Call Off Orders (<£50K) in line with Head of Service financial approval limits and in consultation with Budget Holder and Finance Officer.

### 5 Consultation

5.1 All relevant Council Departments have been consulted during the production phase of the Sustainable Oldham Strategic Partnership Agreement.

### 6 Financial Implications

6.1 The appointment of a Strategic Partner via the Sustainable Oldham Framework should streamline the procurement of the works to be undertaken as part of the Sustainable Oldham Capital Programme and enable the completion of the works within the grant funding timescales. The total value of the works that will be awarded via this Framework will be dependent on the levels of grant funding available for works and will include both CRSTS and Levelling Up grants. The total value of works is expected to be in the region of £35m.

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- 6.2 The procurement will ensure that the most economically advantageous tender is selected and enable Value for Money to be achieved for the Sustainable Oldham works. The revenue costs of conducting the tender exercise will be met within existing budgets.

(James Postle, Senior Finance Officer)

## 7 Legal Services Comments

- 7.1 Legal Services supports the recommendations. The procurement process is being conducted in full compliance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules. The suite of documents including the contracts is being well drafted to suit the Council's needs and there will be adequate protections in the contract to protect the Council and promote the Council's best interests.

(Sukie Kaur – Solicitor)

## 8. Co-operative Implications

- 8.1 The proposal to commission a strategic partner to support the delivery of major highways and transport projects and to delegate powers to the Deputy Chief Executive (Place) and Director of Economy to sign off individual projects is recommended as this will ensure that major works can be completed within their proposed funded timeline and that highways and transport infrastructures are safe for residents and people entering and leaving the borough

(Mahmuda Khanom, Policy Support Officer).

## 9 Human Resources Comments

- 9.1 No direct HR implications.

(Catherine Pearson, Strategic HR Lead)

## 10 Risk Assessments

- 10.1 The risks of this option include balancing the efficiencies of having a pre-approved contractor with the availability for one single contractor to carry out all the £35m of works in a 4-year period within the timescales for the projects. The use of a reserve contractor will help to mitigate this risk. The Council will need to ensure that appropriate insurances are in place for the contractor and that all grant conditions are complied with. Procurement and Legal and financial risks are noted within other sections of this report.

(Vicki Gallacher, Head of Insurance and Information Governance)

## 11 IT Implications

- 11.1 The proposals do not require acquisition of or amendments to IT systems.

(Alex Shaw, Highways & Engineering)

## 12 Property Implications

- 12.1 Proposals neither reduce nor increase the use of property and therefore considered not applicable.

(Katy Webster, Assistant Director, Property & Projects)



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13      **Procurement Implications**

13.1      The procurement process is being conducted in full compliance with the Public Contract Regulations 2015. The Council is using the Restricted Procedure pursuant to Regulation 28 of the Public Contracts Regulations 2015 (as amended) (PCR) which will involve the following two core stages:

- Stage 1 – assessment of capacity, capability, and financial standing to meet Council requirements and shortlisting (SQ);
- Stage 2 – Invitation to Tender to those shortlisted (ITT).

Those Tenderers shortlisted at Stage 1 will be invited to Tender and will be requested to provide proposals to meet the requirements outlined in the Project Specification and the Tender Evaluation Criteria.

The suite of documents including the contracts have been drafted to suit the Council's needs and there will be adequate protections in the contract to protect the Council and promote the Council's best interests.

A further report will be presented in Q1 2024 once a full tender evaluation process has been completed; seeking approval for the award of the framework and reserve supplier agreements'.

(Dan Cheetham, Procurement Business Partner)

14      **Environmental and Health & Safety Implications**

14.1      None. (Alex Shaw, Highways & Engineering)

15      **Community cohesion disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1      There are no Crime and Disorder implications in relation to the proposals contained within this report.

(Philip Bonworth, Community Safety Operational Manager)

16      **Oldham Impact Assessment Completed (Including impact on Children and Young People)**

16.1      No negative impact – refer to Appendix B Impact Assessment

(Alex Shaw, Highways & Engineering)

17      **Key Decision**

17.1      Yes

18      **Key Decision Reference**

18.1      ESR-32-23



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19 **Background Papers**

- 19.1 The entitled *Cabinet Report QBT (Development Funding)* sought and gained approval in October 2022 to use part of the resource affiliated with the Quality Bus Transit Design Team to progress the development of and tender a Strategic Partnership Agreement with a view to awarding the works packages to a single Contractor to meet the expectations and timescales of the funders that were granted. Refer to Appendix A.

File Ref : N/A

Name of File : Cabinet Report QBT Development Funding

Records held in Transportation & Policy Department and ModGov System

Officer Name : Eleanor Sykes

Contact No : Teams or email

- 19.2 The Equality Impact Assessment borne out of the Council's Corvu System illustrates the impact of the proposal.

File Ref : N/A

Name of File : SOSPA EIA Report & Wheel

Records held in Highways & Engineering Project Folder and Corvu System

Officer Name : Alex Shaw

Contact No : Teams or email

20 **Appendices**

Appendix	Document
A	Report to Cabinet
B	Equality Assessment SOSPA