

Northern Gateway Procurement Strategy

V1.5

August 2024

Contents:

	Page
1. Scope	2
2. Purpose	2
3. Procurement Context	3
4. Role of the PMO	3
5. Public Sector Duties and District Principles	4
6. Social Value	7
7. Approach to Procurement	8
8. Contract Management and Administration	10
9. Conclusions	10
Appendix A – Workstream Procurement Strategy Template	12

1. Scope

The Northern Gateway site comprises two allocations within the adopted Places for Everyone Plan:

- JPA1.1 (Heywood/Pilsworth) is a nationally significant proposal for employment development. This allocation within the Northern Gateway is recognised as one of two Investment Zones in Greater Manchester. The site occupies a strategic location adjacent to the M60, M62 and M66 and market analysis considers that this, together with the scale of the opportunity, will attract high quality businesses and employment opportunities.
- JPA1.2 (Simister / Bowlee) will see the delivery of new housing that is well integrated with, and brings positive benefits to, the surrounding communities. The site is located between the settlements of Prestwich and Middleton and borders onto the M60.

The Northern Gateway allocation has the potential to be genuinely transformational and to be a key driver in rebalancing the Greater Manchester economy by boosting the competitiveness of the northern districts, delivering thousands of quality jobs and thousands of new, quality, low carbon homes linked to sustainable transport.

Northern Gateway is the largest and most significant development site in the Atom Valley Mayoral Development Zone (MDZ). The MDZ aims to boost growth and help to create a more balanced economy across the Greater Manchester city region and includes major development sites across the three boroughs of Bury, Rochdale and Oldham.

The MDZ enables districts and partners to work closely together with GMCA, TfGM, national agencies and the private sector to accelerate plans for inclusive growth and sustainable transport for all modes, to reflect long-term plans, for the benefit of local residents. An MDZ Board has been established to oversee the work of the MDZ. The relationship between Northern Gateway and Atom Valley must be retained to maximise the cumulative benefits, maintain partnership support and move forward coherently under the established brand of the MDZ, with the MDZ Board being the vehicle to facilitate this relationship.

Northern Gateway also benefits from Investment Zone (IZ) status. £160 million in public funding over 10 years will support initiatives and interventions across Greater Manchester's IZs, including new research and innovation, sector-focussed skills programmes, local infrastructure enhancements, and targeted business support, with a focus on advanced materials and manufacturing.

In order to realise the development potential of Northern Gateway, some public sector intervention is required, and is likely to span both the current pre-development stage and into delivery.

2. Purpose

This Procurement Strategy provides a detailed plan of how public-sector commissioned services required to progress delivery of the Northern Gateway project (JPA1.1 and JPA 1.2) will be acquired. It ensures services will be acquired through a fair, transparent and proportionate process, ensuring they are procured in a timely manner, at the right price, and of the right quality and subsequently managed to ensure value for money and alignment with corporate policy.

Agreeing a strategy for procurement ensures roles and responsibilities are understood, activities can be prioritised, the market maintains confidence in public-sector commissioning, and project risk is reduced.

The Strategy sets out the considerations required for any commission associated with the Northern Gateway project, details of workstream specific requirements (see Appendix A), including the need to develop a workstream procurement strategy, and links with the Northern Gateway Governance Framework and Social Value Strategy.

3. Procurement Context

Historically, procurement activity for Northern Gateway has been led by Rochdale, due to resource availability, established procurement systems, and Grant Funding Agreements (GFA) awarded by the Combined Authority detailing Rochdale as the recipient of the funding, therefore requiring Rochdale to appoint any external resource(s) that are required. In turn, this has meant that all contracts entered into have also been managed by Rochdale.

Following the appointment of the Northern Gateway Major Project Manager (a joint resource between Bury and Rochdale Councils but placed within Bury Council) a Project Management Office (PMO) for Northern Gateway was established.

2.1 Role of the PMO

It is agreed that all public-sector procurement for Northern Gateway will be led by the PMO, working in collaboration with partner organisations involved in the relevant workstream, to develop a recommended procurement strategy for Strategic Board approval. Consequently the PMO will be responsible for:

- Administration of any Grant Funding Agreement (GFA), supported by any organisation key to the delivery of the workstream – funding will follow the functional lead for each workstream, with an explicit reporting line back into the PMO.
- Implementation and management / administration of Contract(s), supported by any organisation key to the delivery of the relevant workstream; and
- Coordinating all reporting to enable the Northern Gateway project to be effectively managed.

The level of support required from partner organisations in relation to administration of the GFA and the Contract(s), and contribution to reporting, will be agreed on a case-by-case basis and may become the responsibility of an organisation other than Bury Council should it be deemed more appropriate for a different partner lead.

The reporting requirements set out in the Northern Gateway Governance Framework are as follows – any organisation delivering a workstream on behalf of the Northern Gateway project should follow these requirements:

- the leads of each working group must report into PMO on a monthly (as a minimum) basis. Reports must include a progress update, activities upcoming in the next period, details of any risks identified in the last period, an update on the financial position, forthcoming stakeholder engagement and escalation of issues;

- any contract with a third party should include a requirement for a priced activity schedule, forecast costs for the period of the commission, a requirement to contribute to the management of risk and a Programme, to be updated monthly as a minimum;
- where a Change Request is submitted from a third party, the impact on cost and time must be fully understood and recorded, to be supported by PMO as necessary. Where the impact on cost and / or time exceeds the approved tolerance, this must be reported to PMO for escalation prior to acceptance.

This will enable PMO to coordinate Strategic and Programme-level risks and issues, spend and progress of each workstream. PMO will report up through the Northern Gateway governance structure and will work as part of the Atom Valley structure to share information, maximise opportunities and reduce risk.

Any organisation or individual responsible for leading a procurement or managing the subsequent commission must acknowledge to the requirements set out in the Northern Gateway Governance framework and report into the PMO to ensure a coordinated approach to the project can be maintained.

4. Public Sector Duties and District Principles

4.1. Public Sector Duties

Public Services (Social Value) Act 2012

All public sector organisations have a duty to ensure, as far as is possible, consideration is given to how services can improve social, economic and environmental wellbeing of communities within each borough. Through procurement, there is a need to demonstrate that social value has been sought and achieved in relevant contracts, to support work to address social cohesion, and improve employment, skills development and training opportunities.

The Public Services (Social Value) 2012 Act places a statutory duty on Councils to consider the following, for procurements exceeding the UK threshold of £139,688 (incl. VAT):

- How the economic, social and environmental wellbeing of relevant areas may be improved by the procurement, and;
- How, in conducting the procurement, the council might act with a view to securing that improvement.

Individual organisations implement alternative threshold standards as follows:

- Bury Council – Social Value must be considered in all procurements
- Rochdale Council – Social Value must be considered in all procurements
- GMCA - £100,000 procurement threshold
- TfGM - Social Value must be considered in all procurements above £100,000

See Section 6 for further detail of Social Value requirements in place for any commission associated with Northern Gateway.

Equality Act 2010

Each council has a duty under the Equality Act 2010 to ensure that any procurement undertaken addresses equality and diversity. This means good relations between people from different groups are promoted, equal opportunities are provided, and unlawful discrimination, harassment or victimisation as detailed in the Act is eliminated.

Duties set out in the Equality Act (2010) can be addressed through procurement in a number of ways:

- Ensuring equality and diversity terms and conditions are included within contract documentation;
- Ensuring an open and transparent procurement process; and
- Completion of an Equality Impact Assessment prior to procurement to identify all needs and give due regard to the need to promote equal opportunity.

4.2. Contract Procedure Rules, S151 Rules and Insurance Requirements

All contracts we award must comply with the Public Contracts Regulations 2015 or the lead organisation's Contract Procedure Rules. All procurement activity must also be undertaken with regard for S151 Rules for Contracts and Finance, as well as operating within the bounds of current UK procurement legislation.

Each council has set a limit of minimum requirements for insurance. Where relevant, the minimum insurance limit set by the contracting authority must be made clear as part of any procurement exercise. The relevant council's Finance team must be consulted where the procurement is of high value to ensure the appropriate level of insurance is in place, and any proposal to deviate from the council's minimum requirements must be approved by the relevant Officer (commensurate to Head of Finance).

As such, where either Bury Council or Rochdale Council are leading a procurement, the relevant procurement team, Legal team and S151 officer must be involved from the outset.

4.3. Procurement Thresholds

The obligations set by the organisation leading the procurement, and the whole-life value of the contract will inform the procurement options available in terms of route to market. Once it has been agreed by Strategic Board which organisation will lead a commission, the workstream procurement strategy should set out what the relevant organisational obligations are and how they will be fulfilled.

Post-Brexit, the UK is no longer bound by EU regulations, including those related to public procurement. As a result, the UK has implemented its own public procurement system and no longer participates in the OJEU.

The current (2024) procurement thresholds for the UK are:

	Services or Goods	Works Contract	Social and Other Specific Services
Central Government	£139,688 (inc. VAT)	£5,372,609 (inc. VAT)	£663,540 (inc. VAT)
Other Contracting Authorities	£214,904 (inc. VAT)	£5,372,609 (inc. VAT)	£663,540 (inc. VAT)

If contract spend is over the current UK threshold, tenders must legally be posted on 'Find a Tender'.

As an alternative route to market a public procurement framework could be utilised, the benefits of which can be as follows:

- Requirement for consultants and contractors to provide social and economics outputs which benefit the local community, usually within a defined radius;
- Opportunities for early contractor involvement in the design process;
- Consultants and contractors available on the framework will have already tendered through OJEU based on defined cost and quality parameters;
- Not based on lowest cost, but instead on a collaborative approach to delivering successful outcomes; (appointment is based on a 30% / 70%, cost / quality split. The 30% cost appointment is based on OH&P on anticipated project cost) – the quality response would include assessment of social value and environmental measures;
- Consultant / contractor performance is monitored using KPI's, which reduces the risk of poor delivery quality;
- Risk of legal challenge can be reduced from unsuccessful tenderers reluctant to discount themselves from future opportunities;
- Can be less resource, cost and time intensive than navigating the tender process through the 'Find a Tender' route.

4.4. District Principles

All public sector procurement must demonstrate that best value is being achieved from public spending and subsequent outcomes when any contract is awarded. Best Value is a statutory duty placed on the public sector under the Local Government Act 1999. Best value does not always mean cheapest, and the balance between cost and quality is key to the procurement process. The focus must be on procuring the best service to achieve the required outcomes in terms of what is needed, and not what is a 'nice to have'.

Best value can also be associated with ensuring effective and appropriate procurement procedures are adopted, based on the scale, complexity, and risk associated with projects, meaning more time and resource is focussed on large-scale, complex, and high-value projects and quick, efficient procurement is undertaken for smaller scale projects and work packages. Each public sector organisation has documented Contract Procedure Rules (CPRs) which set out the agreed procurement process and the relevant CPRs must be referred to within the workstream procurement strategy.

Due to the cross-boundary nature of Northern Gateway, there is a need for a coordinated approach to procurement for Northern Gateway. As a result, the default position is that procurement is led by the PMO, which sits within Bury Council, on behalf of partners. Relevant partners will be involved in and support the procurement process. Where there is case that this is not the most appropriate route, and a different organisation is better placed to deliver the workstream a decision request must be tabled at Northern Gateway Strategic Board for approval.

Where there is an instance one authority leads procurement on behalf of the project, and therefore on behalf of both authorities. As such, checks and balances will need to be put in place to provide the PMO with assurance agreed processes are being followed. As a precedent, the following checks and balances have been agreed between Bury and Rochdale Councils for the Western Access SOBC commission where the Rochdale Development Agency (RDA) are the lead organisation:

- Bury Highways to sign-off any Works Information prior to commencement of intrusive surveys etc;
- RDA to provide assurance risk assessments, CDM controls (as relevant) and supervision requirements are in place prior to commencement of survey works;
- RDA to lead on liaising with Bury Highways to ensure necessary licences are in place for works on highway;
- Bury Highways and Northern Gateway Major Project Manager (PMO) to be involved in all design workshops, stakeholder engagement planning, risk management activities;
- Bury Highways to be given sufficient time to review, comment on and sign-off designs within administrative area prior to any design freeze / stage-gate;
- Regular project meetings to take place with all key parties – to include review of risk, issues, programme, costs, stakeholder engagement;
- Production of a monthly Highlight Report by RDA, content to be agreed between Districts, to be shared with PMO, and subsequently Steering Group and Strategic Board;
- Northern Gateway Major Project Manager to review all RDA recharges against programme prior to processing.

Where the delivery of a project, such as the Western Access, will cross the administrative boundaries consideration will be given in the workstream procurement strategy to the required approach to delivery and any need for any transfer of powers to facilitate delivery will be escalated to PMO.

5. Social Value

Under the Public Services (Social Value) 2012 Act public sector organisations have a duty to ensure, as far as is possible, how services can improve the social, economic and environmental wellbeing of communities within each borough. Social Value is central to this Procurement Strategy. A joint Social Value Strategy is being developed, for Bury Council, Rochdale Council, GMCA and TfGM, which will focus on skills, education, the environment and engaging communities in the Northern Gateway site to maximise the benefit to communities in Bury and Rochdale.

The Social Value Strategy should be read alongside and implemented in alignment with the Northern Gateway Procurement Strategy, and subsequent workstream specific procurement strategies. During any procurement exercise, quality question(s) relating to social value must be assessed against how well the outcomes set out in the Social Value Strategy are achieved.

The Social Value Strategy is also intended for use by the Joint Venture and other third-party landowners when undertaking procurement, to ensure opportunities are coordinated and maximised. Work will be undertaken to seek agreement of the Social Value principles through the Joint Venture Board – this will include transmission of any obligations into successors, to cover instances where parcels are likely to be delivered by third party developers.

In developing a joint approach, a series of KPIs will be agreed based around each organisation's priorities. The joint Social Value Strategy will move outputs away from individual partner priorities and into Social Value measures taken from within the Social Value strategy.

These KPIs will be of key consideration during the procurement phase and will subsequently be monitored during any commission to which they applied. The outcomes of the KPIs, and the social value activity, should be presented to Members and the Northern Gateway Strategic Board on a

regular basis, to share good news stories, support council priorities and to satisfy requirements of the Public Services Act in demonstrating how the social, economic and environmental wellbeing improvements for an area are being secured.

The agreed joint approach to Social Value will be developed in collaboration with each organisation's leadership and procurement teams. Key considerations to be agreed include the geographical area of social value benefits to be taken into account and how the KPIs will be measured across the districts.

6. Approach to Procurement

Before progressing any form of procurement, a process to determine and agree the need for, objectives of and approach to the procurement will be undertaken to ensure the services or goods being commissioned are necessary.

The following steps must be considered, and subsequent recommendations presented to the Northern Gateway Strategic Board / Steering Group / in the workstream specific procurement strategies for a decision prior to progressing any procurement.

The approval of the workstream specific procurement strategy will be tabled in-line with the delegations set out in the NG Governance Framework (V1.10):

- NG Strategic Board – procurement up to the value of £500,000
- NG Steering Group – procurement up to the value of £250,000 (Rochdale: between £250,000 and £500,000 with agreement from relevant Portfolio Holder)

6.1. Identify a need – what would the impact be if the work did not take place; are the outputs a priority; are other workstreams dependent on the outputs

6.2. Identify a budget

6.3. Confirm Authority through Scheme of Delegation

Is a key decision or executive decision required?

6.4. Identify SMART Objectives –

- Specific – what is the required outputs of the procurement
- Measurable – what is the success in achieving the output; what will be achieved; how will progress be monitored to ensure success
- Assignable – roles and responsibilities for specific tasks should be clear
- Realistic - Goals must be achievable with available resources
- Time-related – A timeline should be set, with key dates and checkpoints.

6.5. Confirm lead organisation and officer(s)

- Provide details of roles and responsibilities (responsible, accountable, informed and consulted)
- Confirm procurement requirements of lead organisation:

6.6. Make or buy decision -

Once project requirements have been defined, analysis is needed to determine if the outputs can be delivered by existing internal resources, or if external support is required:

- Identify potential suppliers (internal and external)
- Analyse the cost, availability and benefits of each option
- Assess the risks and opportunities of each option
- Make recommendation

6.7. Identify any assumptions made when drawing conclusions about the preferred procurement approach

6.8. Define procurement approach and route to market, to include consideration of:

- **Contract Options - Form of Contract**
 - What provisions are required to respond to change, monitor and review contractor performance and terms to enable termination if required;
 - Form of Contract (ie JCT; NEC; PCSA; task order)
 - Contract option – linked to pricing and level of risk.
- **Procurement Approach**
 - For construction projects, such as Western Access, will a Traditional or Design & Build route be followed;
 - Will the procurement be one or two-stage;
 - Which organisation will lead procurement; which individual(s) will be responsible for procurement, contract management and reporting into PMO;
 - What will the role of other organisations be in ensuring all stakeholder requirements are met.

- **Route to Market**

Following consultation with Legal and Procurement teams to ensure compliance with Contract Procedure Rules, UK procurement thresholds and associated regulations, the route to market must be considered. The whole-life value of the contract will inform procurement options, which may include direct award, call-off on rotation, competitive tender or mini-competition via a framework.

Direct awards can only be used in truly exceptional cases, they are not an easy route to deal with unexpected project delays. From October 2024 the market must be notified each time a direct award is made over £5M. Advice should be sought from Corporate Procurement before progressing a recommendation for a direct award.

- **Available Frameworks**

Dependent on the decision regarding which organisation will lead the procurement and subsequently enter into contract with the chosen party, different frameworks are available to procure the necessary services.

The decision on the best placed framework should be based on previous experience of the frameworks to manage cross-boundary projects, contractual issues including change control, dispute resolution, pain / gain share (if applicable) and risk transfer.

- **Procurement Process**

Once the route to procurement has been agreed, a series of decisions will be required in terms of the need to test the market with an Expression of Interest, the scope contained

within an Invitation to Tender, the % split of price and quality for tender assessment purposes and agreement on the quality questions.

- **Additional Requirements**

Any requirements that the appointed contractor will be required to provide / deliver (such as Programme, priced activity schedule, highlight report etc)

Prior to any procurement, the PMO and lead organisation will prepare a workstream specific procurement strategy which will present the findings of the considerations referred to above and make a recommendation for the Northern Gateway Strategic Board / Steering Group (as defined by the delegation) to decide upon – this includes the allocation of any budget required over and above what is already available. This report will align with the Northern Gateway Business Plan (once in place).

Following approval of the workstream procurement strategy, and the conclusion of the subsequent procurement exercise, Northern Gateway Strategic Board will be required to sign-off a recommendation for appointment of the preferred supplier – the report, developed by PMO and relevant public sector partner(s), presented to Board must include outcomes of assessment of cost and quality and a rationale for the decision reached. The Project Manager will then be able to confirm the appointment with the preferred supplier.

Where a commission will support the development of an individual workstream within the project (*ie Western Access*) a separate Procurement Strategy will be developed to ensure circumstances individual to that particular workstream are considered and reflected within the recommendations.

7. Contract Management and Administration

The PMO is responsible for the implementation and management / administration of any contract however, the level of support required from partner organisations (districts, GMCA, TfGM) in relation to administration of the contract, and contribution to reporting, will be agreed on a case-by-case basis as it may be deemed more appropriate for a different partner lead.

Resource requirement, with a clear set of roles and responsibilities, will be set out in workstream specific Project Initiation Document and there is an assumption adequate resource will be made available to ensure effective contract management of all public sector commissions associated with the Northern Gateway.

8. Conclusion

- 8.1. Following the approval of the Northern Gateway Governance Framework V1.10 the Northern Gateway Procurement Strategy sets out the approach to be taken to any commission relating to the development of the Northern Gateway project.
- 8.2. Initially, Strategic Board must agree for the need for the procurement to take place, and which organisation will be the lead.
- 8.3. Following approval by Strategic Board / Steering Group (subject to cost in alignment with the agreed delegation), a workstream procurement strategy will be developed by the PMO and relevant public

sector partner(s), making consideration of items set out in Section 7. This will be presented to Strategic Board / Steering Group for approval.

- 8.4. Following approval of the workstream procurement strategy and upon completion of the subsequent procurement exercise, the Northern Gateway Strategic Board will be required to sign-off a recommendation for appointment of the preferred supplier – the report, developed by PMO and relevant public sector partner(s), presented to Board must include outcomes of assessment of cost and quality and a rationale for the decision reached. The appropriate Project Manager will then be able to appoint the preferred supplier.
- 8.5. The Northern Gateway Governance Framework sets out reporting requirements for both the lead public sector organisation and the preferred supplier, to be reflected in contract documents (see Section 2.1). The lead Project Manager for each workstream must report into PMO as outlined in Section 2.1 to enable effective management and coordination of the project.
- 8.6. Unless otherwise agreed, the PMO is responsible for the implementation and management / administration of any contract, however the level of support required from partner organisations (districts, GMCA, TfGM) in relation to administration of the contract, and contribution to reporting, will be agreed on a case-by-case basis. The recommended approach will be set out as part of the individual workstream procurement strategy.
- 8.7. The Northern Gateway Procurement Strategy should be read in conjunction with the Northern Gateway joint Social Value Strategy and Northern Gateway Governance Framework (V1.10).

Appendix A:

Proposed workstream procurement strategy template, which takes into consideration requirements outlined in Section 7 of this Strategy - *this is completed as an example only.*

Commission Detail	
Strategic Saturn Model, including Variable Demand Model	
Identified Need	Yes / No – rationale as to why the procurement is needed
Anticipated Budget Requirement	£amount excl VAT <i>To be confirmed once scope agreed.</i>
Budget Confirmed (y / n)	
Confirmed Authority through Scheme of Delegation	
SMART Objectives	S – Atom Valley Strategic Transport Model
	M – - Cumulative impact of delivery of Atom Valley on highway network will be known - Need for additional highway intervention can be assessed and justified - Support development of district local plan(s)
	A – TfGM dedicated resource (tbc) to be responsible for procuring and leading the management of the commission as outlined in NG Governance Framework
	R – - TfGM dedicated resource required to work with / report into PMO. - anticipated time for delivery is 4 months from appointment. Agreement of scope needed in advance of this.
	T – - anticipated time for delivery is 4 months from appointment. Agreement of scope needed in advance of this. - Key dates and checkpoints to be agreed as part of programme upon inception.
Lead Organisation Recommendation	TfGM
Lead Officer(s) Recommendation	TfGM (responsible) NG Strategic Board (accountable)
Make or Buy Recommendation	Make (within the public sector) – TfGM, with some support from external commission(s)
Assumptions	TfGM have capacity to undertake the work
Procurement Approach and Route to Market – Recommendations	
Contract Options – Form of Contract	Task Order
Procurement Approach	
Route to Market	
Available Frameworks	
Procurement Process	
Additional Requirements	