

Sheffield & Rotherham Clean Air Plan Final Full Business Case Commercial Case April 2022

V3.00

Date Issued: 24 May 2022



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Document Controls

Document Approval

Version Number:	V3.00		
Prepared by:	Rachel Credland	Date:	24/05/2022
Checked by:		Date:	
Approved by:		Date:	

Issue Record

Version	Circulation List	Date Issued	Format Issued

Revision History

Version	Nature of Revision
V2:00	Added table 5 – Overview of outputs, performance measures, payment mechanisms and risk on page 28 to include the following information for each procurement package: output, performance measurement, payment mechanism and risk apportionment
V3:00	Added additional information to table 5

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Section 4 Commercial Case

4 Commercial Case

4.1 Introduction

This chapter describes the commercial case for the delivery of the Clean Air Charging Zone (CAZ) for Sheffield and Rotherham. The procurement strategy set out in this chapter has been developed to ensure the programme is viable and deliverable within the timescales and funding parameters. The strategy sets out all the procurement options we have considered to demonstrate how we have identified the most efficient route to market. This commercial case builds on the outline business case by confirming the detail of the procurements undertaken and sets out as far as possible those that are yet to be procured.

The procurement strategy will cover the following areas:

- The procurement packages required including their outline scope, route to market and contractual arrangements
- Phasing of the implementation works and associated measures and outputs
- Resourcing and contract management
- Risk allocation and transfer
- Payment mechanisms

Unless stated otherwise, the commercial activity referenced in this chapter relates to that being undertaken by Sheffield City Council, rather than Rotherham Metropolitan Borough Council (RMBC), though in some instances RMBC and its residents may be recipients of the goods/services referenced. RMBC specific measures are included in 4.4.2 'Road Schemes'.

Delivery of the CAZ will be facilitated by a blend of in-house delivery, 3rd party arrangements delivered via existing contractual arrangements, and the commissioning and procurement of new services and works.

The procurements will all be delivered and contract managed by the core project team with the support of multiple other internal SCC teams, alongside specialist external expertise where required (e.g. in relation to specific technical requirements around ANPR cameras and supporting infrastructure).

4.2 PROCUREMENT CONTEXT & STRATEGY:

Sheffield City Council is a Public Body and must comply with all UK Public Procurement Legislation and therefore, staff must, by law, adhere to the same. Several policies and procedures have been developed to help us achieve these objectives and to ensure that our procurement activities:

- Comply with Public Contract Regulations 2015
- Comply with the Council's Contract Standing Orders
- Are approved in accordance with the Council's Leaders Scheme of Delegation
- Achieve evidenced value for money in terms of quality and the price paid
- Are open and transparent and safeguard against allegations of corruption, fraud, or bias

- Are well documented to provide a clear audit trail
- Manage and address risks as well as opportunities

In addition to the requirements above, SCC has an Ethical Procurement Policy which aims to drive ethical behaviour as a standard through the supply chain and deliver more effective, efficient procurement outcomes.

The full Policy is included at Appendix CC1.

CAZ Procurement Objectives:

The procurement strategy utilised throughout the CAZ implementation programme shall achieve:

- The best option to deliver the infrastructure and services to achieve compliance with statutory limits for NO2 concentration within the shortest possible timescales. Delivery of the CAZ relies on critical delivery timelines; as such procurement decisions will need to be informed by identification of options that will minimise procurement timeframes, or which present the least delays or barriers to expediting delivery
- Ensure compliance with all legal, statutory and regulatory requirements
- Deliver value for money, where possible ensuring that secondary uses are developed from CAZ-specific infrastructure/services provided.

Procurement options

There are three options that have been identified as potential procurement routes to deliver each of the required procurements. Each option was considered in detail before deciding on the most appropriate procurement route which would deliver the right outcome within the defined timescales. The options in order of preference are:

- Utilise existing SCC and RMBC contracts including frameworks and dynamic purchasing systems
- Call-off existing framework agreements commissioned by central purchasing bodies and other local authorities
- Conduct an Open tender under the Public Contracts Regulations 2015 using the Find a Tender Service, or request quotes where the requirement is below the PCR threshold (in accordance with the Council's Contract Standing Orders)

It is recommended that where possible existing contracts and framework agreements will be used as they will deliver a compliant process in the shortest timeframe as most of the work has been completed upfront in terms of agreeing the contractual terms and qualifying suppliers.

4.3 PROCUREMENT PACKAGES – OVERVIEW

To deliver Sheffield's preferred Clean Air Zone proposal, several procurement packages have been identified as being required. These works & services have been divided into the following projects:

- P1 Enforcement
- P2 Road Schemes
- P3 Financial Mitigation Measures
- P4 EV Charge Point Infrastructure
- P5 Monitoring & Evaluation

Consideration has also been given to resourcing and communication requirements that will be needed to deliver the projects.

A breakdown of the procurements are set out in Table 1 and are expanded upon throughout the remainder of this chapter.

Where procurement/delivery packages are delivered internally, an internal service level agreement shall be agreed to ensure outcomes are delivered against expected timescales and costs.

Table 1 – Summary of Projects

Project	Procurement title	Code	Procurement Detail	Internal / External	Procurement Approach	Status and timeline (refer to CAP Deliverable Plan)
	ANPR Cameras & Associated Fixed Infrastructure	P1.1	Design, Supply & Install of ANPR Cameras	External	Further competition under Lot 2: Traffic Monitoring and Traffic Enforcement Cameras of the Crown Commercial Services Traffic Management Technology 2 (RM1089) Framework.	Approval to award received and contract awarded Oct 2021 Detailed designs produced Mar 22 and agreed June 22 Hardware production commences June 22 Camera install / ground truthing Aug 22 E2E / SIT testing Oct 22 Integration tests Dec 22 Post 'system ready' tests Dec 22 Go live date early 23
		P1.2	Operation & Maintenance of ANPR Cameras & associated software	External	Included in A1.1 procurement - Lump Sum contract.	Contract awarded and will commence once the ANPR network goes live in early 23
		P1.3	Back Office ('Instation') Enforcement System	External	Further competition under Lot 4 of ESPO Framework 509 for a Civil Enforcement Back Office System.	System is live for parking enforcement. The enforcement module will be built Mar to Aug 2022 ready to go live in readiness for the charging zone
	Signage & Road Based Infrastructure	P1.4	Local sign supply, including temporary signage	External		Design approved Jan 22 Materials ordered Mar 22 Approval to award pending April 22 Installation June to Sept 22 Completion Oct 22
		P1.5	Local sign installation, including temporary signage	External	Existing Contract with Highways PFI contractor AMEY	
		P1.6	Local road infrastructure works, including road marking and other minor realignment works	External		

**P1:
Enforcement**

Central Government Systems	P1.7	CAZ Payment System & DVLA database (CGCAZS)	External	SCC will direct award to the Go Cardless system which has been procured by JAQU as the preferred system	Sign contract May 22 System live by Sept 22
Rotherham A633 Rawmarsh High Street/Bellows Road Improvement	P2.1	Highway improvement works including kerb realignments, signage and signalling changes	External	Direct award to Esh Construction Ltd under the YORCivils Framework Signals equipment to be purchased from Dynniq Mobility, under RMBC's existing traffic signals term contract.	Contractor appointed Dec 21 Works due to be completed July 22
A629 Wortley Road Northbound HGV Prohibition	P2.2	Implement TRO to restrict HGVs on Wortley Road Construction of traffic signing and facilitating works.	Internal	RMBC's internal street lighting team. Supply and installation of rotating prism signs to be procured from SWARCO Traffic Ltd as subcontractor to the internal delivery team.	Commence on site Jan 22 Works completed Feb 22 Prohibition enacted Mar 22
Collaborative Traffic Management (CTM) Link for Wortley Road	P2.3	CTM link is a requirement stipulated by National Highways through an agreement entered into to gain their support for the promotion of the HGV ban on Wortley Road.	Internal	RMBC to procure use of existing link into the South Yorkshire Common Database from Sheffield Council.	Completed
A630 Sheffield Parkway 50mph speed limit (TRO and Ancillary Works)	P2.4	Works to deliver the necessary permanent TRO to introduce a reduced speed limit of 50mph, including all signage to indicate the speed limit.	External	Via a compensation event with the existing contract with Balfour Beatty in respect of the ongoing A.630 highway improvement scheme. Via compensation event under existing NEC3 Option C contract for Parkway highway improvement scheme.	Temporary 50mph speed limit has been in place since March 21 Permanent 50mph speed limit will be in place upon completion of the highway improvement scheme at November 22.
A630 Fitzwilliam Road – linking of traffic signals	P2.5	Signalling equipment and minor changes to the highway including bus stop layby, etc. The delivery of the supporting TRO will be	Internal	The work will be delivered via the in-house Highway Delivery Team with the supply and installation of signals equipment to be purchased from Dynniq Mobility,	Commencement on site January 22 Works completion March '22

& highway improvement s		conducted by Rotherham Council in line with statutory powers of the Highway Authority.		under RMBC's existing traffic signals term contract.	
Bus-gate scheme - Arundel Gate Interim Roundabout (SCC)	P2.6	Introduced under an Experimental Traffic Regulation Order (ETRO) The temporary roundabout includes for a northbound Bus and Taxi Gate This allows a route to be provided through the middle of the roundabout for buses, cycles and taxis.	Internal & external	The design work will be completed in-house and the work will be completed through the existing contract with Highways PFI contractor AMEY	Approval to award due April 22 Design to be completed by May 22 Implementation June to Sept 22
Interest free loans	P3.1	Appoint a panel of FCA authorised finance providers to support vehicle upgrades by providing subsidised finance	External	Call-off the BANES framework agreement.	ITT finalised Call off from framework April 22 Approval to award May 22 Providers appointed May 22 Mobilisation and Go-live June 22
Grants	P3.2	Various grants will be available to eligible buses, coaches, HGVs, LGVs, private hire vehicles and hackney taxis	External	Call-off the BANES framework agreement.	As above
Bus retrofit grant administration	P3.3	Administer grants to Sheffield and Rotherham bus operators	Internal	SCC Programme and Accountable Body Service	Processes are being designed and finalised Go-live June 22
CAF programme delivery and customer contact service	P3.4	Programme and project Management of the CAF projects and workstreams. Resource and expertise to specify, procure and implement the measures including	Internal & External	These posts will either be resourced in-house where possible or sourced through SCC's corporate contract for agency staff with Reed Talent Solutions, including Consultancy	Ongoing

		administration of the various grant and loan schemes.		Plus if any specialist roles are required.	
Financial Regulation Quality Assurance	P3.5	Provide quality assurance of the delivery of the loan administration scheme by the panel of finance providers	External	Secure external specialist advisor to undertake quality assurance checks of the external providers.	Establish requirements April 22 Request quotes and appoint provider May 22
P4: EV Charge Point Infrastructure	P4.1	Introduction and further expansion of public charging point infrastructure in Sheffield and Rotherham with a mixture of rapid, fast and slow chargers to increase capacity for electric vehicles in the CAP area.	External	Supplier appointed via a restricted OJEU procedure to install 22 rapid chargers.	Contract is live
P5: Monitoring & Evaluation	P5.1	Ongoing scheme monitoring of air quality	Internal	Air quality monitoring will be resourced in-house. If additional resource is needed it will be sourced through SCC's corporate contract for agency staff with Reed Talent Solutions or Consultancy Plus	Ongoing
Traffic Monitoring & Evaluation	P5.2	Capture and analysis of traffic data – fleet survey	External	Commission Systra via their current contract	Ongoing
Communication and public engagement	P5.3	A range of communications activities to engage with Sheffield and Rotherham residents including developing a	Internal & External	Blend of in-house and external. Commission Counter Context via their current contract for the consultation work	Ongoing

				communication strategy, delivering a communication campaign, public consultation and consultation analysis and report.			
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4.4 DETAILED PROCUREMENT APPROACHES

4.4.1 PROJECT P1: ENFORCEMENT

Scoping

To enforce a Clean Air Zone, the following elements have been procured:

- Central Government Clean Air Zone System (CGCAZS), comprising:
 - Vehicle checking function with datasets including details of Euro emissions standard, retrofit, taxi & private hire national database, and local exemptions
 - Payment portal to enable those travelling within a CAZ to pay the relevant charge
- Network of ANPR cameras and supporting systems to collect Vehicle Passage Records and interface to multiple external systems
- Local enforcement 'back office' system to process fines for payments not made via CGCAZS

The scale of this element of CAZ implementation, in reference to cost, importance and timescales of delivery, results in the camera network & supporting systems being the critical procurement to ensure an enforceable CAZ is in place by early 2023.

SCC has continued to work closely with JAQU between OBC and FBC to ensure that the CGCAZS developed meets the authority's needs, and that rigorous testing with local systems takes place to ensure that all systems interface effectively to deliver a comprehensive enforcement CAZ infrastructure.

P1.1 Design, Supply & Install of ANPR Cameras

Options Appraisal

In determining the appropriate procurement route to deliver the Camera Network and Software procurement, three options were considered as outlined in Table 2:

Table 2: Camera Network & Software - Procurement Routes

Procurement Route	Pros	Cons
OJEU Procurement	Captures all available companies capable of delivering the solution.	Minimum timescales would need to be adhered to, likely to add to overall procurement timescale. Additional resource needed to develop T&Cs, pre-qualify suppliers and evaluate bids.

<p>Crown Commercial Services Traffic Management Technology 2 framework</p>	<p>Established OJEU compliant framework for specific purpose of procuring ANPR cameras and associated technology, with appropriate T&Cs reflected.</p> <p>Framework has 28 suppliers so captures significant spectrum of the market.</p> <p>Supports expedited delivery</p>	<p>Restricted framework – may not include all potential suppliers in the market.</p> <p>A % of final contract price will incorporate framework ‘management fee’.</p>
<p>Amend current SCC Bus Lane Enforcement (BLE) Camera contract</p>	<p>Expedited timescales given that existing contract already in place for similar requirement.</p>	<p>Given scale of the CAZ requirements a contract variation would not be a compliant route to market.</p>

Preferred Procurement Route - TMT2 Framework

The preferred procurement route is to call off the TMT2 framework as it will minimise the timescales and resources required compared to a full OJEU tender. Suppliers are already pre-qualified and some of the contract documentation has already been drafted. NEC3 contract documentation is utilised, with the frameworks fully mandated for use by all public sector organisations. The full range of contracts and optional clauses within each of the NEC3 contracts can be used at call off. Two access options are available, direct award or further competition. A further competition was our chosen route for the purpose of this exercise due to the high value and complexity of what was required.

The Framework provided a degree of flexibility around evaluation questions, call off terms and service specification to facilitate an appropriate ‘fit’ with SCC’s specific requirements. 28 suppliers were available via the Framework of which three submitted bids.

A market engagement event was held, with 9 suppliers from the framework attending. This event allowed SCC to prime the market ahead of the mini competition, set out the scope and ambitions of the CAZ, test key assumptions and issues and gather market intelligence to feed into the commercial strategy.

A key insight garnered from the market engagement was the limited capacity in the market for suppliers with the requisite internal capability to deliver both the ANPR infrastructure and the back-office enforcement system as part of a single ‘turnkey’ solution. These 2 elements effectively represent distinct segments of the supply market, and whilst some suppliers indicated a willingness to engage based on this ‘turnkey’ approach by entering into partnerships or adopting a prime provider model, there are risks associated with this approach. For example, in ‘forcing’ the market into partnerships or subcontracting arrangements, there is a likelihood of increased costs and a lack of control over key elements of the solution, with limited added value to SCC. A decision was therefore made to procure the ANPR infrastructure and back-office enforcement system via separate procurement exercises.

Procurement Approach

Tender documentation was prepared with support from an external consultant to provide appropriate technical expertise into the specification, alongside input from collaborating services.

It is acknowledged that, whilst SCC has identified a CAZ C as the preferred option, there may be a requirement, during the life of the CAZ itself, to move to a different level of CAZ in order to ensure compliance on NOx.

The tender documentation therefore included requests for costs and proposals in relation to the delivery of infrastructure to support a CAZ D, alongside the core requirement for delivery of the CAZ C. This CAZ D element will be optional and triggered at the discretion of SCC. In terms of technical requirements there is limited difference between a CAZ C and a CAZ D, with the major impact likely to be on the volume of images required to be reviewed at the Instation.

The contract was tendered under two contract forms and associated payment mechanisms, reflecting the capital and revenue elements of the procurement. This is illustrated in Table 3 below:

Table 3 Payment mechanisms

Contract	Payment Mechanism	Detail and KPIs
<p>Design, Supply & Installation of camera network and associated software</p> <p>Contract type NEC3 ECC</p>	<p>Payments for each Out-Station will be made upon successful completion of the site acceptance tests for each site. All other payments in relation to the Installation/Construction elements of the contract shall be made against achievement of the following Milestones:</p> <ul style="list-style-type: none"> - 10 % on delivery and acceptance of solution design, test strategy, business continuity plan and technical construction file - 10% on installation and completion of unit testing of in-station - 40% on completion of system testing/integration (inc compliance with JAQU) - 20% on completion of user acceptance testing and service Go-Live - 10% on completion of operational acceptance testing/service handover - 10% retained until 1 month after Go-Live review 	<p>To include all hardware, civils, works and software required to deliver the camera network and interface with external and internal systems.</p> <p>The conditions of contract are the core NEC3 clauses with Option A: Priced contract with activity schedule. Additional clauses are dispute resolution option W2 and secondary options X2, X7, X16, X18, Y(UK)2, Y(UK)3 and Z1 to 32.</p> <p>Performance and quality will be managed through KPIs and contract clauses (i.e. liquidated damages, termination clause). KPIs include:</p> <ul style="list-style-type: none"> • Quality of design • Adherence to programme • Communication • Responding to EWNs and CCNs
<p>Operation & Maintenance of camera network and associated software</p> <p>Contract type NEC3 TSC</p>	<p>The supplier shall invoice the Council each month for the previous monthly payment due for the service charge less the value associated with any Service Credit Points and consequently, Performance Deductions.</p> <p>Service credit points shall be totalled for all KPIs by the 5th working day of the subsequent month and the performance deductions shall be deducted from the next service charge.</p>	<p>The conditions of contract are the core clauses, the clauses for option A dispute resolution Option W2 and secondary Options X2, X13, X18, X20, Y(UK)2, Y(UK)3 and Z clauses 1 to 32 of the NEC3 Term Service Contract</p> <p>The contract includes the operation and maintenance of all cameras and software. KPIs to manage performance and quality are:</p> <ol style="list-style-type: none"> 1. Outstation availability

	<p>The value of the performance deductions are capped at 20% of the month's service charge, however the performance mechanism has provisions to deal with persistent under performance by the supplier.</p> <p>Costs have also been established for decommissioning at contract end.</p>	<ol style="list-style-type: none"> 2. Instation availability 3. VPR capture rate 4. VPR correct read rate 5. Filtered vehicles 6. Incorrect contravention candidate 7. Adherence to fix times 8. Incident recording 9. Reporting of incidents 10. Complete & correct provision of standard reports 11. Complete & correct provision of adhoc reports 12. Response time to FOI data requests 13. Data protection breaches 14. Contract compliance
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Secondary Uses

SCC is investigating further potential uses of the ANPR cameras to maximise the usefulness of installing this technology to the Sheffield region including for security and traffic flow. Potential uses include:

- SCC – Urban Traffic Control
- Use of ANPR cameras for greater understanding of urban traffic flow and opportunities to reduce congestion through traffic planning.
- SCC – Planning & Transport Strategy
- Understanding of traffic flows to inform future planning developments and where road infrastructure upgrades are required to avoid increased congestion.

The data produced by the CAZ could have significant secondary uses for SCC and other local organisations. To increase the value for money of implementing the CAZ, where possible, and with particular consideration to the requirements of GDPR & terms relating to JAUQ funding, SCC shall give consideration to these secondary users having CAZ data made available to them.

P1.2 Operation & Maintenance of ANPR Cameras & associated software

Sheffield City Council had two options for maintaining the camera network following installation – SCCs Highways contractor AMEY or using the external contractor who completed the design & build contract.

An external contractor would be required as a minimum to operate and maintain:

- The Instation and all accompanying systems to ensure maximum availability
- Ensuring Outstations meet performance standards

An external contractor's accountability for issues could be challenged if AMEY were partly responsible for maintenance of the Outstations. As a result, the cameras will be maintained by the primary contractor.

Contract Management

Essential to achieving compliance within the shortest possible time and ensuring that the broader benefits of the CAZ are realised is a robust contract management function. A range of skills and expertise to support, including project managers and technical specialists working alongside commercial and cost control resources will be assigned when this contract goes live.

The design & build contract will be managed by Sheffield City Council's Capital Delivery Service. An officer with sufficient technical knowledge will be appointed to contract manage the implementation of the camera network. In addition an external technical NEC Project Manager has been appointed to manage the NEC contract process and documentation (issue of EWNs and CCNs etc).

The operation & maintenance contract will be managed by the Council's Parking Services team to ensure KPIs are achieved and the system continues to operate to meet the intended function of the CAZ. SCC's Commercial Services team will support the contract managers to advise on any contractual matters.

Decommissioning

A cost was provided in the tender to decommission all elements of CAZ ANPR cameras and supporting systems. Utilisation of this option will be optional only, with SCC retaining the option to continue to use the assets beyond the life of the CAZ itself.

P1.3 SCC Back Office Enforcement System

An existing system provided by Taranto Systems Ltd (TSL) will be used to provide back-office enforcement. This system was procured under the Eastern Shires Purchasing Organisation (ESPO) Parking Management Solutions framework (509) Lot 3 as SCC required a parking services system. At the time of tendering the exact CAZ requirements were not fully known however the option to extend the system to cover the CAZ PCNs when the CAZ goes live was included. Indicative requirements were included in the tender and the contract will be varied to include this option in readiness for the CAZ going live.

The system currently supports the issue and processing of Penalty Charge Notices (PCNs) for parking and bus lane contraventions. As part of the tender for the current system in 2019 the Provider had to demonstrate they could meet requirements to deliver Clean Air Zone legislation. TSL have experience as the back-office system provider for London's Low Emission Zone (LEZ) and Ultra Low Emission Zone (ULEZ).

The Taranto system currently integrates with Systems Engineering & Assessment Ltd's Roadflow system for issuing bus lane and parking PCNs and once the CAZ goes live it will integrate with the Siemen's ANPR camera and system. This will also link into Taranto for the issue of CAZ related PCNs.

We currently issue exemptions to residents living near an existing bus gate using the Taranto permits system and export data from this to create a whitelist for the relevant ANPR camera. Local CAZ exemptions could also be managed and processed using this permits system.

Parking services contract manage this system and will continue to do so when the CAZ enforcement goes live.

P1.4 Local Sign Supply, P1.5 Local Sign Installation and P1.6 Local Road Infrastructure Works

The Clean Air Zone Frameworks (defined by DEFRA guidance) sets out the requirements for the CAZ Enforcement Signage and stipulates in Section 3.8 the minimum requirement is to 'have signs in place along major access routes to clearly delineate the zone'. This is supported by the Signs and Road Markings for Charging Clean Air Zones which goes into the details as to what is needed.

The two main objectives of the signs will be to first alert drivers to the CAZ and secondly to allow enforcement technology (ANPR cameras) to be used to capture non-compliant vehicles entering the CAZ.

The scope of works required under the contract includes for the following:

- The design and manufacture of the CAZ enforcement signage.
- The installation of the CAZ enforcement signage.
- Additional requirement identified for temporary signage

SCC will use their existing Contract with their Highways 'Streets Ahead' PFI Contractor, Amey Hallam Highways under the existing 'Non-Core Contract' provision for the design and installation of all the proposed CAZ Enforcement Signage and advance warning signage. Utilising the AMEY contract negates the need for a procurement exercise to be undertaken and allows for signage to be installed as soon as possible following Full Business Case approval with the subsequent accrual of new signs into the contract for maintenance for the remaining duration of the contract (20 years). Amey provide a range of related services including traffic sign production, street nameplate and bespoke signage. There is sufficient capacity within the AMEY contract to produce, install and maintain the necessary signage across the CAZ boundary on Local Authority roads.

In late 2019 Amey Consulting were instructed by SCC to undertake the development of the CAZ Enforcement Signage design solution and prepare the pre-information packages, etc. Also, in late 2019 Amey LG (Construction) completed the pricing exercise (i.e., Bill of Quantities) for the installation of the (poles and signage, etc) in-line with the design requirements. However, due to the delayed approval to proceed with the Clean Air Zone until late 2021 it has been necessary for SCC to instruct Amey Consulting to revisit the design solution (through a refresh Design Review exercise) to take account of any changes to the highway network and recent developments that would impact on the proposed design solution.

Following the completion of the updated Design Review and Client acceptance of the proposed changes a number of alternations are considered necessary and these will be undertaken through Amey's defined Change Control process. Following this a further costing exercise (i.e. updating of the 2019 Bill of Quantities) has been undertaken during the first part of January 2022 by Amey LG (Construction).

On completion of that exercise and acceptance of the revised 'price' the contract will be awarded to Amey Construction to commence the manufacture and installation of the CAZ Enforcement Signage works package.

In late November 2021, due to the current wider market pressures on material delivery timelines (particularly steel delivery) and escalating material costs, it was 'agreed' by the Programme that advance orders would be placed with the manufacturing suppliers for the necessary materials (steel poles, aluminium plates, etc) to ensure delivery and installation remains on target for a CAZ 'Go-Live' in early 2023.

On the basis that material supplies are delivered to programme (March 2022), Amey LG (Construction) would seek to commence the installation of the signage from May 2022 and would aim to be completed by October 2022. Amey have indicated that they would seek to divide the city into quarters and would engage three installation 'gangs'. The installation of the posts would be the first activity followed by the signage installation with suitable traffic management road space slots pre-booked with SCC Network Highway's team.

The Project Management of the CAZ signage will be through SCC's PFI Client team, Highway Maintenance Division (HMD), New Works Team as set out in the 'non-core' contract with Amey. HMD are paid a management fee based upon a sliding percentage scale (agreed under the non-core works contract) that is based upon the final costs provided by Amey. HMD on behalf of the CAP/CAZ Programme will issue Amey with all necessary 'Task Orders' to work up their proposals and then follow this up with a 'Call-Off' instruction against the main non-core contract. Amey LG are required to respond to that 'Call-Off' with a 5 working day period setting out their anticipated start and completion date and a supporting programme. HMD as part of their management fee undertake all the necessary paperwork with Amey moving forward.

As part of the HMD management fee under the Streets Ahead (Highway Maintenance PFI), 'non-core' New Works, Amey Hallam Highways provide the PFI Highway Client Team with 'agreed' monthly certificates for payments. These are reviewed and approved by the 'Client' the CAP/CAZ Programme team and funding is authorised against a defined Business Unit cost allocation.

HMD undertakes all the necessary paperwork and raises the Purchase Order (PO) for Amey Hallam Highways on approval to proceed with the contract award. HMD receives a payment request from Amey HH (Monthly Payments) and HMD reviews the request and passes to the Project Manager to review and 'agree' (authorise payment) that HMD can proceed with the payments. HMD raises the Payment Certificate and notifies Amey of the payment.

HMD as part of the service provision undertake at completion of the works the 'snagging' review exercise and make on behalf of the Programme the final payment in accordance with agreed budget allocations. The assets (signs etc) are then accrued into the ongoing overall maintenance contract held by Amey on behalf of SCC.

The signs will be designed fully in accordance with both DfT and Joint Air Quality Unit (JAQU) guidance and will match / follow the design principles of the existing Traffic Signs Regulations and General Directions (TSRGD) statutory instrument.

The CAZ enforcement signage is aligned to the ability to inform and alert drivers, of non-compliant vehicles, to the approach of Sheffield's CAZ (i.e., the inner ring road) and the need for drivers, of non-compliant vehicles, to pay for a daily licence to enter the CAZ through the application of a 'apply-on-line' charge.

The CAZ Enforcement signage will also enable the penalty enforcement process for non-compliant vehicles to be implemented.

The success of the CAZ enforcement signage will be measured by:

1. the installation of the signage (to the agreed locations) being linked to the awareness campaign to inform vehicle drivers of the implementation of the CAZ in Sheffield
2. the signage enables 'challenges' to the application of penalties for non-compliant vehicles (on a non-payment basis) to be successfully overcome at Tribunal (TPT) 'appeals'.

The 'benefit owner' will be the people of Sheffield in terms of improved 'air quality' through the reduction on NO₂ (NO_x) levels. The benefits of the CAZ Programme will be realised both pre-and-post the CAZ 'Go-Live' date of early 2023 through behavioural travel changes, the introduction of a number of mitigation measures such as vehicle upgrades or retrofits

commencing early and the CAZ signage is part of the both the notification, enforcement of CAZ as well as part of the overall public awareness campaign.

P1.7 CAZ Payment System & DVLA database (Central Government Clean Air Zone System (CGCAZS))

In order for charges to be collected from drivers of non-compliant vehicles, it is necessary for a CAZ Payment System to be in place. This system will be required to determine which vehicles are non-compliant, which will involve checks against multiple databases some of which are in the process of creation:

JAQU have confirmed their intent to create a Central Government Clean Air Zone System (CGCAZS). This will provide one portal for all CAZ users nationally to utilise when paying a CAZ charge, creating consistency and clarity particularly for users who may make inter-CAZ journeys such as the HGV sector. The creation of a CGCAZS also avoids duplication of efforts across authorities and should therefore provide value for money through:

- Lower capital costs to develop and implement
- Lower revenue costs to operate and maintain

Given the multiple interfaces & dependencies with other elements of the CAZ, this CGCAZS represents a key product in the critical path to successful implementation of the Sheffield CAZ. The Council will sign up to the Go Cardless system via a direct award in order for Sheffield CAZ users to pay the charges. This process has commenced and contracts will be signed in May and the system be live prior to the CAZ go-live date.

4.4.2 PROJECT P2: ROAD SCHEMES

The CAZ preferred options include a programme of capital schemes in Rotherham and SCC which will be managed, designed and delivered through existing internal resource. The schemes currently identified are:

Intervention	Procurement route & justification	Timescales	Outputs
A.633 Rawmarsh High Street / Bellows Road Improvements (RMBC)	Works are to be procured by direct appointment to Esh Construction Ltd under the existing YorCivils framework contract. Signals equipment to be purchased from Dynniq Mobility, under RMBC's existing traffic signals term contract. Direct award under existing framework utilised to facilitate delivery in shortest possible time as there is insufficient resource within internal service. Via NEC3 Option C contract	Contractor appointed December 2021 Works completion July 2022	Delivery of 1 No improved highway junction, with associated civils and traffic signals work.
A.629 Wortley Road Northbound HGV prohibition (RMBC)	Works are to be delivered by RMBC's internal street lighting team. Supply and installation of rotating prism signs to be procured from SWARCO Traffic Ltd as subcontractor to the internal delivery team. Internal service used as required by RMBC contract standing orders.	Commencement on site January 2022 Works completion February 2022 Prohibition enacted March 2022	Delivery of fixed and variable traffic signing indicating HGV prohibition
Collaborative Traffic Management (CTM) Link for Wortley Road (RMBC)	RMBC to procure use of existing link into the South Yorkshire Common Database from Sheffield Council. The need for a CTM link is a requirement stipulated by National Highways through an agreement entered into to gain their support for the promotion of the HGV ban on Wortley Road. This covers a proportion of the costs associated	Link has been delivered	IT systems work to enable NH RCC to operate RMBC variable signs within terms of the CTM agreement

	with linking into the CTM mechanisms needed to inform drivers of the potential suspension (through matrix signage) of the weight limit ban on Wortley Road if there is an incident.		
A.630 Sheffield Parkway 50mph speed limit (RMBC)	Balfour Beatty have been procured to deliver variations to design arising from the Clean Air Plan as a compensation event under their existing contract in respect of the ongoing A.630 highway improvement scheme. Works amount to a variation of design already in delivery in an existing live contract. Via compensation event under existing NEC3 Option C contract for Parkway highway improvement scheme.	Temporary 50mph speed limit has been in place since March 2021 Permanent 50mph speed limit will be in place upon completion of the highway improvement scheme at November 2022.	Design and delivery of revised speed permanent speed limits
A.630 Fitzwilliam Road – Traffic signals improvement (RMBC)	Supply and installation of signals equipment to be purchased from Dynniq Mobility, under RMBC's existing traffic signals term contract. Existing term contract used as required by RMBC contract standing orders.	Commencement on site January 2022 Works completion March 2022	Design and delivery of upgrade of 2 Ne sites to incorporate MOVA8 with special conditioning.
Sheffield Arundel Gate (SCC)	The temporary 'through-about' includes for a northbound Bus and Taxi Gate. The roundabout will be a turn round facility/avoidance option, which is essential for secure camera enforcement of the gate. It allows a route to be provided through the middle of the roundabout for buses, cycles and taxis. It will make the bus gate element highly visible to approaching drivers. A number of temporary physical islands or extensions to existing islands will need to be introduced to create the roundabout, and to guide traffic and provide pedestrian crossing continuity. There will be appropriate changes to traffic signs and road markings to ensure the layout is clear and legible. The scheme will be designed in-house and will be delivered by Amey.	Approval to award due April 22 Design to be completed by May 22 Implementation June to Sept 22	Design and delivery of a 'through-about' and changes to directional signage

Use of the Council's Highway Delivery Team

The majority of the works will be undertaken by RMBC's and SCC's Highway Delivery Teams. The Council has its own in-house Highway Delivery Team to deal with emergency situations such as gritting and winter services, as well as providing a responsive and adaptable workforce to undertake minor works on the highway network. The costs associated with the Highway Delivery Team have been commercially tested and offer value for money compared to another similar organisation. In addition, the schemes contained within the CAZ preferred option are minor and business as usual interventions. It is not therefore considered appropriate to use framework contracts for the delivery of these works.

However, RMBC are members of the Midlands Highway Alliance Framework which enables the appointment of design and construction contracts. If there are any issues with design or delivery, the Council can utilise this framework to procure services. This framework builds on previous experience and includes a series of KPIs to ensure that contractor performance is constantly revised and fed back into contractor selection models. Contractors are therefore incentivised to continue to deliver schemes on time and within budget. Membership also gives

access to a professional services framework contract for design services. The framework and in-house teams will allow for an early mobilisation in the event of a successful bid.

The works that will be delivered in-house will be subject to each Council's internal procedures and those works delivered through existing contracts will be performance managed under NEC3 Option C contractual obligations. Each Council's highways teams will contract manage the external contractors.

Identified Risks

The following risks have been identified in relation to the delivery of these schemes:

- Risk of price increase owing to inflation since quotation (allocated to RMBC)
- Risk of cost or programme overrun owing to market conditions such as supply chain delays (to RMBC)
- Risk of cost or programme overrun owing to COVID-19 and associated public health measures (to RMBC)

4.4.3 PROJECT P3: FINANCIAL MITIGATION MEASURES

Additional packages, alongside those directly relating to the charging Cleaning Air Zone, have been identified as part of the Preferred Option, and are detailed below.

P3.1 Administration of zero interest loan for Taxi, Private Hire & LGV

SCC has developed a proposal for a loan fund procurement package to provide subsidised vehicle finance to support owners of non-compliant Hackney Carriage Taxis, private hire vehicles and LGVs in the acquisition of new vehicles which will enable them to meet the compliant emissions standards of the CAZ.

The vehicle finance will be provided by a panel of FCA authorised finance Providers who will support vehicle upgrades by providing finance at a subsidised rate to the purchaser. The interest element will be subsidised and paid to the loan Provider from the CAF fund. The Provider will:

- provide working capital to finance the scheme
- undertake credit and affordability checks
- provide case management, account management and early enforcement of unpaid loans

The Providers are commercial lenders who will provide the loan capital directly and therefore take the risk of customers defaulting.

The preferred procurement route:

The preferred option is to utilise the BANES Framework Agreement by calling off the framework to create our own contract with a panel of approved Providers who will administer the loan scheme on our behalf.

Options appraisal:

The following options were considered –

- i) In house provision – it has been determined that the Council does not have the required expertise to deliver the scheme internally due to the specialist nature of asset finance and the associated risks
- ii) Call off existing framework agreement - Bath and North East Somerset Council has developed a framework agreement for the provision of loans which is accessible by

all local authorities who are mandated to deliver a Clean Air Programme.

- iii) SCC to set up a framework agreement – the Council will procure a Provider via an open procedure under the Public Contract Regulations 2015. This option would take a minimum of 6 months to procure and incur legal fees to draft the contract due to its specialist nature.

The tender documents are currently being finalised to enable a call off from the BANES framework to be conducted in April 22 and have the panel in place by June 2022.

P3.2 Grant Administration

SCC has developed proposals to support the operational costs incurred by Hackney Taxis, PHVs, LGVs, HGVs and Buses and Coaches to incentivise vehicle owners to upgrade to cleaner vehicles. These proposals are to be provided in the form of the following grants:

- Operational Grant available for Hackney Taxis, PHVs and LGVs
- Upgrade Grant available for Hackney Taxis, Private Hire Vehicles, LGVs, HGVs and coaches to support drivers to upgrade to a compliant vehicle
- Retrofit Grant available for Hackney Taxis, HGVs, Coaches and Buses to enable vehicles to be retrofitted (CVRAS accredited) to compliant emission standards
- Delicensing Grant available for Hackney Taxis to encourage licenced Hackney drivers to de-licence their non-compliant vehicle in exchange for a grant payment. The vehicle will no longer be eligible to be licenced in the city and the driver has the option to either leave the trade or use the grant towards a replacement compliant vehicle.

The preferred procurement route:

The preferred option is to utilise the BANES framework and follow the same process as for the loan scheme. This will be contract managed by the Programmes and Accountable Body Team who have a wealth of experience in administering grants. However, following the tender process should the fees be too high for the grant only option and not represent value for money, or the Providers on the Bath Framework decide they do not want to administer the grant payments they will be administered by the Programmes and Accountable Body Team to those customers meeting the eligibility criteria. If the team requires additional resource this will be procured through the Council's corporate Agency contract with Reed Talent Solutions. This provides a compliant route to market as the contract was procured in accordance with the Public Contract Regulations 2015.

Options appraisal:

The following options were considered:

- i) In-house – SCC's Programmes and Accountable Body team currently administer grant payments so they could be utilised to deliver these grants. If they do not have the resource to process the volume of applications additional resources will be employed via the Reed Talent Solutions contract.
- ii) Appoint an external provider via an Open Procedure under the Public Contract Regulations experienced in administering grant schemes. There will be a fee payable which is likely to be a fee per grant). Procurement timescale would be a minimum of 4 months.
- iii) Call off existing framework agreement - Bath and North East Somerset Council has developed a framework agreement for the provision of loans and grants which is accessible by all local authorities who are mandated to deliver a Clean Air Programme. The providers do not charge for administering the grant payments where the customer is taking a loan and a grant however there is a fee where the

customer is taking a grant only.

- iv) Procure a digital platform - automate the process to carry out the eligibility checks and payment of the grant. Depending on cost an Open Procedure under the Public Contract Regulations may be required and would require market consultation therefore the timescale could be 4 to 6 months. It would require technical input into the specification and drafting the tender documents.

P3.3 Bus retrofit grant administration

SCC and RMBC will offer a support package to operators to provide a grant to support retrofitting non-compliant bus & coaches to a compliant standard. Without an attractive support package there is a risk that bus or coach operators may choose not to supply services if they do not receive support to make their vehicles compliant.

SCCs Programme and Accountable Body will utilise existing staff and recruit new staff to create a dedicated team to administer the financial mitigation measures. Learning will be applied from other CAZ local authorities to inform resource planning and requirements.

In relation to the actual retrofitting works, national bus and coach operators already have established supply chain arrangements in place to implement the retrofitting works themselves. The situation is potentially a little more complex for smaller local coach and bus firms, who won't have established routes to carry out the retrofitting themselves, and for which the issue of State Aid compliance is likely to be more complex.

P3.4 CAF programme delivery and customer contact service

To deliver the CAF programme the following resources are required:

- Programme and project management of the CAF workstreams
- Resource and expertise to specify, procure and implement the financial mitigation measures
- Administering the grant scheme
- Contract management of the loan scheme
- Audit and assurance of the grant and loan schemes
- Provide a customer contact service function
- Development of an online eligibility checker and application form

In-house resource will be utilised where possible, for example the grant administration will be resourced by the Programme and Accountable Body team. However, as the roles are defined additional posts will need to be created. SCC will use the corporate agency contract to recruit temporary staff and there is also the option to appoint consultants via the Consultancy Plus framework where specialist support is required.

Contact centre

SCC Parking Service will define the requirements for the CAZ Contact Centre in conjunction with SCC customer Services team, they will work with Customer Services to finalise the draft customer journey mapping, customer profiles, job descriptions and training plans.

P3.5 Financial Regulation Quality Assurance

Secure external specialist advisor to undertake quality assurance checks of the external providers. The specification is being drafted with a view to requesting quotes in May 22 and having the advisor appointed by June 22.

P4.1 EV Charge point infrastructure

Introduction and further expansion of public charging point infrastructure in Sheffield and Rotherham with a mixture of rapid, fast and slow chargers to increase capacity for electric vehicles in the CAP area.

SCC received £515,000 of Early Measures Fund (EMF) capital funding to install EV chargers. This funding was combined with £650,000 of OLEV Ultra Low Emission Taxi Infrastructure Scheme funding as well as £225,000 of Highways England funding to provide a citywide network of 27no 50KW rapid chargers.

The chargers have been installed in 11 locations across the city, in a mixture of off-street carparks and on street parking spaces, with a focus on providing chargers in areas of high demand as well as areas which have high taxi usage, such as travel hubs and hospitals. Ten chargers are reserved exclusively for hackney carriages and private hire vehicles and are key to the EMF funded taxi trial project and the growth of electric taxis (hackney and private hire) in the city and region. The contract is contract managed by the Capital Delivery Service.

4.4.5 PROJECT P5: MONITORING & EVALUATION

P5.6 and P5.7 – Monitoring data and reporting

Monitoring and evaluation is required throughout the delivery of the CAZ. In particular campaign awareness research and behavioural change monitoring and evaluation as well as air quality monitoring.

SCC envisages delivering most of these services in-house, but this is likely to be augmented by some specialist external resource which will be sourced from its existing suppliers Reed Talent Solutions contract or Consultancy Plus.

The following additional deliverables are also required:

No.	Deliverables	Procurement route
P5.1	Baseline date	Appoint SYSTRA via the Transport Modelling Framework to undertake ANPR surveys pre and post go-live
P5.2	Monitoring & evaluation resource	Combination of recruitment (RMBC AQ Officer), internal staff procurement (data analyst) and use of the Transport Modelling framework (to appoint SYSTRA)
P5.3	Additional automatic traffic counters	To procure and be operational ahead of go-live. Use request for quote procedure
P5.4	Additional diffusion tubes	To procure and be operational ahead of go-live. Use request for quote procedure
P5.5	Real time air quality monitors on Arundel Gate	To procure and be operational ahead of go-live. Use request for quote procedure

CAP compliance monitoring team

The SCC Strategic Transport & Infrastructure Service Area and RMBC Community Safety and Street Scene will form the CAP Monitoring Team and lead recruitments and procurements required to ensure there is dedicated Air Quality Officer capacity within both Local Authorities and that the required technical expertise is in place to analysis emission and air quality data.

Air quality monitoring

Air Quality officers with dedicated capacity within the two LAs will process air quality data, monitor and report. Traffic data will be gathered from several sources including ANPR and analysed by procured technical experts to provide emissions data.

Other requirements:

Communications campaigns and stakeholder engagement

There are several communication campaigns and stakeholder engagement that are required to promote and deliver the CAZ. Communication messaging and campaigns will inform residents and drivers of the Clean Air Zone to raise awareness and influence behavioural change. The support measures and mitigations and signposting of these services when the schemes are launched will require publicising and promoting.

To ensure that local residents and businesses are made aware of implementation of the CAZ, a comprehensive communications exercise was held in 2019 using a multitude of communications mechanisms. A further consultation is being held in November 2021. The internal SCC Communications Service shall be utilised to ensure value for money, however internal services are likely to require augmentation from specialist external suppliers where specialist or additional input is required.

SCC has an OJEU compliant Dynamic Purchasing System in place covering a range of design, print, communications and marketing markets, and any requirements for third party communications services would be subject to a mini-competition process run through this system. In addition, SCC has a contract with Systra who has been commissioned to analyse the consultation results.

The work stream Business Owner will form the dedicated Communication & Engagement Team for the delivery stage, leading any recruitments / procurements required. The Communication and Engagement Strategy will be delivered by the team in coordination with the programme, projects and other workstream teams.

Specialist Resource & Temporary Staff

In order to successfully deliver the CAZ, it is recognised that specialist expertise will be required. The following roles have been identified so far:

- **Systems Integration Manager:** to be responsible for ensuring that the various software systems (eg. SCC back-office software, ANPR data feed, central government payment system and DVLA database) integrate successfully. SCC will look to recruit or backfill this post within the internal establishment to enable the Council to retain control over what is assessed as a key resource in mitigating critical risks around integration.
- **Technical project manager:** to be the primary interface between the technical teams and the Council
- **Business Change Project Manager:** to be the primary interface between the programme and the Council

Implementation and ongoing management of the CAZ will have resource implications for SCC. Where temporary staffing is identified as the optimal approach to provide additional capacity, Sheffield City Council shall use the Reed Talent Solutions contract. Refer to App FC1 Sheffield CAZ financial model V2 for the resourcing assumptions.

Other schemes:

Electric taxi loan scheme

In 2018, SCC received £485k of capital funding from DEFRA's Early Measures Fund (EMF). This was used to purchase 10 electric Hackney Carriage taxis for drivers to trial, demonstrating their

benefits and informing driver decisions about whether to buy / lease an electric taxi.

SCC ran an invitation to tender under an OJEU open procedure and appointed Sherbet London Ltd who is responsible for the storage, maintenance and operation of the vehicles, trial administration and marketing.

The scheme is available to Hackney Carriage drivers registered in Sheffield on a first come first served basis and is in operation for up to two years, depending on demand. Each individual Hackney carriage driver would have the opportunity to test one of the electric hackney vehicles on an 2–4-week basis.

The scheme is due to go live in January 2022 and is being contract managed by Transport Services.

Electric Van Trial scheme

In March 2020 Sheffield City Council entered into a funding agreement with Highways England to establish and operate an Electric Van Centre of Excellence. This enables prospective owners of electric vehicles to use a vehicle for free, for a period of up to two months, to form a view on its merits. The funding was used to purchase via a CCS framework:

- 30 electric vans
- telematics systems for data collection
- 10 slow / fast chargers to support the vehicles at their base locations
- rapid chargers to support the use of the vehicles by businesses.

A Provider was required who could engage with organisations to take part in the van trial and provide specialist support and advice to them on upgrading to an electric van. A market engagement exercise was conducted to find suitable companies who could deliver this service which resulted in only three companies being identified as the market is quite limited. A request for quote was issued to these three Providers and EB Charging was appointed. The scheme commenced in July 2021. Transport Services contract manage this scheme.

4.5 RISK ALLOCATION

Risks will be mitigated throughout the procurement process and project delivery phases by applying robust contract and supplier management, building payment mechanisms set around delivery milestones into the contract and assigning dedicated project managers to the workstreams. However, there will still be some key risks which need to be managed. The key procurement risks are detailed in the Programme's risk register, however the table below provides a summary of how these risks have been allocated to the most appropriate party.

Table 4: Risk transfer

Risk	Allocation		Impact on commercial activity & mitigation
	Council	Supplier	
<p>Prog R31 – Enforcement & national comms risk</p> <p>Lack of Govt led national CAZ communications campaign results in low awareness outside of zone.</p>	✓		<p>Add temporary CAZ signage at key locations to provide advance awareness - additional final FBC cost and amend Amey signage contract</p> <p>Increase resource capacity to deal with additional PCNs and challenges - additional final FBC cost</p> <p>Write to Government escalating the issue</p>
<p>Prog R16 – Enforcement – CAZ delivery risk</p> <p>Additional JAQU/DVLA requirements emerge during on-boarding sessions placing pressure on the delivery programme and increasing costs</p>	✓		<p>Close liaison with JAQU/DVLA and Yunex on emerging issues.</p> <p>Regular JAQU/DVLA Yunex meetings continue during the various testing phases.</p>
<p>Prog I19 & R35 Programme supply issues & I22 Road schemes risks</p> <p>Market supply issues continue to increase costs and risk of delay to implementation</p> <p>Vehicle supply issues delay fleet upgrade which impacts compliance</p>			<p>Build contingency/ risk allowance into final FBC costs</p> <p>Seek JAQU guidance and support to manage the issue</p> <p>Request additional funding within the final FBC to cover increased costs</p>
<p>Prog R36 & I20 – Programme recruitment risks</p>	ü		<p>Continue to recruit via available routes and explore market options.</p>

<p>That recruitment issues continue / worsen, and we are unable to secure additional staff needed for delivery and operations leading to delay and / or performance issues That agency recruitment costs continue to increase due to supply / demand</p>				<p>Monitor, review, plan, respond Build delay contingency / risk allowance into final FBC costs</p>
<p>Prog I21 – Enforcement & EV projects risk</p>	<p>✓</p>			<p>Monitor, review, plan, respond Build delay contingency / risk allowance into final FBC costs</p>
<p>That prolonged DNO connection timescales and increased rates continue to be an issue causing delay and increased costs Prog R33 – Programme risk</p>			<p>✓</p>	<p>Closely monitor Yunex plan and delivery for signs of slippage. Handle slippage so as to minimise impact</p>
<p>That the delivery of the camera solution may be late and delay testing and implementation Prog R34 – Financial risk</p>	<p>✓</p>			<p>Sensitivity testing undertaken results in a 59% reduction to non-compliant vehicle flows before the zone enters a net deficit. Following mitigation would require further funding from JAQU to cover shortfall under New Burden's principles.</p>
<p>Fewer non-compliant vehicles enter the zone than are assumed in the core financial model affecting the financial viability of the zone and causing a net deficit position for the Council. Prog R35 – CAZ enforcement risk Supplier fails to supply, install and commission the ANPR network and associated infrastructure to cost and to programme</p>		<p>✓</p>		<p>The supplier is responsible for successful commissioning and implementation, underpinned by the NEC3 ECC contract clauses and payment mechanism linked to key milestone tasks. Use of Option A in NEC3 ECC to ensure supplier takes on all cost risk during construction. Supplier to take responsibility for all installation works. Ensure materials are placed on order as soon as possible and robust contract management by NEC qualified PM.</p>

Table 5 – Overview of outputs, performance measures, payment mechanisms and risk allocation

Procurement package	Method	Output	Performance Measures	Payment mechanism	Risk apportionment
<p>Enforcement</p> <p>Design, Supply & Install of ANPR Cameras</p>	<p>Further competition under Lot 2:</p> <ul style="list-style-type: none"> Traffic Monitoring and Traffic Enforcement Cameras of the Crown Commercial Services Traffic Management Technology 2 (RM1089) Framework. 		<p>Contract type NEC3 ECC</p> <p>To include all hardware, civils, works and software required to deliver the camera network and interface with external and internal systems.</p> <p>The conditions of contract are the core NEC3 clauses with Option A: Priced contract with activity schedule.</p> <p>Additional clauses are dispute resolution option W2 and secondary options X2, X7, X16, X18, Y(UK)2, Y(UK)3 and Z1 to 32.</p> <p>The selection of the NEC form of contract allows close monitoring of progress and performance of the scheme with monthly programme submission and reviews tracking planned completion and the NEC early warning process allowing risks to be identified early and</p>	<p>The payment mechanism is the NEC3 ECC Option A payment mechanism – the contractor has tendered a lump sum price with activity schedule and payments are made on completion of each activity within the activity schedule.</p> <p>Retention (Clause X16) has been specified within the contract at a rate of 3%.</p>	<p>The use of an Option A NEC3 form of contract ensures that the allocation of risk has been undertaken using a well understood and proven methodology.</p> <p>The specialist skills knowledge and production capability of the contractor mean that they are the party best able to manage the estimating, pricing and efficiency risks in carrying out the works, which is achieved through the use of this lump sum contract.</p> <p>The standard compensation events within the NEC contract apply meaning the key risks retained by SCC are:</p> <ul style="list-style-type: none"> • Changes to scope • Abnormal ground conditions • Extreme weather events • Unforeseen events which neither party could prevent

<p>Operation & Maintenance of ANPR Cameras & associated software</p>	<p>Included in A1.1 procurement - Lump Sum contract.</p>		<p>collaboratively managed between SCC and the Contractor.</p> <p>The selection of the Option A form of contract passes efficiency responsibility and risk to the Contractor and Delay Damage provisions are in place which will apply should the contractor fail to meet the contractual completion date.</p> <p>The NEC contract's established process for dealing with defects together with the detailed scope provided mean that quality can be safeguarded throughout and after the delivery phase of the project.</p>	<p>NEC TSC Option A priced contract. The Assessment Interval is one month and is subject to Service Credit Points and subsequent Performance Deductions</p>	<ul style="list-style-type: none"> Performance of SCC and others in providing information and meeting committed timescales for their activities <p>The contract also specifies Clause X2 (Changes in the law) meaning that any changes in UK law are SCC's risk.</p>
			<p>The conditions of contract are the core clauses, the clauses for option A dispute resolution Option W2 and secondary Options X2, X13, X18, X20, Y(UK)2, Y(UK)3 and Z clauses 1 to</p>	<p>The use of an Option A NEC3 form of contract ensures that the allocation of risk has been undertaken using a well understood and proven methodology.</p> <p>The specialist skills knowledge and</p>	

		<p>32 of the NEC3 Term Service Contract</p> <p>The contract includes the operation and maintenance of all cameras and software. KPIs to manage performance and quality are:</p> <ol style="list-style-type: none"> 15. Outstation availability 16. Instation availability 17. VPR capture rate 18. VPR correct read rate 19. Filtered vehicles 20. Incorrect contravention candidate 21. Adherence to fix times 22. Incident recording 23. Reporting of incidents 24. Complete & correct provision of standard reports 25. Complete & correct provision of adhoc reports 26. Response time to FOI data requests 27. Data protection breaches 28. Contract compliance 	<p>Service credit points shall be totalled for all KPIs by the 5th working day of the subsequent month and the performance deductions shall be deducted from the next service charge.</p> <p>The value of the performance deductions are capped at 20% of the month's service charge, however the performance mechanism has provisions to deal with persistent under performance by the supplier.</p> <p>Costs have also been established for decommissioning at contract end.</p>	<p>operational capability of the contractor mean that they are the party best able to manage the estimating, pricing and efficiency risks in carrying out the service, which is achieved through the use of this fixed price contract.</p> <p>The standard compensation events within the NEC TSC contract apply meaning the key risks retained by SCC are:</p> <ul style="list-style-type: none"> • Changes to service information (scope) • Performance of SCC and others in providing information and meeting committed timescales for their activities • Changes to the ANPR camera network not related to the service contract <p>The contract also specifies Clause X2 (Changes in the law) meaning that any changes in UK law are SCC's risk.</p>
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<p>Back Office ('Instation') Enforcement System</p>	<p>Further competition under Lot 4 of ESPO Framework 509 for a Civil Enforcement Back Office System.</p>	<p>Install module to existing parking enforcement system to enable it to be integrated with the ANPR camera and system to enable penalty notices to be issued for none prior payment of the CAZ charge in line with the Transport Act 2000 Part III</p>	<p>ESPO framework terms and conditions KPI 1 System availability 99.5% KPI 2 Response Time / Refresh Time Response Time / Refresh Time 60ms KPI 3 % of first time fixes 80% KPI 4 % of P1s resolved within 4 hours 90% Service desk call answering 80% within 20 seconds</p> <p>The associated Service Credits shall be calculated on a monthly basis based on the following deductions from the monthly service fee: KPI 1 15% KPI 2 10% KPI 3 5% KPI 4 5% KPI 5 2% 3 successive period failures will result in a multiplier of x2 being applied</p>	<p>Payment will be made via Purchase Order and Invoice (BACS) and will be made with 30 days of receipt of a valid invoice. Implementation Charges of this module will be invoiced following the successful go-live of the module. Ongoing monthly service fee will be paid monthly after the module goes live.</p>	<p>The supplier is allocated 100% of the performance/service delivery risk</p>
<p>Signage & Road Based Infrastructure</p>	<p>Existing Contract with Highways PFI contractor AMEY</p>	<p>The design and manufacture of the CAZ enforcement signage of circa 200+ signs. The installation of the CAZ enforcement signage.</p>	<p>The Project Management of the CAZ signage will be through SCC's PFI Client team, Highway Maintenance Division (HMD), New Works Team as set out in the 'non-core' contract with Amey. HMD on behalf of the CAP/CAZ Programme will issue Amey with all necessary 'Task Orders' to</p>	<p>Under the Streets Ahead (Highway Maintenance PFI), 'non-core' New Works, Amey Hallam Highways provide the PFI Highway Client Team with 'agreed' monthly certificates for payments. These are reviewed and approved by the 'Client' the CAP/CAZ Programme team and funding is</p>	<p>Signage design and location of signs, traffic management approval and road space bookings – 100% allocated to supplier Programme risk currently sits with SCC Once the supplier has mobilised the risk will sit with the supplier</p>

		<p>Additional requirement identified for temporary signage</p> <p>Provide as-builts and records of the location of the signs</p>	<p>work up their proposals and then follow this up with a 'Call-Off' instruction against the main non-core contract.</p>	<p>authorised against a defined Business Unit cost allocation.</p> <p>HMD undertakes all the necessary paperwork and raises the Purchase Order (PO) for Amey Hallam Highways on approval to proceed with the contract award. HMD receives a payment request from Amey HH (Monthly Payments) and HMD reviews the request and passes to the Project Manager to review and 'agree' (authorise payment) that HMD can proceed with the payments. HMD raises the Payment Certificate and notifies Amey of the payment.</p> <p>HMD as part of the service provision undertake at completion of the works the 'snagging' review exercise and make on behalf of the Programme the final payment in accordance with agreed budget allocations. The assets (sign's etc) are then accrued into the ongoing overall maintenance contract held by Amey on behalf of SCC.</p>	
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CAZ Payment System & DVLA database (CGCAZS)	SCC will direct award to the Go Cardless and Stripe agreements and sign up to a memo of understanding with Gov Pay which has been procured by JAQU and the dept of Transport as the preferred system for LAs to use who are delivering CAZ	A facility for customers to pay CAZ charges either online or by direct debit	The council is bound by Stripe and Go cardless terms and conditions	A delivery plan is currently being finalised The fee is deducted from the CAZ charge paid by the customer prior to the council receiving the charge payment	Availability of system is 100% allocated to the suppliers Security of data is 100% allocated to the suppliers
Road Schemes					
Rotherham A633 Rawmarsh High Street/ Bellows Road Improvement Highway works including kerb realignments, signage and signalling changes	Direct award to Esh Construction Ltd under the YORCivils Framework Signals equipment to be purchased from Dynniq Mobility, under RMBC's existing traffic signals term contract.	Delivery of 1 No improved highway junction, with associated civils and traffic signals work.	The form of contract is NEC3 option C	The pricing and payment mechanisms will be in accordance with those set out in the YORCivils Framework Agreement and the existing traffic signals contract. A call off order is raised and payment made within 30 days following assessment of the claim for that period.	Risk of price increase owing to inflation since quotation is 100% allocated to RMBC Risk of cost or programme overrun owing to market conditions is 100% allocated to RMBC Programme delivery in accordance with the call off requirements is 100% allocated to supplier The risk of the delivery of the work is 100% allocated to RMBC.
A629 Wortley Road Northbound HGV Prohibition	RMBC's internal street lighting team.	Delivery of fixed and variable traffic signing indicating HGV prohibition	Delivered through internal service	Delivered inhouse	

Implement TRO to restrict HGVs on Wortley Road Construction of traffic signing and facilitating works.	Supply and installation of rotating prism signs to be procured from SWARCO Traffic Ltd as subcontractor to the internal delivery team.				
Collaborative Traffic Management (CTM) Link for Wortley Road CTM link is a requirement stipulated by National Highways through an agreement entered into to gain their support for the promotion of the HGV ban on Wortley Road.	RMBC to procure use of existing link into the South Yorkshire Common Database from Sheffield Council.	IT systems work to enable NH RCC to operate RMBC variable signs within terms of the CTM agreement	N/A	N/A	N/A
A630 Sheffield Parkway 50mph speed limit (TRO and Ancillary Works) Works to deliver the necessary permanent TRO to introduce a reduced speed limit of 50mph, including all	Via a compensation event with the existing contract with Balfour Beatty in respect of the ongoing A.630 highway improvement scheme. Via compensation	Design and delivery of revised speed permanent speed limits	Via compensation event under existing NEC3 Option C contract for Parkway highway improvement scheme. The Project Management of the works will be through RMBC's client team, as set out in the contract with Balfour Beatty. The client team on behalf of the CAP/CAZ Programme	Under the Balfour Beatty contract 'agreed' monthly certificates for payments will be supplied to the RMBC client team. These are reviewed and approved by the 'Client' the CAP/CAZ Programme team and funding is authorised against a defined Business Unit cost allocation.	Risk of cost or programme overrun owing to market conditions is 100% allocated to RMBC Programme delivery in accordance with the call off requirements is 100% allocated to supplier

<p>signage to indicate the speed limit.</p>	<p>event under existing NEC3 Option C contract for Parkway highway improvement scheme.</p>		<p>will issue Balfour Beatty with all necessary 'Task Orders' to work up their proposals. The works will be issued as a variation to the design already in delivery phase of the existing contract with Balfour Beatty.</p>	<p>The RMBC client team undertakes all the necessary paperwork and raises the Purchase Order (PO) for Balfour Beatty on approval to proceed with the contract variation. Balfour Beatty submits a payment request to RMBC client team which is reviewed and passes to the Project Manager to review and 'agree' (authorise payment) that the client team can proceed with the payments. A Payment Certificate is raised and notifies Balfour Beatty of the payment. RMBC client team as part of the service provision undertake at completion of the works the 'snagging' review exercise and make on behalf of the Programme the final payment in accordance with agreed budget allocations. The variation is made under the existing contract therefore no further KPIs or performance measures have been provided and scheme delivery will be managed as set out in the</p>	
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<p>A630 Fitzwilliam Road – linking of traffic signals & highway improvements Signalling equipment and minor changes to the highway including bus stop layby, etc. The delivery of the supporting TRO will be conducted by Rotherham Council in line with statutory powers of the Highway Authority.</p>	<p>The work will be delivered via the in-house Highway Delivery Team with the supply and installation of signals equipment to be purchased from Dynniq Mobility, under RMBC's existing traffic signals term contract.</p>	<p>Design and delivery of upgrade of 2 Ne sites to incorporate MOVA8 with special conditioning.</p>	<p>To be delivered under the existing term contract The highway works will fall under the category of minor works which can be delivered in house through RMBC's internal design and Highway Delivery Team teams.</p>	<p>payment approval process above. Delivered in house</p>	<p>The risk of the delivery of the work is 100% allocated to RMBC.</p>
<p>Bus-gate scheme - Arundel Gate Interim Roundabout (SCC) Introduced under an Experimental Traffic Regulation Order (ETRO): The temporary roundabout includes for a</p>	<p>The design work will be completed in-house and the work will be completed through the existing contract with Highways PFI contractor AMEY</p>	<p>Introduction of a bus gate and enforcement measures</p>	<p>The Project Management of the bus-gate will be through SCC's PFI Client team, Highway Maintenance Division (HMD), New Works Team as set out in the 'non-core' contract with Amey. HMD on behalf of the CAP/CAZ Programme will issue Amey with all necessary 'Task Orders' to work up their proposals and then follow this up with a 'Call-Off' instruction against the main non-core contract.</p>	<p>Under the Streets Ahead (Highway Maintenance PFI), 'non-core' New Works, Amey Hallam Highways provide the PFI Highway Client Team with 'agreed' monthly certificates for payments. These are reviewed and approved by the 'Client' the CAP/CAZ Programme team and funding is authorised against a defined Business Unit cost allocation.</p>	<p>Completion of the works 100% supplier</p>

<p>northbound Bus and Taxi Gate This allows a route to be provided through the middle of the roundabout for buses, cycles and taxis.</p>				<p>HMD undertakes all the necessary paperwork and raises the Purchase Order (PO) for Amey Hallam Highways on approval to proceed with the contract award. HMD receives a payment request from Amey HH (Monthly Payments) and HMD reviews the request and passes to the Project Manager to review and 'agree' (authorise payment) that HMD can proceed with the payments. HMD raises the Payment Certificate and notifies Amey of the payment.</p> <p>HMD as part of the service provision undertake at completion of the works the 'snagging' review exercise and make on behalf of the Programme the final payment in accordance with agreed budget allocations. The assets (sign's etc) are then accrued into the ongoing overall maintenance contract held by Amey on behalf of SCC.</p> <p>The scheme design is being finalised and then the scope for the call off can be agreed</p>	
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Financial Mitigation Measures				
<p>Interest free loans and grants</p> <p>Appoint a panel of FCA authorised finance providers to support vehicle upgrades by providing subsidised finance</p> <p>Various grants will be available to eligible buses, coaches, HGVs, LGVs, private hire vehicles and hackney taxis</p>	<p>Appointment of a panel of lenders to provide loans and grants to customers upgrading to compliant vehicles</p> <p>Customers can upgrade their vehicles to compliant ones.</p>	<p>This contract is to be let under the BANES framework terms and conditions.</p> <p>Services will be monitored against KPIs. Failure to meet the KPIs will lead to the application of remedies set out in the contract. The council may monitor performance on the supplier's premises where it will be given access to systems, call recordings etc.</p> <p>KPIs are being finalised as the contract is not yet awarded. They will include: Supplier response times to applications, times for decisions to be made, minimum credit acceptance rate, timeliness and accuracy of reporting.</p> <p>In addition the supplier will provide a monthly report detailing the number of applications received in the previous month and aggregate to date, the status of the application.</p>	<p>The council will pay the supplier the grant amount plus the grant administration fee (where applicable) and the interest subsidy.</p> <p>Within 7 days of the month end the supplier will submit an application for payment to the council for all contracts the supplier has entered into during that period including the customer details and the calculation of the amount due. An appointed council officer will check the calculation and confirm the amount to be paid. The supplier will then submit an invoice for that amount.</p>	<p>The supplier is allocated 100% of the risk in relation to the customers adhering to the loan agreements and the council is not liable for any defaults on the loans. The council holds 100% of the risk that not all the customers will be approved for finance and will not be able to upgrade their vehicle.</p>
<p>Bus retrofit grant administration</p> <p>Administer grants to Sheffield and Rotherham bus operators</p>	<p>SCC Programme and Accountable Body Service</p>	<p>The internal team are used to paying out grants and will apply the same process to the paying out of bus retrofit grants. An internal service agreement will be</p>	<p>N/A</p>	<p>The delivery of the bus retrofit grants is 100% allocated to the council</p>

<p>CAF programme delivery and customer contact service Programme and project Management of the CAF projects and workstreams. Resource and expertise to specify, procure and implement the measures including administration of the various grant and loan schemes.</p>	<p>These posts will either be resourced in-house where possible or sourced through SCC's corporate contract for agency staff with Reed Talent Solutions, including Consultancy Plus if any specialist roles are required.</p>	<p>TBC once a requirement has been identified</p>	<p>drawn up setting out timescales and processes. As per the specification requirements that will be drawn up for each role identified</p>	<p>Payment will be made within 30 days in accordance with the council's procedures for external appointments and in accordance with the council's HR procedures for internal resources.</p>	<p>N/A</p>
<p>Financial Regulation Quality Assurance Provide quality assurance of the delivery of the loan administration scheme by the panel of finance providers</p>	<p>Secure external specialist advisor to undertake quality assurance checks of the external providers. The requirements are being finalised and will be in place to audit the first quarter of the scheme once it has gone live</p>	<p>To provide external assurance that the scheme is being delivered compliantly</p>	<p>TBC</p>	<p>TBC</p>	<p>TBC</p>

EV Charge Point Infrastructure				
EV Charge Point Infrastructure across the CAP area: Introduction and further expansion of public charging point infrastructure in Sheffield and Rotherham with a mixture of rapid, fast and slow chargers to increase capacity for electric vehicles in the CAP area.	TBC	TBC	TBC	TBC
The procurement has not commenced. The preferred option will be to run an open tender or call off an existing framework.				
Monitoring and Evaluation				
Air Quality Monitoring & Evaluation: Ongoing scheme monitoring of air quality	Air quality monitoring will be resourced in-house. If additional resource is needed it will be sourced through SCC's corporate contract for agency staff with Reed Talent Solutions or Consultancy Plus	The output will be monitoring and evaluation of air quality.	There is an individual employed under SCC's employment contract. Performance is managed through their line manager and assessed in accordance with the job description and council policies. If additional resource is needed a temporary agency worker will be employed on the same job description.	N/A

<p>Traffic Monitoring & Evaluation: Capture and analysis of traffic data – fleet survey</p>	<p>Commission Systra via their current contract</p>	<p>Capture and analyse traffic data and fleet surveys</p>	<p>A specification is in the process of being agreed for the next stage of the work. This forms the output requirements. Performance will be monitored against this specification and the milestones. The supplier will quote a fixed price to deliver the requirements plus a day rate for additional work the council requires that is above the requirements in the specification.</p>	<p>Milestone payments will be made according to those set out in the specification. The supplier will invoice the council including the work carried out during that period. This will be checked against the milestone plan and payment made within 30 days in accordance with council procedures.</p>	<p>The supplier is allocated 100% of the risk to deliver the requirements set out in the specification at the fixed price quoted.</p>
<p>Communication and public engagement</p>	<p>Blend of in-house and external. Commission Counter Context via their current contract for the consultation work</p>	<p>A range of communications activities to engage with Sheffield and Rotherham residents including developing a communication strategy, delivering a communication campaign, public consultation and consultation analysis and report.</p>	<p>The council's internal communications team are employed under SCC's employment contract. Performance is managed through their line manager and assessed in accordance with the job description and council policies. A specification is in the process of being agreed for the next stage of the communication work to be delivered by counter Context. This forms the output requirements. Performance will be monitored against this specification and the milestones. The supplier will quote a fixed price to deliver the requirements plus a day rate for additional work the council requires that is</p>	<p>N/A for internal team. Counter Context - Milestone payments will be made according to those set out in the specification. The supplier will invoice the council including the work carried out during that period. This will be checked against the milestone plan and payment made within 30 days in accordance with council procedures.</p>	<p>The supplier is allocated 100% of the risk to deliver the requirements set out in the specification at the fixed price quoted.</p>

						above the requirements in the specification.	
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4.6 Payment mechanisms

SCC has adopted the standard payment terms that are in line with Public Contracts Regulations 2015 and these apply to all SCC tendered contracts. These payment terms require SCC to pay undisputed invoices within 30 days of receipt of an invoice and suppliers are also required to pass this down through their supply chain. When calling off a framework agreement those pre-defined payment terms set out in the framework agreement will apply. When an invoice is received it is checked and GRN's (confirmation that the goods or service has been received and checked against the PO) and sent for payment authorisation by the budget holder.

Where appropriate, stage payments will be applied for services and works and will be paid in arrears following satisfactory completion of the work. This enables suppliers to manage their cashflow and SCC to forecast and manage spend within the budget.

Where required staged payments will be authorised to allow suppliers to purchase materials in advance. This is to ensure completion dates can be fulfilled given the extended lead times that have been advised on certain materials. The Staged payments for the ANPR cameras and infrastructure workstream are set out in section 4.4.1 at Table 3.

In order to achieve performance of the ANPR operation and maintenance contract, a performance mechanism has been designed to link service credits to performance standards to incentivise minimal service downtime. The performance mechanism will apply during the TSC operation and maintenance contract period until the end of the service period. 8 weeks prior to Go-Live the supplier shall produce (with agreement from the Council) a KPI handbook setting out how the data will be gathered, processed and reported. Non-compliance will be reported as part of the supplier's monthly reporting.

Contingency arrangements have been built into each project and are held centrally by SCC.

Accounting Treatment

The accounting treatment for the capital and revenue funding is set out in section 5.10 of the Financial Case chapter.

4.7 Summary of Commercial Case

The intention is to deliver the CAZ using in-house resource where possible and utilising corporate contracts and existing framework agreements that are already in place. Adopting this strategy will reduce procurement timescales and resources required to ensure the CAZ is delivered on time.

Whilst the main CAZ enforcement procurements have been tendered and are in their mobilisation and delivery phases the financial measures are still to be procured, although work is currently underway to draft the tender documents and agree the final scope. There is also a requirement to resource the grant funding elements in-house however recruitment of the additional staff required will not take place until the scheme is required to go-live.

Sheffield & Rotherham Clean Air Plan FBC Section 4 - Commercial Case December 2021

Appendix CC1

Sheffield City Council Ethical Procurement Policy

Sheffield & Rotherham Clean Air Plan FBC

Section 4 - Commercial Case

December 2021

Appendix CC2

Rotherham Metropolitan Borough Council

Ethical Procurement Policy