



CAM Special Purpose Vehicle – Budget Update and Award of the CAM Conceptual Design Contract

- To:** Cambridgeshire and Peterborough Combined Authority Board
- Meeting Date:** 25 November 2020
- Public report:** Yes
- Lead Member:** Mayor James Palmer Mayor of Cambridgeshire & Peterborough, Chair of the Combined Authority and Lead Member for Transport & Infrastructure (Committee Chair)
- From:** Kim Sawyer Chief Executive Simon Wright CAM consultant
- Key decision:** Yes
- Forward Plan ref:** KD2020/068
- Recommendations:** The Combined Authority Board is recommended to:
- a) In accordance with the shareholder agreement, approve the recommendations of the One CAM Limited Board to:
 - I. agree the appointment of the non-executive directors
 - II. agree the remuneration for the non-executive directors in the sum of £40,000 per annum for each director
 - III. agree the appointment of Jon Alsop as interim Chief Finance Officer for One Cam Ltd
 - IV. agree the amendment to the heads of terms of the shareholder agreement
 - V. ratify the opening of a bank account with Barclays for One Cam Ltd

 - b) Delegate authority to the CPCA Chief Executive to enter into contracts following compliant procurement processes on behalf of the Combined Authority and later novate to One Cam Ltd as follows:
 - VI. Three contracts to deliver Concept Designs for the CAM in the sum of £200,000 per contract

- VII. A contract for legal services based on schedule of rates and within the 2020/21 agreed budget.
- VIII. A contract to MACE based on schedule of rates and within the 2020/21 agreed budget to facilitate the progression of the CAM outline business case
- IX. A contract to Jacobs to support key elements of the Delivery Strategy capped at £620,000

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 One CAM Limited held its first board meeting, chaired by Lord Robert Mair CBE, and made a series of nominations and proposals for approval by the Combined Authority Board.
- 1.2 A procurement process for a smart, low carbon transport system has begun. Contracts are to be awarded in December to three of the current ten bidders. Delegated authority will be required as the CPCA Board is not sitting in December. This stage will begin the competition for concept design to be concluded in March 2021.
- 1.3 The development of a Delivery Strategy to support and progress the revised outline business case requires a series of contracts to be entered into. Budget approval to support this work has already been given by the Combined Authority Board in August and September. This report provides the link between the budget agreed by the CPCA and the contracts which are being authorised in line with that agreed budget.

2. Background

- 2.1 The CPCA is committed to delivering transport infrastructure that provides a quadruple benefit: it enables skilled staff to access work, fostering the region's life sciences and tech clusters which make this region the second largest net contributor to the UK economy, it underpins the 2050 zero carbon objective by shifting transport to more sustainable modes, it unlocks housing development at scale and it enhances the inward investment proposition for our region.

One CAM Limited

- 2.2 The CPCA has established One CAM Limited to take forward the CAM programme. The board met for the first time on the 12 November 2020 and proposes a number of nominations and proposals to this Board, to establish the governance and organisational structure of the company as set out in the following paragraphs.
- 2.3 The appointment of five non-executive directors is proposed to the CPCA Board for approval. On the 5 and 6 November 2020 an interview panel chaired by Lord Robert Mair met to interview the non-executive directors. The CV's of the relevant appointees are attached as Appendix 1.

- 2.4 As agreed by the CPCA Board (CPCA Board on 30 September 2020) the remuneration of the non-executive Directors was to be agreed by the CPCA following interview of the proposed non-executive directors. A sum of £40,000 per annum is proposed for a minimum of 15 days per year. This sum is relative to the experience, expertise and skills of proposed non-executive directors. The remuneration is a matter reserved to the CPCA under the terms of the proposed Shareholder Agreement (Schedule 3 item xxiii).
- 2.5 The business plan (CPCA Board item 3.2 August 2020) requires appointment of 6 non-executive directors and a further round of interviews will begin in January 2021 to fulfil the vacant board role.
- 2.6 The One CAM Ltd board agreed the heads of terms of the Shareholder Agreement (CPCA Board item 3.1 Appendix 2 September 2020) subject to an amendment proposed to paragraph xxvii. This amendment would propose the CPCA to be responsible for the dismissal or appointment of the Chief Executive and directors. The appointment of lower tier employees would be the responsibility of the Chief Executive and Committees of One CAM Limited.
- 2.7 The board proposed the appointment of Jon Alsop as its interim Chief Finance Officer, pending appointment of a permanent employee to this role. The CPCA is asked to approve this appointment. The Chief Finance Officer is in the process of establishing a bank account and requests approval from the CPCA that an account is held with Barclays Bank Limited.

Future contractual arrangements

- 2.8 The CAM Programme aims to deliver a technologically advanced passenger transport system, trackless, low carbon and autonomous. In order to achieve this a concept design procurement was launched on the 5th October. The concept design process will:
 - **Identify the opportunity for innovation** – Understand where new innovative approaches can be taken in the design, construction and operation of CAM
 - **Inform the Business Case** – Provide evidence as to the potential solutions and benefits, as well as further understanding the risks and challenges to be overcome.
 - **Harness Local Skills & Knowledge** – Leverage a local understanding to ensure designs suit Cambridgeshire's historic environment, and make use of the unique hub of skills the city offers
 - **Inform Delivery Model** – Help to inform the approach to delivery, for example packaging of works and services contracts.
 - **Stimulate the Market** – Attract and inform suppliers ahead head of the delivery of CAM.
- 2.9 Fifteen compliant SSQ submissions were received by 4th November 2020. The CPCA and the consultant expert team evaluated the SSQ and identified the top 10 scoring organisations / consortia to be invited to tender. The Invitation to Tender was issued on 9th November to the selected organisations in accordance with the agreed timetable.

2.10 The Tender submissions are due back on 4th December, following which the evaluation process will be completed and the top three companies identified for the next stage of the design concept process. The intention is to award these contracts on 19th December 2020 in the sum of £200,000 per contract. As the Board does not meet again until January 2021, delegated authority is sought by the Chief Executive to award the contracts to those top 3 performing bidders.

Business cases

2.11 The CAM Business Case requirements are being procured under a 5-lot structure to facilitate project requirements over the next 4 years. These contracts will each include break/ continue clauses. This will enable the obligations under each contract to align with phased funding approval.

2.12 The following contracts are proposed to be awarded:

- Lot 1 – Programme and Project Management – awarded to Mace as a direct award from the Crown Commercial Services Framework (RM3471). Following a desk top evaluation process, Mace were identified as the most economical and advantageous tenderer. Following discussions between the CPCA and Mace, the scope of works has been agreed with a specific price for the period of November 2020 to March 2021 to facilitate the procurement of Lots 2 and 3 and thereafter with a core PMO team and flexibility to adjust the team to meet the project needs over the following 3/5 years.
- Lot 5 – Legal support & Advice – this is being procured as a further competition from the Crown Commercial Services Framework RM3788. The CPCA have received 4 bids through the mini-competition process, which are currently being evaluated with the aim of awarding by mid-December 2020. Delegated authority is sought for the Chief Executives to award the contract to the successful tenderer.

Award of the following lots will be reported to the CPCA Board in January 2021:

- Lot 2 – Engineering, Technology and Environment – this will be procured through an OJEU compliant restricted tendering process to be awarded in mid-March 2021 once the process is complete.
- Lot 3 – Funding & Finance Advisors and Business Case Writing - this will be procured through an OJEU compliant restricted tendering process to be awarded in mid-March 2021 once the process is complete.
- Lot 4 – Land Referencing – this will be procured through a direct award from the Crown Commercial Services framework RM3816 during the first quarter of 2021.

Delivery Strategy

2.13 In order to progress the Delivery Strategy the following sub-strategies are needed;

- Integrated Transport Strategy and Demand Modelling
- Operations and Maintenance Strategy
- Construction and Commissioning Strategy
- Sustainability Strategy

- Vehicle/System Strategy
- Systems Safety/ Certification

These sub-strategies are required in order to support the development of the Outline Business Case.

- 2.14 It is proposed that the CPCA directly award a contract to Jacob under the CCS Framework agreement RM3745, which was compliantly procured and included pre-agreed rates and terms and conditions. The contract value will be capped at £620,000.

Significant Implications

3. Financial Implications

- 3.1 The CPCA board approved £1,000,000 as equity investment into One Cam Ltd at its August Board meeting and the Business Board approved a further £995,000 Local Growth Fund at its July meeting. It is proposed that the Combined Authority will enter into contracts on behalf of One Cam Ltd until such time the company is fully established. At which time, the contracts will be novated and any costs incurred by the Combined Authority will be recharged to One Cam Ltd.

The Board approved a budget of £2,706,905 until the end of March 2021, in September 2020 which covers the costs of the contracts set out in this report.

There will be no additional costs or financial implications to the Combined Authority.

4. Legal Implications

- 4.1 The Cambridgeshire Autonomous Metro is listed as a Key Project for CPCA, who have a general power of competence to complete this project utilising the Structures and the Contracts as set-out above.

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 – CV's of the proposed non-executive directors (to follow)

7. Background Papers

- 7.1 None.