

**Written statement of a key decision**  
**Cabinet**

<b>Title</b>	<b>Procurement Strategy for the Hereford Western Bypass - Phase 1</b>
Decision maker	Cabinet Information about cabinet, including the names and contact details of the cabinet members, can be found here: <a href="http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251">http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251</a>
Date of decision	17 July 2025
Report exemption class	Part exempt
Reason for being a key decision	<p>This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p> <p>This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	This report is seeking approval of the procurement strategy and authority to procure and award a contract, to a contractor through a two-stage procurement process utilising a Pre-Construction Services Agreement for design and enabling works with the option to accept a bid from the contractor for the construction works under NEC4 Engineering and Construction Contract subject to further governance and budget. The report also seeks to inform members of the land acquisition strategy for the land required to construct Hereford Western Bypass Phase 1.

<p><b>Decision</b></p>	<p>That:</p> <p>a) Cabinet agrees the procurement strategy as detailed in Appendix 1</p> <p>b) Cabinet agrees the proposed strategy for the acquisition of land associated with the proposal as detailed in Appendix 2</p> <p>c) Cabinet delegates authority to the Corporate Director Economy and Environment to undertake a two-stage procurement process and award of a Pre-Construction Services Agreement to a contractor through a compliant framework for the design and early contractor involvement on the project within the current approved budget.</p> <p>d) Cabinet delegates authority to Commercial and Investment Manager Property Services to agree the Heads of Terms and subsequent acquisition of land, within the approved budget.</p> <p>e) Cabinet delegates authority to the Corporate Director Economy and Environment to procure and enter into contracts with any additional specialist external consultants and advisors required to support the project with the approved budget.</p>
<p>Reason for the decision</p>	<p>As set out in the report. Documents relating to this decision are available at</p> <p><a href="http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?Id=50052165">http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?Id=50052165</a></p>
<p>Options considered</p>	<ol style="list-style-type: none"> <li>1. A design and build contractor could be procured under a NEC4 Engineering and Construction contract which allows for early contractor engagement through competitive tender approach through an open tender approach, however this approach would take significantly longer and as such is unlikely to enable a construction start until summer 2027. Given current rates of inflation in the construction industry any delay is likely to result in higher construction costs. The council is also currently continuing discussions with key stakeholders, such as Network Rail and National Highways to finalise approvals; having a construction contractor in place at an earlier date enables approvals of temporary works to be discussed in a timely manner so that all approvals are in place ahead of a decision to proceed to construction.</li> <li>2. The design could be undertaken under existing arrangements with Aecom or Balfour Beatty Living Places prior to tendering the construction phase only. This approach would take significantly longer to deliver as a result of needing to complete all third party approvals and designs finalised prior to tendering for construction. Any contractor amendments for buildability or value engineering, and third-party approvals of temporary works would have to be done after award of the construction contract resulting in contractual compensation events and increased costs. This</li> </ol>

	approach would result in a delay in tendering for the construction phase which is likely to result in higher construction costs given rates of inflation. The lack of early contractor engagement in the process would also reduce the cost certainty as a result of increased likelihood of changes required during the construction phase.
Declarations of interest (see ▪ below)	
Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	23 July 2025

<p>Councillor: .....</p> <p>Leader of the Council (Councillor Jonathan Lester)</p>	<p>Date 17 July 2025</p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted.