

County Councillor Driver Chair of Transport for Lancashire Phone: 01772 536260

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Your ref:

Our ref: AR/SB

Date: 15 May 2019

Preston Western Distributor

I can confirm that the local contribution of £102.295m for the Preston Western Distributor project has been agreed to be met through the City Deal Infrastrucutre Fund along with any subsequent cost increase above the level of grant already agreed. This forms part of the agreed local contribution to the wider North West Preston Roads Programme of £124.0m.

LCC, as the accountable body for City Deal, take the risk on City Deal deficits over its life following mitigation by patners within City Deal. In doing this we allow for variables in the scheme estimates for items such as construction inflation and an allowance for the risk in the deviation of cost estimates.

Lancashire County Council has a well established procurement strategy which will be applied to the Prestern Western Distributor project. Our procurement strategy aims to protect the Authority from unecessary risk and challenge, while looking to secure the best possible value for money for the council using most economically advantageous tender evaluation criteria.

Our procurement procedures are transparent, accountable and auditable. To help improve efficiency, we also have framework agreements in key areas, a database of contracted suppliers in the form of a contracts register and a fully electronic procurement system.

Yours sincerely

Angie Ridgwell

Chief Executive and Section 151 Officer

This includes the local contribution to sunk costs of £10.2m

cc Chair of LEP - Growth Deal Management Board: Graham Cowley