



## **DECISION OF COUNCILLOR ELFAN AP REES**

THE EXECUTIVE MEMBER FOR STRATEGIC PLANNING, HIGHWAYS, ECONOMIC DEVELOPMENT AND HOUSING.

WITH ADVICE FROM  
THE DIRECTOR OF DEVELOPMENT AND ENVIRONMENT AND SECTION 151 OFFICER

**DECISION NO 16/17 DE 265**

**SUBJECT: NORTH SOUTH LINK, PARKLANDS INCLUDING WEST WICK ROUNDABOUT IMPROVEMENTS – WEST WICK ROUNDABOUT, APPOINTMENT OF PRINCIPAL CONTRACTOR AND INCREASE TO PROJECT FUNDING**

- To seek approval to increase the Capital Programme by £183,162.26 to meet the increase construction costs.
- Appointment of the Council's Term Highway Maintenance Contractor – Skanska, as Principal Contractor for the construction of the West Wick Roundabout Improvements.
- To advise Balfour Beatty CSUK (part of Balfour Beatty plc, company number 395826) of the decision and thank them for their interest and consideration.

### **Background:**

The Executive Member will recall that authority be delegated to the Executive Member for Strategic Planning, Highways, Economic Development and Housing, in consultation with the S151 Officer, to enter into a contract with Balfour Beatty CSUK (part of Balfour Beatty plc, company number 395826) or other properly procured contractor to construct the West Wick roundabout improvements, up to a maximum value of £1,073,000, and it be agreed that this contract can be entered into in advance of unconditional approval of the Local Growth Fund (LGF) contribution.

The West Wick Roundabout project has been developed to provide improved traffic flow into Weston-Super-Mare for traffic using Junction 21 of the M5 but it is also going to include improvements to Elmham Way as it feeds into the roundabout. The works will also provide part of the modifications necessary to allow the proposed North South Link (NSL) to feed into the roundabout. The original programme sought to deliver the West Wick Improvements concurrent with the NSL works, however as both projects developed changing stakeholder constraints necessitated a modified procurement approach. Accordingly West Wick Improvement works will be delivered separately and in advance of the NSL works.

Balfour Beatty (Scape) was asked to provide a separate programme and price specifically related to the West Wicks improvement works. The Contractor submitted his price for undertaking these works which at £1,210,466.54 (plus costs to date) is significantly over the approved budget. The principle area of difference is the cost of the traffic management which is required to be constantly adjusted to suit traffic flows and places limitations on working times and high project management costs associated with the Scape Contract.

A Value Engineering exercise has been undertaken which has reduced the potential cost revising the total works costs to £1,030,660.42 ((plus costs to date) which is clearly still well over budget. Detailed negotiations have been undertaken with the Contractor which has confirmed that the overall cost has been prepared in line with the Scape agreement.

As the costs are over budget and to provide a market tested comparison a further quote has been sought from the Council's own Term Maintenance contractor - Skanska using existing terms, conditions and contract rates. The construction figure quoted is £984,882.26 which is below that quoted by Balfour Beatty, however combined with costs to date is still above the currently approved budget. Detailed analysis of Skanska's quotation suggests the figure of £984,882.26 may be reduced and discussions "within contract" continue with Skanska.

### Cost comparison

Activity	Balfour Beatty CSUK	Skanska – NSC Term Maintenance Contract.
Scheme Preparation	£162,148	£162,148
Traffic Signals / Street Lighting	£109,132	£109,132
Civil Construction (includes Elmham Way)	£1,030,660.42	£984,882.26
Total Project Cost	£1,301,940.42	£1,256,162.26
<b>Budget / Cost shortfall</b>	<b>-£228,940.42</b>	<b>-£183,162.26</b>

It is hoped that the additional costs may be covered by an increase in Local Growth Fund (LGF) funding accessed via the LEP. However, increases of up to 20% require approval by the LEP's Investment Panel and the next meeting of this group is not expected until April.

Should LGF not be sourced, it is expected that the funding gap be met through use of part of other government highways and transport grants, including the National Productivity Investment Fund and the Local Transport Plan grant.

### **DECISION:**

That the Executive Member approves an increase in the Capital Programme of £183,162.26 to close the funding gap based upon the lowest quotation stated above.

And

Approves the appointment of the Council's Term Highway Maintenance Contractor – Skanska, as Principal Contractor for the construction of the West Wick Roundabout Improvements.

**Reasons**

Appointment of Skanska represents best value and represents the most advantages quotation for the Council.

Prompt appointment of Skanska will ensure both programme and funding profile is met.

**Financial Implications:**

As detailed above

**Implications for Future Years:**

NA

Signed.....The Executive Member for Strategic Planning,  
Highways, Economic Development and Housing

Dated.....

**Confirmation of Advice Given**

Signed.....Director of Development & Environment

Dated.....

Signed.....Section 151 Officer

Dated.....