

NORTH SOMERSET COUNCIL DECISION

**DECISION OF: CLLR JAMES TONKIN, EXECUTIVE MEMBER FOR
PLANNING, BUILDING CONTROL, HIGHWAYS AND TRANSPORT**

**WITH ADVICE FROM: DIRECTOR OF DEVELOPMENT & ENVIRONMENT
AND HEAD OF STRATEGIC PROCUREMENT**



DECISION NO: 20/21 DE 106

SUBJECT: Housing Infrastructure Fund (HIF) Banwell Bypass and Highway Improvements

KEY DECISION: NO

REASON:

Procurement plans are not deemed to be key decisions.

BACKGROUND:

The Secretary of State for Housing, Communities and Local Government confirmed approval of North Somerset Council's Housing Infrastructure Fund (HIF) (Forward Fund) bid on the 26th November 2019. The objectives of this bid are to provide infrastructure and educational provision which can support the delivery of existing and potential housing allocations totalling 7,557 new dwellings. 4,482 of the homes are to be located at the existing Weston Villages development sites; the specific numbers and locations of the residual dwellings will be subject to the new Local Plan process.

The Capital Programme was increased by £97,067,550, the total HIF grant from Homes England, at the Full Council meeting on 16 June 2020.

The Council's core objectives of the HIF programme are:

- To deliver infrastructure that maximises, underpins and de-risks associated housing development in the shortest possible timeline;
- To deliver infrastructure that is affordable and provides good value for money;
- To deliver infrastructure that meets the needs of all stakeholders including developers and local communities; and
- To minimise environmental impacts and maximise opportunities for sustainable travel and biodiversity net gain.

A procurement workshop held on the 9th August 2019 recommended that the infrastructure and educational provision be procured separately to reflect the different complexities, required skills and common industry approaches to delivering these projects. It is considered that individual procurement solutions for the Highways and School Projects will

enable smaller organisations to bid for works and allow Council to maintain greater control and flexibility of the HIF delivery programme.

This procurement plan identifies the preferred procurement route to engage suitable contractors for the design and construction of the key enabling infrastructure, namely:

- Banwell bypass including flood mitigation works;
- Local transport improvements including supporting active and sustainable travel and public realm/traffic management within Banwell village;
- Improvements to Junction 21 of the M5.
- Strategic capacity improvements to the utility network.

DECISION:

It is requested that the procurement plan be approved to proceed.

REASONS:

Introduction

Two procurement workshops have been held to identify the procurement route and contract mechanisms. Comments on the proposed approach have been sought from the market following the issue of a Prior Information Notice (PIN) in the Official Journal of European Union (OJEU) and engagement with the Civil Engineering Contractors Association (CECA).

It is recommended that a single contractor be procured to deliver the design and construction of the HIF infrastructure and engaged using two contracts. A professional services contract for Stage 1, the preliminary design and planning, and an engineering and construction contract for Stage 2, the completion of detailed design and construction. This approach will encourage innovation and ensure that buildability advice can be gained from early contractor involvement

Utility companies will need to be appointed directly to deliver the utility network upgrades required to serve the increase in housing capacity.

Commissioning Plan

The commissioning plan was approved by Council on the 25th June 2019.

Lessons learned from previous projects

An analysis of the outcomes from similar previous projects was undertaken to identify lessons that could be applied to this procurement exercise and the delivery of the HIF infrastructure. The mitigations identified are summarised in Table 1.

Table 1 – Summary of procurement workshop lessons learned analysis.

	Attribute from previous contract	Mitigation to be taken into new contract
Strengths	The management of interfaces between the design and build contractor and outside parties (LA and third party stakeholder design approval and liaison) by the Council’s delivery team improved the control of risk to the Council and ensured correct design outcome	Careful consideration of number of contracts and structure of delivery team. Ensure contract reflects the required interfaces with stakeholders and responsibilities for engaging with them. Ensure that the project is correctly resourced using both NSC and external resource as appropriate.
Weaknesses	<p>Any change implemented post design phase (including preliminary design) impacts cost.</p> <p>Transfer of design risk ownership from the Council’s preliminary design to the Contractor’s detailed design caused issues in obtaining final design approval, resulting in delay and cost.</p> <p>Lack of Council control over the design outputs when a third party is leading. Quality and extent of presented design information was not to Council’s expectations leading to delay in approval process.</p>	<p>Early contractor involvement will minimise risk of design changes in construction. Ensure contract contains appropriate gateways for the approval of design phases by delivery team/Council.</p> <p>Maintain design responsibility with a single party through all stages of scheme development. Explore opportunities to better define design liability in contract.</p> <p>Ensure clear terms of engagement for the design liable party with control measures in place are defined in contract and improved from earlier contracts. Maintain design responsibility with a single party. Consider form of contract to ensure that quality of output is not discouraged.</p>
Opportunities	<p>Early contractor involvement, this minimises commercial risk through reducing the number of contracts.</p> <p>Innovation and buildability advice to be gained from early contractor involvement</p>	<p>Ensure procurement option includes early contractor involvement.</p> <p>Maximise opportunity for early engagement.</p>

	Attribute from previous contract	Mitigation to be taken into new contract
Threats	<p>Innovation not encouraged/enabled.</p> <p>Risk not fully transferred where appropriate</p>	<p>Ensure commercial platform encourages innovation through early contractor involvement and share of benefits.</p> <p>Transfer risks wherever appropriate and where not possible ensure delivery team/NSC have control and oversight of those risks.</p>

Requirement

North Somerset Council has been awarded funding by Homes England on the basis that construction will be complete by March 2024.

The following outputs are required to deliver the HIF infrastructure:

- a. Designer - Specialist and wide-ranging design expertise will need to be appointed to undertake the design development, environmental appraisal, planning documentation and cost consultancy services needed for the Banwell Bypass and associated infrastructure; flood mitigation and utility provision. The organisation appointed will also form part of the expert witness at any planning or public inquiry.
- b. Contractor - The HIF scheme will require a Civil Engineering contractor to deliver the physical works as follows.
 - The Banwell Bypass: a highway link providing direct access to the Banwell SDL with all associated drainage, footway and carriageway construction, structures and junctions.
 - Environmental mitigation and bio-diversity net gain measures.
 - On-line highway improvements complementary to the bypass and essential to increase capacity within the surrounding network including at J21. The corridors to the east on the A368 and to the west on the A371 require junction and link improvements.
 - Flood mitigation measures in relation to the Banwell Bypass. These consist of ground level modifications and pipes / culverts to maintain connectivity of the flood zone.
- c. Utility Companies. Upgrades will be required to provide sufficient additional capacity to support the additional housing planned. This will require appointment of Utility Companies directly to provide the reinforcement of their apparatus;
 - 33kV & 11kV electricity extensions and a new substation. (Western Power)
 - Reinforcement and extension of gas pipe network. (British Gas)
 - Extension of foul sewers and upsizing of existing pumping mains (Wessex Water).

Route to market

Main Design and Build Construction Contract

At this stage of the project there is a low level of detail against which to price a construction contract however there is a requirement to engage a contractor at an early stage of the project to maximise the opportunity for innovation and buildability advice, reduce the interface risk between parties and control the ownership of the design through all stages of the project. It is proposed to undertake one procurement exercise to appoint a contractor by two interlinked contracts. This contract approach has been successful on a number of similar contracts in the UK and is familiar in the construction industry. The two contracts are:

- Stage 1, a NEC Option C Target Cost Professional Services Contract (PSC) to undertake the preliminary design, planning stages of the scheme and to negotiation of a target cost for the detailed design and construction phase;
- Stage 2, a NEC Option C Engineering and Construction Contract (ECC) for the detailed design and construction of the works.

At tender the bidders are required to submit two prices, a Target Cost for the Stage 1 contract, and an initial Target Cost for the Stage 2 contract. The Initial Stage 2 Target Cost may only be varied under and in accordance with the terms of the two contracts. The initial Stage 2 Target Cost may go down as well as up as the project progresses.

The detail of the works is developed during the Stage 1 phase and a revised target cost is negotiated for the Stage 2 contract phase as described above.

To provide assurance that the revised Stage 2 target cost is competitive the Employer's Agent shall as part of the negotiation stages:

- Audit the Contractors costs
- Audit the Contractor's procurement process
- Undertake cost benchmarking
- Ensure that the revised target cost is based upon changes to the assumptions made in the original tendered cost for the detailed design and construction and to allow for any new requirements that arise during the first stage of the project. It is not an opportunity to reprice the works from scratch.

The contracts have a number of gateways where an assessment of the price and quality of the works is assessed. The Council has the opportunity to not continue with the works at these gateways. The contractor also has the opportunity to not continue if a target cost cannot be agreed for the detailed design and construction stage.

With high anticipated interest from the market, it is recommended that the restricted procedure under the Public Contracts Regulations 2015 be used. This option gives greater confidence to tenderers of their chances of success than an open procedure thus increasing market interest. Whilst this procurement option takes longer, given the integral nature of the ECI Contractor to the project, the options provide benefit in terms of further critique and short-listing of the tenderers.

Traffic Signal Equipment

Traffic signal equipment will be procured through the existing term signal contract to ensure that ongoing maintenance is carried out through the current arrangements.

Timescales

The indicative programme required to tender the works is shown in the Table 2:

Table 2: Outline Procurement Programme

Activity	Period
Scheme funding accepted	16 th June 2020
Complete final tender documents	July 2020
Procurement Plan Approval by Executive Member	27 th July 2020
Publish 1 st Stage of Tender – Expression of Interest Supplier Questionnaire SQ	August 2020
SQ Response Submission Date	September 2020
SQ Evaluation and shortlisting	September 2020
Publish 2 nd Stage of Tender	September 2020
Tender Return Date	November 2020
Tender evaluation	November to December 2020
Executive Meeting for Award	3 rd February 2021
Standstill period	4 th February to 17 th February 2021
Contract Execution and mobilisation	18 th February to March 2021

Table 3: Outline Delivery Programme

Stage 1 Option Assessment, Outline Design, Planning	March 2021 to October 2022
Negotiate Final Target Cost for Detailed Design and Construction	October 2022 to January 2023
Stage 2 Detailed Design and construction	January 2023 to March 2024

Governance

This procurement plan will be taken to Executive Member, with advice from the Director and Head of Procurement, for approval before the procurement is undertaken. The procurement will not be allowed to commence until the Emergency Executive meeting has agreed the final Grant Determination Agreement (GDA) terms. The contract award report will be approved by the Executive. As the contract award is a key decision it will appear on the council's forward plan and be subject to the call-in periods, in line with the council's Contract Standing Orders.

A report was issued to Full Council on 16 June 2020 which sought approval to increase the Capital Programme by £97,067,550, the total HIF grant from Homes England, this was ratified. All procured services for this scheme will be funded from the capital budget once the grant determination agreement is signed.

HIF Programme Board will be formulated to steer, direct, co-ordinate and oversee the delivery of the programme in line with the council's approved major projects delivery team structure and delivery framework. The Board authorises a Programme Plan and project plans to be delivered by the Programme Management Team and authorises strategic decisions or seeks authority for key strategic decisions from the council. The Board considers Highlight and Exception Reports, changes to the projects Risk Register, key deliverables as defined in the Plans and the contractor's social value and environmental commitments.

The Senior Responsible Owner (SRO) acts as the lead for the overall programme representing the various stakeholders and Board. The Head of Major Projects is responsible for chairing Programme Board meetings. The Programme Manager is responsible for preparing highlight reports. The SRO will ensure that the programme and inherent projects progresses in-line with the respective Plans and that the outputs agreed by the Board are achieved

The Programme Board comprises the following membership:

- **Head of Major Projects and Senior Responsible Owner (chair)**
- **Board members (decision making)**
 - Project Sponsor
 - Head of Major Projects
 - Peoples and Communities Representative
 - Development and Environment Representative
- **Board members (advisor)**
 - Finance
 - Planning Policy
 - Programme and projects managers
 - Procurement Manager

At the first formal meeting of the Board the following will be submitted for approval:

- Programme Board Terms of Reference;
- Programme delivery manual, risk register, programme, cost estimate;
- Delegated powers for change approval;
- Environmental and Social Strategy.

The Programme Delivery Team will represent North Somerset Council providing the functions as shown above and will be responsible for the delivery of the Programme's outputs and benefits to cost, time and quality.

Market / Suppliers

The Council have led engagement with the market on the Highways Project through a series of Civil Engineering Contractors Association (CECA) engagement events held in October and November 2019. It is noted that there was significant interest displayed by the contractors who attended the events.

A Prior Information Notice (PIN) was issued to the market on 22nd October 2019 outlining the intent of the procurement under the Early Contractor Involvement 1 option. The PIN requested expressions of interest and commentary from the market on the recommended procurement route.

The overall response to the PIN indicated that the market was supportive of the procurement route and form of contract.

Social Value, Sustainability & VCSE

The Programme represents the intent for significant economic and social growth in the region and delivering Social Value through the Programme is of particular importance. Key Performance Indicators for delivering Social Value will be included in both the procurement assessment and delivery strategy. The Public Services (Social Value) Act 2012 imposes a duty on the Council to consider at the pre-procurement stage of any service contract how the services proposed to be procured may improve the economic, social and environmental well-being of North Somerset and how the Council may secure that improvement as part of the procurement process.

The overall approach to delivering Social Value through the Council's suppliers is for tenderers to propose tangible specific social value commitments as part of their quality bids.

Social Value will be built into the contract as a performance obligation within the requirements/specification additionally bidders will be asked to be innovative about how they might deliver additional Social Value under the contract, and their responses will be assessed as part of the overall evaluation process.

10% of the quality weighting will be allocated for bidders to propose what additional social value they will offer the council.

The council's social value policy:

<https://www.n-somerset.gov.uk/business/tenders-procurement/procurement-strategy/our-social-value-policy/>

includes 9 outcomes which the council will require tenderers to align their commitments to, this may include use of local suppliers, engagement with local schools and colleges and the use of apprentices. The use of Key Performance Indicators will be used to manage and assess the supplier's adherence to the promised social value benefits outlined with any successful procurement activity.

Evaluation

North Somerset Council proposes to take into account both quality and price in the evaluation of the restricted tender for the works to ensure that bidders have the ability to deliver the works to the standards expected. Quality of the constructed works is ultimately governed by the development of the design and specification so it is proposed that the quality element will comprise most of the evaluation weighting.

Pre Qualification

The first stage of the restricted tender invites interested parties to submit responses to a Selection Questionnaire (SQ). The SQ will be based on the North Somerset Council standard SQ and tenderers will be required to provide information on:

1. Mandatory Exclusion Grounds
2. Discretionary Exclusion Grounds
3. Economic and Financial Standing
4. Equality and Diversity
5. Health and Safety
6. Environmental Management
7. Examples of previous experience in ECI Contracts
8. Examples of previous experience building major link roads
9. Their approach to managing the risks associated with delivering the project through the flood zone.

Responses to questions in sections 1 to 6 will be assessed on a pass/fail basis. Tenders that fail any of these questions will not be considered further.

Responses to questions 7 to 9 will be assessed against the project requirements identified in the tender documents and scored in accordance with the criteria in the table 4:

Table 4 Assessment and Scoring Criteria

Score	Classification	Award Criteria
5	Excellent	A response that inspires high confidence as to the contractor's capability/ capacity to deliver a project like the Banwell Project. In addition to recent, pertinent experience there is clearly extensive alignment between the Banwell Project and other projects undertaken by the contractor.
4	Good	A response that inspires confidence as to the contractor's capability/ capacity to deliver a project like the Banwell Project. Recent, pertinent experience is clearly demonstrated.
3	Satisfactory	A response that is acceptable, and in the main provides confidence. However, there are some very minor reservations as to the contractor's capability/ capacity to deliver a project like the Banwell Project, given the evidenced experience provided.
2	Weak	A response that leads to more than minor reservations as to the contractor's capability/ capacity to deliver a project like the Banwell Project, given the evidenced experience provided.
1	Inadequate	A response that is not acceptable, leading to serious reservations as to the experience and capability/ capacity of the contractor to deliver a project like the Banwell Project.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

The highest scoring tenders that have passed all the pass/fail questions will be considered for the second stage of tender. No more than 5 tenderers will be selected from the received SQs and invited to submit a tender.

Tender

The Instructions to Tenderers (ITT) will be based upon the North Somerset Council standard ITT. The council will evaluate tenders on the basis of what is the most economically advantageous to it. It proposes to take into account both quality and price, and will take into account any loading of rates or manipulation of the programme that could represent a financial implication for the council.

The tenders will be assessed on a ratio of 50% Price to 50% Quality.

The quality assessment will assess tenderers in the following areas.

- Organisation (Key People and Delivery, including programme)
- Social Value
- Project Flood Risk
- Minimising Carbon, Greenhouse gas and environmental impact
- Project Risks (Excluding Flooding)
- Biodiversity Net Gain
- Stakeholder Management

Each of the questions within the quality submission will be scored on a scale of between 0(unsatisfactory) and 5(Excellent). The award criteria for each question will be based upon the Council's standard ITT as adjusted to be project specific.

Each quality question has an individual weighting that will determine the overall quality score awarded as a percentage of the total quality score available.

The Price assessment will consider both the tendered prices and the tendered contract fee percentages and will have a total weighted score of 50%.

The Prices and Fee Percentages for each Stage will be weighted individually.

The tender with the lowest adjusted price/fee percentage will receive the maximum score of 100% for that element and the prices/fee percentages of all other tenders will be expressed as a percentage of the maximum score.

Once the pricing submission score is determined against the weighting it will be combined with the weighted quality submission score to give the total weighted score. Bids will be ranked in descending order by their total weighted score. The bidder with the highest overall score who has also passed the Pass/Fail criteria will be awarded the contract.

Both the SQ and the ITT will be evaluated by officers of the council's HIF delivery team supported by their appointed consultants.

Contract Management

The contract will be managed by an Employers Agent appointed by the Project Delivery Team. Monthly highlight reports will be produced to report the status of the contract to the project delivery team, board and SRO.

The Council and the appointed Employers Agent will develop a series of performance metrics. Performance shall be assessed on a project-level basis. The principles of the performance management approach will be developed during production of the tender documentation for the ECI Contractor procurement and will focus on three areas:

- (1) Performance against project brief (i.e. how well we are progressing against required outputs)
- (2) Behavioural performance (e.g. collaboration)
- (3) Contract management performance.

The nec4 contract chosen for the project will contribute to performance management. Stimulus to good management is an important objective of the nec4 form, in that the contractual procedures in that contract are specifically designed to contribute to rather than distract from management of the works. The whole ethos in the contract is for the parties to share their knowledge to prevent problems occurring – unlike more traditional forms of contracts. The contract is designed to provide a modern method for everyone to work collaboratively so as to bring about delivery.

OPTIONS CONSIDERED:

Form of Contracting model

A number of contractual models were considered at the procurement workshop and are listed in Table 5. Three were shortlisted for further consideration against a set of project requirements including the risk to delivering the project in terms of budget and time.

Table 5 Contractual Models for the delivery of HIF Infrastructure

Option	Procurement Type	Description	Shortlisted	Explanation
A	Early Contractor Involvement 1	> Procurement of an ECI Contractor (including their designer) to undertake the preliminary design, manage through statutory processes, undertake the detailed design and construct.	Yes	Maximise innovation through early contractor involvement and minimise commercial risk through reducing number of contracts.

Option	Procurement Type	Description	Shortlisted	Explanation
B	Early Contractor Involvement 2	<ul style="list-style-type: none"> > Procurement of an ECI Contractor to provide advice to the Employer/Designer in undertaking the preliminary design and through statutory processes > Procurement of a Designer to undertake the preliminary design and manage through statutory processes and support preparing the tender documentation for the construction contract > Employ a D&B Contractor to undertake the detailed design and construction 	No	Lack of commercial tension in the second stage of tendering coupled with lack of design transfer.
C	Early Contractor Involvement 3	<ul style="list-style-type: none"> > Procurement of multiple ECI Contractors to provide advice to the Employer/Designer in undertaking the preliminary design and through statutory processes > Procurement of a Designer to undertake the preliminary design and manage through statutory processes and support preparing the tender documentation for the construction contract > Employ a D&B Contractor to undertake the detailed design and construction 	Yes	Introduces competitive tension during the design development stages and maintains design control.
D	Design and Build	<ul style="list-style-type: none"> > Procurement of a Designer to undertake the preliminary design and manage through statutory processes and support preparing the tender documentation for the construction contract > Employ a D&B Contractor to undertake the detailed design and construction 	Yes	More control and direction, but lack of early contractor involvement not as conducive to innovation in construction.
E	Traditional	<ul style="list-style-type: none"> > Procurement of a Designer to undertake the preliminary design and manage through statutory processes, support preparing the tender documentation for the construction contract and undertake detailed design > Employ a Contractor to undertake the construction 	No	Requires relatively large client management team and delivery managers hold and control more design risk.
F	Alliancing	<ul style="list-style-type: none"> > Setup an alliance between the Council, Contractor and Designer to undertake the works 	No	Given timescales the benefits of setting up an alliance would unlikely to be realised.

It was considered that the ECI 1 approach had less risk to delivering the project in the required timescales and budget and avoided the risks associated with transfer of design ownership between different parties than the ECI3 and D&B approaches.

Procurement Route

Several existing frameworks are available to North Somerset Council that could be used to engage a contractor for these works comprising either single supplier or further competition between framework contractors. It is considered that the lack of competition on single-source frameworks is felt to be inappropriate for this project as such arrangements can pose challenges from the perspective of value for money and a lack of competitiveness in areas such as innovation and challenge to current practices. It is considered that frameworks restricted to pre approved contractors would prevent further competition from other parties who are looking to tender for these works.

FINANCIAL IMPLICATIONS:

Costs

The latest cost estimate for the works and services being procured are shown in Table 6.

Table 6 Estimated Costs

Element	Cost Estimate May 2020
Banwell Bypass including flood mitigation works	£50,393,500
Transport Improvements	£3,568,263
Utilities (Network Improvements)	£2,514,000
Total	£56,475,763

Funding

The works are funded from the HIF Forward Fund grant allocation of £97,067,550.

LEGAL POWERS AND IMPLICATIONS

The project will require exercise of functions (and use of applicable Acts) of the Local Planning Authority, Mineral Planning Authority, Local Highway Authority, Local Education Authority and Housing Authority. The successful contractor will be required to work with the Council's project delivery team and their appointed legal team to develop and deliver the project in accordance with the legal functions and acts.

The procurement route is compliant with Council's Contract standing Orders and the Public Contract Regulations 2015.

The council will need to acquire land in order to construct the Banwell Bypass; it is proposed that all the land required for the bypass will be acquired by negotiation and agreement, but the council can and may have to use its CPO powers if agreement cannot be reached with landowners. The development of the scheme through this contract will determine the extent of land required to deliver the scheme. The decision on the use of such powers will be subject to a further and specific council resolution. Land Agent and Legal Services procurements will take place separately to enable delivery of the HIF Programme.

In accordance with the Council's duties as a commercial client as defined by the Construction (Design and Management) Regulations 2015, the tenderer will be appointed to fulfil the role of Principle Designer and Principle Contractor.

A Heads of Terms are to be agreed between the Council and Ministry of Housing, Communities and Local Government (MHCLG). A Memorandum of Understanding with Heads of Terms between the Council and MHCLG needs to be drafted and agreed. The Heads of Terms will define the responsibilities on the Council and MHCLG for the Programme. The terms and conditions of these documents should be flowed down to the Contractor through the Contract. Support from the Council's legal team will be required to ensure this is done to protect the interests of the Council.

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

Through the supply chain procurement and project documentation it is proposed to enable:

- Leadership – to create the environment for change;
- Innovation – to be an enabler of change within the supply chain, and;
- Methodology – to provide the mechanisms that enable the supply chain to respond.

PAS2080:2016 Carbon Management in Infrastructure provides a framework on all sectors and value chain members, on how to manage whole life carbon when delivering infrastructure assets. Use of the PAS will promote reduced carbon, reduced cost of infrastructure delivery and foster more collaboration across the supply chain.

Procurement will consider the PAS2080 specification, and include this as a quality metric in scoring the submitted tenders, to ensure carbon reduction is a key consideration in design and construction of the Programme.

The proposal is to undertake the design, development and delivery of the programme to align with the principals within the specification PAS2080. Suppliers may detail their own specific carbon management and measurement systems.

As part of the aim to encourage innovative solutions to carbon reduction, it is proposed that a sustainability toolkit be developed to identify sustainability outcomes to be achieved. This is to be developed in collaboration with the Contractor and Employers Agent and the purpose specified to put tangible metrics against sustainability into the project as goals.

All supply chain partners will play an active and key role in ensuring the council's ambition of carbon reduction and biodiversity net gain is secured and achieved through both as an active member of the project team and through as necessary application of statutory and non-statutory legislation in the design, development and delivery of the proposed infrastructure.

The procurement process will also challenge the suppliers on their carbon footprint and how infrastructure can be delivered in the most sustainable way including project specific requirements around communications, meetings and also at an organisational level with their corporate approach and initiatives to sustainability, including the use of energy, transport, purchasing and staff. It is proposed to appoint a carbon advocate to help the project team realise its carbon reduction ambition and provide a framework for future projects.

The project team will also be working with the suppliers on ensuring efficient supply chains, maximising the use of both sustainable materials and renewables including primary sourcing of power.

The outcomes that can be secured from all parties working collaboratively towards a common goal of carbon reduction;

- Reduced carbon, reduced cost of infrastructure;
- Promotion of innovation delivering wider society and community benefits;
- Contribute to tackling climate change;
- More sustainable solutions providing a blueprint for future projects;
- Identification of carbon offsetting to mitigate capital carbon created.

CONSULTATION

The Banwell Bypass safeguarded route alignment and the allocated area for the Weston Villages secondary school formed part of consultation undertaken within the Development Management Policies Plan in July 2016.

Further consultation was undertaken with local communities during November 2018 as part of various focus groups Local Plan Issues and Options consultation. The new Local Plan process has commenced and will be accompanied by an extensive programme of consultation over the next 2 – 3 years.

However, the core and specific detailed consultation and engagement for the programme of infrastructure works will take place from late 2020 onwards. With the initial early engagement focussed on the local community and landowners at Banwell to engage with them on access for seasonal ecological surveys.

The HIF engagement and communication strategy aims to ensure project success through effective engagement, consultation and communication, the strategy will;

- Build effective relationships between the programme and key stakeholders;
- Ensure stakeholders are consulted and informed about the programme and its activities;
- Engage and consult to achieve meaningful feedback from representative participants;
- Increase participation in consultation;
- Raise awareness of the programme among stakeholders;
- Improve understanding of the programme's projects – school, housing and road;
- Ensure effective and responsive internal communication across programme teams between project staff and across workstreams.

Consultation with the market has taken place in the form of supplier events with contractors, engagement with CECA and the published PIN.

RISK MANAGEMENT

There is a risk that construction costs could exceed the allocated portion of the HIF grant sum, above which the Council are liable for funding. The contracts will include a strong emphasis on value for money and will move the project from estimates to actual values. Working with the tenderer will provide further opportunity to assess cost envelope without

the council being exposed to funding works beyond the grant allocation. The Council will work with the tenderer to the original budget envelope to deliver solutions.

The following procurement risks have been identified and mitigating actions proposed, as summarised in Table 7.

Table 7 Procurement Risks

Description	Impact	Mitigation
Lack of market appetite	Limited returns and reduce value for money	Employ restricted tendering procedure to improve appetite through increased likelihood winning the tender.
Lack of OJEU and Public Contract Regulations compliance	Rejected tender	Procurement procedure and contract independently checked by the Council.
Lack of cost certainty for two stage ECI	Budget overrun	Employ cost consultant to improve estimate certainty and Employers Agent to negotiate Target Cost.
Lack of competition during negotiation of final Stage 2 target cost	Value for Money not demonstrated	Employ a cost consultant to audit the Contractors costs and the Contractor's procurement process; undertake cost benchmarking of the target price; and ensure that the revised target cost is based upon changes to the assumptions made in the original tendered cost for the detailed design and construction.
ECI model is new to NSC	Preparation of untested contracts	Appoint Employers Agent and legal advisor with experience of ECI to support procurement.
Lack of alignment with project outcomes	Benefits not achieved and/or needs not met	Specify contract and performance metrics aligned with agreed Project Brief and critical success factors.

EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

An initial screening exercise has been carried out to identify protected characteristics that the Equality Act 2010 requires us to consider, in relation to the highway and school infrastructure. As part of the project design and development phase a full EQIA will be carried out for both the school and highway work.

The protected characteristics most pertinent to the highways and school are age, disability and religion or belief. Provisions will be made to maximise equality between those who share a protected characteristic and those who do not.

Potential solutions to be included in the next stage of the design include:
for the Bypass;

- Simple road layouts that are easy to understand and navigate through;
- Gentle slopes on footways to aid mobility;
- Crossing points to ensure established routes to places of worship are maintained;
- Technology within signal-controlled crossing points to indicate to those with disabilities that the signal for pedestrians to cross is active.
- Tactile surfaces to assist those with visual impairments

CORPORATE IMPLICATIONS

The provision of key enabling infrastructure and educational facilities and the improvement of the transport network widely supports the Corporate Plan objectives and priorities but specifically within the priority of a Thriving and Sustainable Place.

APPENDICES

None

BACKGROUND PAPERS

<http://apps.n-somerset.gov.uk/cairo/docs/doc28834.pdf>

<http://map.n-somerset.gov.uk/PoliciesMap.html> (Banwell Safeguarded alignment)

<https://www.gov.uk/government/news/government-investment-to-unlock-more-homes-across-england> (links to HiF announcements and all supporting MHCLG HIF documents)

<https://www.jointplanningwofe.org.uk/consult.ti>

HIF Bid Pro-Forma online form 03 December 2018

MHCLG HIF Forward Funding Business Case Guidance

HIF Forward Fund Business Case Questions

COU18 Dated 08 May 2018

Exec Member Decision 18/19 DE341

Corporate Plan 2020-2024

<https://www.n-somerset.gov.uk/my-services/planning-building-control/planningpolicy/local-plan/new-local-plan/about-the-local-plan/>

Housing Infrastructure Fund (Forward Fund) Commissioning Plan Approval <http://apps.n-somerset.gov.uk/cairo/docs/doc29685.pdf>

COU 8 Acceptance of Housing Infrastructure Fund (Forward Fund) Grant Heads of Terms with Conditions (Agenda Item 9) <https://apps.n-somerset.gov.uk/Meetings/document/report/NSCPM-205-7>

SIGNATORIES:

DECISION MAKER(S):

Signed:



Executive Member for Planning and Highways

Date: 14 August 2020

WITH ADVICE FROM:

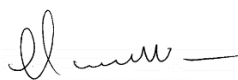
Signed: .



Director of Development and Environment

Date: 10 August 2020

Signed:



Head of Strategic Procurement

Date: 10 August 2020