

## North Somerset Council Decision

**Decision Of: Director of Place**

**With Advice From: Section 151 Officer and Head of Strategic Procurement**



**Decision No:** DP 20/21 305

**Subject:** Contract Award for provision of Employer's Agent (Cost Consultancy and Project Management) Services for the Housing Infrastructure Fund (HIF) Banwell Bypass and Highways Improvements scheme.

**Key Decision:** YES

**Reason:**

The contract value is more than £500,000 and the Banwell Bypass and Highways Improvements scheme affects more than one ward.

**Background:**

The HIF programme requires the construction of Banwell Bypass Works to commence no later than late 2022 (and for all necessary consents to be in place to allow such commencement) and completion and opening on or before the 31 March 2024.

Further to the approved Commissioning Plan COU 41 (25 June 2019) and Procurement Plan (20/21 DE115), it is proposed to award the contract for the HIF Banwell Bypass and Highways Improvements Employer's Agent Services, to the preferred contractor.

The appointment of the Employers Agent will provide contract management support of the ECI construction contract to enable the Council to successful deliver of the HIF scheme. There key roles are to:-

- To manage and administer the ECI construction contracts (fulfilling the roles of NEC PSC *Service Manager* and NEC ECC *Project Manager*);
- To undertake cost and commercial management including cost control, cost evaluation, risk and value management, including forecasting, analysis of performance data and earned value analysis
- To lead and undertake the technical assurance and review of the contractor's proposals and ensure necessary approvals are obtained,
- To lead in the completion of contract documents and scope and the negotiation of the for ECC Stage 2 Target Cost contract;
- Quality assurance and management of design and construction

## **Decision:**

It is requested that the contract for the provision of Employer's Agent (Cost Consultancy and Project Management) Services for HIF Banwell Bypass and Highways Improvements scheme be awarded to Atkins Limited of Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW (company registration number 00688424). The contract is nominally for 4 years with the option of a 1 year extension. The estimated contract value is £1,288,443.63.

## **Reasons:**

### **Introduction**

The HIF Highways programme is to achieve all consents and commence construction by 2023 with scheme opening from March 2024. Capital funding has been secured from Homes England to achieve this with the corresponding Grant Determination Agreement being signed on 24<sup>th</sup> August 2020.

The HIF bid accommodates critical infrastructure in support of housing delivery as set out below:

- Banwell Bypass: a new highway providing direct access to the Banwell development location whilst providing key relief for local communities and improved access for local businesses.
- Public realm improvements within Banwell village.
- On-line highway improvements complementary to the bypass within the surrounding network, including at J21.
- Strategic utility upgrades to provide enough capacity to enable housing.
- Flood mitigation measures for the Banwell Bypass coordinated with the proposed development.

The council needs to appoint consultants to act as Employer's Agent and provide project and cost management services, technical advice, quantity surveying and contract administration. The appointed cost consultant, relating to this specific decision, will form part of the wider project team in supporting the council in the development and delivery of the HIF Banwell Bypass and Highways Improvements programme of works and specifically part of the Programme Management Office.

### **Governance**

A Commissioning Plan (COU 41) was approved by Full Council on 25 June 2019. The Procurement Plan (20/21 DE115) was approved by the Executive Member for Planning and Transport, advised by the Director of Place and the Head of Strategic Procurement, on 25 August 2020.

### **Market Engagement**

Suppliers on the WECA Professional Services Framework were notified in advance of the mini competition being published.

### **Award Criteria**

The following weightings were applied to the evaluation:

- 60% Price
- 40% Quality

Price was based on the submission of a resource schedule and was evaluated as follows:

The tender with the lowest total price received the maximum score of 100% and the prices of all other tenders were expressed as a percentage of the maximum score.

Whilst this is a time-charge contract, for evaluation purposes bidders were given a pricing schedule pre-populated with the estimated days required during each phase of the project. This was to ensure a level playing field for all bidders.

Bidders were required to answer five quality questions on the following topics and with the following weightings:

<b>Question</b>	<b>Quality Submission</b>	<b>Weighting</b>
1	Business capability, resource and project team	30%
2	Professional expertise	25%
3	Commercial offering	20%
4	Track record	10%
5	Carbon management, sustainability and environmental impact	15%
	<b>Total Score</b>	<b>100%</b>

Quality was evaluated in accordance with the following scoring guidelines:

<b>Score</b>	<b>Classification</b>	<b>Award Criteria</b>
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples.

		Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

### Procurement procedure & publishing information

A mini competition was published on the council's e-procurement system ProContract on 18 November 2020 using the WECA Professional Services Framework. The submission deadline was 8 January 2021. All three framework suppliers submitted a bid.

### Evaluation Panel Members

Bids were evaluated by the following evaluation panel:

- Major Schemes Programme Manager
- HIF Senior Project Manager
- Technical Lead (Highways)
- Technical Lead (Planning)

The Strategic Procurement Service managed and moderated the evaluation process.

### Evaluation outcome

Three submissions were received and were evaluated as follows:

	Atkins	Supplier 2	Supplier 3
<b>Quality Score</b>	36.00%	32.00%	30.80%
<b>Price Score</b>	56.15%	59.27%	60.00%
<b>Total Score</b>	92.15%	91.27%	90.80%

The supplier with the highest overall score is therefore Atkins Limited.

### Social Value

The WECA Professional Services Framework was used to tender this opportunity and therefore supplier's social value commitments will be dealt with at framework level by WECA. As such, social value was not included within the award criteria for this procurement.

### Contract Management

The contract will be managed by the HIF Senior Project Manager. Performance and budget will be regularly reviewed with the Senior Responsible Officer.

Monthly bespoke reports will be produced by the supplier to monitor progress against key criteria, in addition to the measurement requirements that form part of the NEC contract.

Formal monthly meetings will be held to monitor progress and review risks and issues to the project. The progress of the project will be summarised in a highlight report and

presented to the Project Steering Board. The project and contract management approach will be formalised through the project delivery manual.

The project and board structure will be undertaken in accordance with the agreed Major Projects and Technical Services project management and board protocols and processes.

### **Implementation of contract**

It is estimated the contract will be awarded and commence in February 2021, in advance of the award of the Design and Build contract to enable mobilisation.

### **Options Considered:**

The following alternative option has been considered:

1. Not Proceeding North Somerset Council has the option of not proceeding with the Employers Agent contract however the project has widespread support and not proceeding would leave the Council without the resources and expertise to successfully manage the ECI design and construction contract.

### **Financial Implications:**

#### **Costs:**

The estimated value of the Employer's Agent contract is £1,566,281.72 over the period required to construct the Bypass.

However, this is a time charge contract so the council will pay for the resources the Employer's Agent uses to deliver the contract. Close contract management will be required to monitor costs.

#### **Funding:**

The decision is to be funded by the Housing Infrastructure Fund (HIF) Grant awarded by MHCLG. The Grant provides £ 97,067,550 of capital funding and under the terms of the Grant Funding Agreement dated 24 August 2020 the grant monies will be received incrementally at the timeframes specified in the Grant Agreement under a Forward Funding arrangement.

Specifically in relation to Banwell Bypass North Somerset Council have secured funding up until completion of the preliminary stage totalling £17,336,518. A further £49,383,858 will be granted to the Council for construction subject to grant agreement conditions as stated above.

The table below sets out the split of Employers Agent contract across stages 1 and 2 of the project and the available contingency that can be drawn upon if needed.

	<b>Preliminary</b>	<b>Construction</b>	<b>Sub Total</b>
<b>Employers Agent contract</b>	£731,278.80	£557,164.80	£1,288,443.60
<b>Contingency</b>	142,881.80	134,956.28	£277,838.12
<b>Total</b>	£874,160.60	£692,121.08	£1,566,281.72

As this contract runs for the lifecycle of the project (both stages 1 and 2), there is risk that if the Council do not meet funding conditions to proceed with construction there will be no further funding available to continue this contract. However, if the project were to cease at the end of preliminary stage then the contract would be terminated

### **Legal Powers and Implications:**

The WECA Professional Service Framework was compliantly procured in line with Public Contract Regulations 2015. This contract has been procured in accordance with the rules of the WECA framework.

The contract between the consultant and the council is the NEC4 Professional Services Short contract.

### **Climate Change and Environmental Implications:**

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 Employer's Agent and the purpose specified to put tangible metrics against sustainability into the project as goals.

All supply chain partners (including the Employer's Agent/cost consultant) 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.

During the procurement process, bidders were asked to respond to a quality question on carbon management, sustainability and environmental impact, which required bidders to:

- Set out what measures they will implement to ensure that the requirements around PAS 2080, CEEQUAL and Biodiversity Net Gain are delivered by the ECI Contractor.
- How they will ensure reduced carbon is considered and environmental impact minimised in the development of the design of the works – in both Stage 1 and Stage 2 of the Project.
- How they propose to reduce carbon and minimise environmental impact in construction and maintenance – that is, in Stage 2 of the Project and beyond.

Whilst the carbon management responsibility largely sits with the Design & Build contractor, the Employer's Agent will be instrumental in ensuring they meet their commitments.

## Consultation:

Suppliers on the WECA Professional Services Framework were notified in advance of the mini competition being published.

## Risk Management:

Engagement of a consultant to act as Employer's Agent is a key action identified in the risk register for the management of risks associated with the ECI design and build contract.

The Banwell Bypass has a full risk register with mitigations recorded against each risk. The risk register is regularly reviewed by the project team and key risks reported to the project steering board that meets monthly.

The following key risks and procurement risks have been identified that are associated with this appointment and mitigating actions proposed, as summarised below.

Description	Impact	Mitigation
The actual spend exceeds the contract value.	The Project budget is impacted by overspends on professional services.	Regular check point reviews to track spend against budget. Risk pot allocation to be accessed if necessary, e.g. programme overruns.
Ineffective Employer's Agent	Poor Quality of outputs from the ECI contract	The Employer's Agent will be providing technical support and ensuring the preliminary design is satisfactory, so close contract management of the EA and joint contractor/EA/Council meetings essential, and council performing Intelligent Client function.
Ineffective Employer's Agent	Unaffordable Stage 2 target cost of the ECI contract	The Employer's agent will be providing cost consultancy services and ensuring the target cost is affordable, so close contract management of the EA and joint contractor/EA/Council meetings essential, and council performing Intelligent Client function.
Ineffective Employer's Agent	Delays to ECI Contract programme	The Employer's Agent will be providing project management services and ensuring the programme is not delayed, so close contract management of the EA and joint contractor/EA/Council meetings essential, and council performing Intelligent Client function.

### **Equality Implications:**

Have you undertaken an Equality Impact Assessment? Yes

An initial screening exercise has been carried out as part of the HIF development business case process to identify protected characteristics that the Equality Act 2010 requires us to consider, in relation to the highway infrastructure.

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

A full equality impact assessment will be undertaken as part of the highway development proposal and planning application for the Banwell Bypass.

### **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 is noted within the approved plan as a priority to support a broad range of new homes to meet growing need, with an emphasis on quality and affordability.

### **Appendices:**

None

### **Background Papers:**

[HIF Commissioning Plan \(Full Council Report\)](#)

[Banwell Bypass Employer's Agent Procurement Plan](#)

[HIF business case development and submission approval](#)

[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

Exec Member Decision 18/19 DE341

Programme delivery manual, risk register and programme.



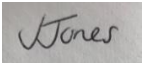
**Signatories:**

**Decision Maker(s):**

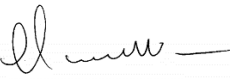
Signed:  Director of Place

Date: 19 February 2021

**With Advice From:**

Signed:  Finance Business Partner (deputy S151 Officer)

Date: 16/02/2021

Signed:  Head of Strategic Performance

Date: 15 February 2021.