

North Somerset Council Decision

Decision Of: Councillor Mark Canniford. Executive Member for Placemaking and Economy



With Advice From: Director of Place and Head of Strategic Procurement

Decision No: 21/22 DP

Subject: Procurement Plan for consultants to undertake the Full Business Case (FBC) for the Weston Business Quarter (WBQ) & act as Employer's Agent for the construction phase.

Key Decision: No

Reason: This procurement plan is covering the route to market only, the Commissioning Plan covered authority to proceed with the project. This commission will not affect more than one community/ward.

Background:

An Outline Business Case has been submitted for the delivery of infrastructure and servicing of plots to enable commercial land to come forward on land owned by North Somerset Council at Weston Business Quarter (WBQ) in the Junction 21 Enterprise Area (J21EA). The site is a strategically important commercial location for North Somerset and since the completion of The Food Works^{SW} Innovation Centre in 2020 there has been an increase in investment interest.

The OBC has been submitted to the West of England LEP requesting funding of £11.1m to support this scheme. It is expected the funding would be sourced from the West of England Revolving Infrastructure Fund (RIF), which is interest-free forward-funding. The repayment of the funding would be through future land sales or lease income.

The Full Business Case for RIF funding is expected to be submitted early in 2022.

Decision:

It is requested that the procurement plan be approved to proceed. The Contract Award will initially be for stage 1 (to cover the work up to and including the submission of the FBC), with the option to award stage 2 (which covers the on-going work required to support the procurement of the contractor and act as Employer's agent). Award of stage 2 will be dependent on the council's successful application for the LEP funding.

Reasons:

Introduction

The preparation of the FBC will include demonstrating:

- A compelling strategic and economic case, including evidence of market demand.
- Confirmed deliverability and costs. This includes having secured planning consent and being ready to award contract for the works.
- Expected timeline for repayment of RIF, with evidence to support that this can be achieved.

The costs of preparing the FBC (stage 1) are expected to approach £450,000, to be forward funded from corporate reserves. Capital elements will be reclaimable from the LEP funding, if the bid is successful.

The FBC is expected to be submitted to the LEP in January 2022 for a final decision in April 2022. The Commissioning Plan sought approval to delegate authority to the Executive Member for Place and Economy to approve the submission of the FBC.

Commissioning Plan

The Commissioning Plan was approved at the Executive meeting on 23 June 2021.

Lessons Learned from previous projects

Professional services have been procured to support several major projects including the Housing Infrastructure Fund and Winterstoke Road Bridge projects; including the use of the WECA Professional Services framework of suppliers, and the lessons learned from those projects will be utilised in this procurement.

Requirement

Development of the FBC, planning application and for support during the construction phase will require the appointment of an external supplier to undertake the following core duties:-

- Project Management services including commercial and design advice;
- Quantity surveying and principal designer duties;
- On-site surveys and desktop studies;
- Utility, energy and sustainability services;
- Geo-environmental engineering services;
- Flood risk and civil engineering services;
- Masterplanning and lead designer

This will be a two-stage appointment, linked to and dependent upon phasing and funding.

Stage 1 will comprise surveys, planning consent, preparation of technical designs and preparation for procurement of contractor, taking the scheme up to Full Business Case submission;

Stage 2, covering procurement and delivery, will include project management, design and Employers Agent services.

The value of the works to FBC submission is estimated at £450k with Stage 2 and post FBC approval similarly estimated at £450k.

Route to market

It is proposed to use the WECA Professional Services Framework. There are 3 suppliers on the framework, who consist of: -

Aecom Ltd
Atkins Ltd
WSP Ltd

The companies have a wide range of expertise to call upon which is necessary for this project. We will run a mini competition, which provides an element of competition, and therefore will drive value for money.

Indicative Timescales

Commissioning Plan (Executive) approved	23-Jun-2021
Approval of Procurement Plan (Executive Member)	July 2021
Brief and specifications issued to WECA professional services framework providers	July-2021
Professional services quotes received (stage 1 and 2)	August 2021
Contract award (Director decision)	Sept 2021
Submission of FBC to LEP	January 2022
LEP decision on FBC	April 2022
Tender to infrastructure contractors	April 2022
Professional supplier stage 2 appointment	April 2022
Receipt of contractor tender returns	June 2022
Appointment of infrastructure contractor	August 2022
Start on site	September 2022

Governance

Whilst this project is being led by the Head of Infrastructure as it involves expertise in highways and infrastructure, this is part of a wider council Economy & Development project to enable commercial land to come forward on land owned by North Somerset Council at WBQ in the Junction 21 Enterprise Area (J21EA). The site is a strategically important commercial location for North Somerset and since the completion of The Food Works^{SW} Innovation Centre in 2020 there has been an increase in investment interest.

In line with established major project management and delivery processes a specific suite of project management documents will be developed including establishment of a project team and project board including but not limited to Infrastructure, Economy and Finance.

The Contract Award Report will be a Director's Key Decision and is on the Forward Plan.

Market / Suppliers

North Somerset Procurement have advised the WECA PSF suppliers of the opportunity ahead of time to allow them to look at resource and capacity.

Social Value, Sustainability & VCSE

In accordance with the council's Social Value Policy, 10% of the quality weighting will be for bidders to propose their tangible social value commitments.

Evaluation

The framework consists of pre-qualified bidders who have gone through a testing process to get onto the framework, so will have the technical, commercial and project management skills required. Therefore, a weighting of 60% price and 40% quality will ensure the correct and appropriate balance of quality versus price.

The project team will provide a clear specification with set deliverables and bidders will have to demonstrate their skills and methodology to achieve the requirements within the specified timeframe.

Price and quality assessment will score the following:-

Price: Based on the submission of resource schedule. The lowest total price will receive the maximum score of 100% and the prices of all other tenders will be expressed as a percentage of the maximum score

Quality: Quality will be assessed against the project outputs, behaviours and project management including assessment on the following topics.

1. Business capability and resource
2. Professional expertise
3. Commercial offering
4. Project team
5. Track record
6. Social Value contribution
7. Carbon Management, Sustainability & Environmental Impact

Quality will have a weighted score of 40% and will be evaluated in accordance with the following scoring guidelines:

Score	Classification	Award Criteria
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.

The evaluation panel will consist of:

Head of Infrastructure
Head of Economy
Head of Development

The moderation will be facilitated by the Strategic Procurement Team.

Contract Management

The use of Key Performance Indicators (KPIs) will be used as a tool to measure performance of the supplier. These will be based around the core principles of time, cost and quality but will also link back to the quality element of the original submission.

Monthly bespoke reports will be produced by the supplier to monitor their progress against the 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 Board. The project and contract management approach will be formalised through the project delivery manual and the governance model used on other major projects for reliability and consistency in approach.

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.

Options Considered:

The framework provides a timely, cost and resource efficient process for securing the service required; it will be quicker and less resource intensive than carrying out a competitive tender and contains enough resourced, competent and experienced suppliers to help de-risk delivery and ensure compliance.

The team will carry out a mini competition, so all of the pre-qualified suppliers will be able to bid, and their fees cannot exceed the fees they quoted to get on the original framework agreement. The suppliers have signed up to the framework agreement terms and conditions and call-off contract, so the council will only have to populate the standard NEC4 PSSC and not have to write a contract for this procurement which will also save time and resource.

Being a two-stage contract, the contract term will be for 10 months with a possible extension of 12 months. This will ensure the council has continuity of service throughout the pre-construction, construction and post construction phases.

Financial Implications:

Costs and Funding:

Stage 1: (2021): £450k (est.) Driving Growth Board allocation (recouped via WECA RIF bid)

Stage 2: (2021/2022): £450k (est.) WECA RIF

Legal Powers and Implications:

The WECA PSF has been procured in line with Public Contract Regulations 2015. The Contract will use NEC4 Professional Services Short Form Contract Option A.

Climate Change and Environmental Implications:

The framework suppliers have a local presence, which will reduce the requirement to travel. Carbon reduction and management will be a key assessment component within the tender opportunity and form part of the quality weighting. The Council will seek to ensure that all parties across the value chain work collaboratively, towards a common goal to reduce carbon, so achieving the following outcomes:-

- Reduced Carbon, reduced infrastructure cost;
- Promote innovation delivering benefits to society and communities;
- Carbon management will contribute to tackling climate change;
- Deliver more sustainable solutions.

In addition to the specific carbon reduction measures potential through this procurement exercise the procurement and contract for the physical works will seek to drive out carbon benefits in construction activity; the successful professional supplier will help in ensuring the construction activities are framed in the context of the Climate Emergency declaration.

Consultation:

The WECA PSF suppliers have been advised of the opportunity beforehand to give them the opportunity to plan their capacity and resources.

Risk Management:

Description	Impact	Mitigation
Lack of market appetite	Limited returns and reduced value for money	WECA PSF has a range of potential suppliers, offer is favourable to the market, the use of a mini-competition will be providing greater assurance of success.
Lack of market capacity	Limited returns or of poor quality.	WECA PSF provides assurance of a depth and breadth of qualified, experienced suppliers. The early market engagement has confirmed that capacity is available for this offer.
LEP not agreeing to funding	The project not proceeding	The contract is split into two stages. Stage 1 is forward funded by the

		council; however, Stage 2 will only be awarded once LEP funding secured.
The actual spend exceeds the contract value.	The Project budget is impacted by overspends on professional services.	Early engagement with suppliers to validate requirements & budget. Use of Option A to have a commitment to the baseline tasks. Risk pot and regular check point reviews to ensure spend against budget.

Equality Implications:

Have you undertaken an Equality Impact Assessment? No

The delivery of site infrastructure and servicing through this project is not expected to have significant direct impacts on equality and diversity.

A full EIA will be drawn up as part of detailed project delivery proposals to inform the Full Business Case.

Examples of factors to be taken into consideration in developing the scheme include:

- Infrastructure, including roads and crossings, will be designed in line with national standards and best practice to ensure accessible to all.
- Contracts will include Social Value requirements. It is anticipated that this will include actions to positively address inequalities.
- The South Ward area in Weston is close to the site and is within the 5% most deprived areas nationally. NSC’s Economy Team is leading work with other teams across the council and partners to tackle these inequalities and to link residents with potential opportunities at the business quarter site.

The planning application for this site will comply with the requirements of the Local Plan and other planning policies, which have been subject to EIA assessments.

All procurement activity will include a requirement for the appointed parties to ensure compliance with Equalities legislation.

Corporate Implications:

This overall WBQ project supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular “an attractive and vibrant place for business investment and sustainable growth”.

A project team has been set up to oversee the development of the scheme, led by the Economy Team and supported by the Major Project Team. Representatives from Development and Finance Teams also attend.

Appendices:

None

Background Papers:

Business Case and Commissioning Plan for development of Weston Business Quarter
(Approved at 23.06.2021 Executive)

Signatories:

Decision Maker(s):

Signed: Executive Member for Placemaking and Economy

Date:

With Advice From:

Signed:Director of Place

Date:

Signed:Head of Strategic Procurement

Date: