

North Somerset Council Decision

Decision Of: Director of Place and Director of Corporate Services (s151 Officer)



With Advice From: Head of Strategic Procurement

Decision No: DP 21/22 241

Subject: Award of contract for Weston Business Quarter Full Business Case (Stage 1) and Employer's Agent Services (Stage 2)

Key Decision: YES

Reason: The total contract value is over £500,000.

Background:

An Outline Business Case (OBC) 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 Local Enterprise Partnership (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 (FBC) for RIF funding is expected to be submitted early in 2022.

Decision:

1) To approve awarding the contract for professional services to write the Weston Business Quarter Full Business Case and provide Employer's Agent services to Atkins Limited, Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW (company registration number 688424). The contract is for 6 months (Stage 1), with an optional extension of a further 12 months (Stage 2). The total estimated contract value for both stages is £729,427, with an additional element of £176,612 which may be required (see below).

2) Subject to approval of the full business case, increase the capital programme by £319,223 to be funded by RIF.

3) Approve associated budget virements to increase the council's revenue expenditure and income budgets to reflect the additional expenditure and impact on resource i.e. funded by reserves.

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.

A consultant is required to develop the FBC, planning and application and support the project team during the construction phase. The consultant will undertake the following core duties in the delivery of this contract:

- 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 comprises 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 Employer's Agent services.

The contract value is £410,204 for Stage 1 and £319,223 for Stage 2. The costs of preparing the FBC (Stage 1) will be forward funded from corporate reserves. Capital elements (Stage 2) 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 Placemaking and Economy to approve the submission of the FBC.

The maximum contract term is 18 months – 6 months for Stage 1, with an optional extension of 12 months for Stage 2. This extension is subject to approval of the FBC funding by the LEP.

Governance

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

The Procurement Plan was approved by the Executive Member for Placemaking and Economy on 5 August 2021.

Market Engagement

Suppliers on the WECA Professional Services Framework were notified in advance of the mini competition being published to ensure they had capacity for bidding for the opportunity. All three suppliers expressed interest.

Award Criteria

The following weightings were applied to the evaluation:

- 60% Price
- 40% Quality

Price was based on the submission of a pricing schedule. 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

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

Question	Quality Submission	Weighting
1	Business Capability, Resource & Project Team	30%
2	Professional Expertise	25%
3	Commercial Offering	15%
4	Track Record	10%
5	Social Value	10%
6	Carbon Management, Sustainability and Environmental Impact	10%

	Total Score	100%
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Quality was 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.

Procurement Procedure and Publishing Information

A mini competition off the WECA Professional Services Framework was published on the council's e-procurement system ProContract on 5 August 2021. The submission deadline was 2 September 2021.

While all three framework suppliers expressed an interest in bidding for this opportunity, only one framework supplier – Atkins Limited – submitted a bid.

Due to the competitive nature of the procurement and the fact that framework suppliers are pre-qualified and have a good track record of delivering similar schemes, it was felt that it would be unnecessary and detrimental to the programme to repeat the

procurement when this may not change the end result. Bidders cannot exceed the framework rates, which were competitively tendered. The pricing schedule requested the day rates and number of days, which the panel checked to ensure rates were in line with what was expected.

Atkins' quality submission was fully evaluated by the panel to ensure they can meet the requirements of the project. The submitted price is less than previous estimates and is therefore acceptable and considered a competitive price.

Evaluation Panel Members

Bids were evaluated by the following evaluation panel:

- Head of Major Infrastructure Projects
- Principal Economic Development Officer

The moderation was facilitated by the Strategic Procurement Team.

Evaluation

The submissions received was evaluated as follows:

	Atkins
Quality Score	34.40%
Price Score	60.00%
Total Score	94.40%

It is proposed that the contract is awarded to Atkins Limited.

Social Value

Atkins have provided the following social value commitments:

Commitment	Measure
No. of local direct employees hired or retained on contract	0.5 FTE
No. of hours of support into work provided to over 24-year-old unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance	10hrs
No. of staff hours spent on local school and college visits e.g. delivering career talks, curriculum support, literacy support, safety talks (including preparation time)	40hrs

Commitment	Measure
No. of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation until completion in the following years - Level 2,3, or 4+	4 weeks
No. of hours of support into work provided to under 24-year-old unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance	10hrs
Employment taster days for those interested in working in the real estate and construction industry	5 days
No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	6 weeks
Provision of advice to VCSEs and MSMEs (e.g. HSE Advice & Training / ED&I Training / Other CPD Training events)	10hrs
Provision of advice to help VCSEs and MSMEs achieve net zero carbon	15hrs
Equality, diversity and inclusion training provided both for staff and supply chain staff	5hrs
No. of hours volunteering time provided to support local community projects	40hrs
Volunteering with environmental conservation and sustainable ecosystem management initiatives	40hrs

Contract Management

The contract will be managed by Major Projects Team. Performance and budget will be regularly reviewed with the Senior Responsible Officer.

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.

Implementation of contract

Indicative timescales:

Activity	Date
Award of Stage 1 FBC contract	October 2021
Submission of FBC to LEP	January 2022
Notification of FBC funding from LEP	April 2022
Award Stage 2 contract	April 2022
Procurement of Contractor	June 2022
Appointment of Contractor	August 2022
Start on Site	Autumn 2022

Options Considered:

The WECA Professional Services Framework provides a timely, cost and resource efficient process for securing the services required. Utilising the WECA framework was quicker and less resource intensive than carrying out a competitive tender and contained enough resourced, competent and experienced suppliers to help de-risk delivery and ensure compliance.

The WECA framework suppliers' fees cannot exceed the fees they quoted to get on the original Framework Agreement and the suppliers have signed up to the Framework Agreement terms and conditions and call-off contract, so the council only has to populate the standard NEC4 PSSC and not have to write a contract for this procurement which has also saved 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:

A breakdown of the costs submitted by Atkins Limited:

Stage 1 Sub-total	£410,204
Stage 2 Sub-total	£319,223
Total	£729,427

Other optional fees, which did not form part of the price evaluation but may be required during delivery of the scheme include:

Stage 1 Item	Price
Topographical survey	£9,615
CCTV	£26,593
GPR survey	£24,956
Risk Consultant	£6,464
Biodiversity Net Gain Assessment	£7,630
Building with Nature Design and Assessment	£22,802
Daylight and Sunlight Impact Assessment	£7,143
Stage 2 Item	Price
Remediation Method Statement	£3,022
TA Role	£32,967
Engineering support	£21,154
Contamination	£7,857
Risk Consultant	£6,409
Total	£176,612

The requirements for optional fees will be assessed during scheme development and only progressed in accordance with change management and funding availability. It is requested that this contract award report includes this additional element to give the Project Team the flexibility to commission these services if required.

Funding:

Stage 1 will be funded from an allocation held within the Driving Growth Reserve. It is proposed a budget virement is actioned to gross up the council's expenditure and income budget to reflect this additional expenditure.

The budget for FBC development was £674,000, with £499,000 allocated for professional services. The Stage 1 costs total £410,204 and are therefore within budget.

Stage 2 capital elements, if awarded, will be reclaimed through the RIF funding, if the bid is successful. The Stage 2 appointment will only go ahead if the FBC submission is successful.

Legal Powers and Implications:

The WECA Professional Services Framework has been procured in line with Public Contract Regulations 2015. The Contract is an NEC4 Professional Services Short Form contract Option A.

Climate Change and Environmental Implications:

The WECA framework suppliers all have a local presence, which will reduce the requirement to travel. Carbon management, sustainability and environmental impact were included within the evaluation criteria for the mini competition and formed 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 and achieve 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 above, the appointed consultant will help in ensuring the construction activities are framed in the context of the council's Climate Emergency declaration.

In their submission, Atkins Limited outlined the following key considerations when reducing carbon levels, greenhouse gas emissions and environmental impacts on the delivery of the Project:

- Reduction of the inherent energy demand to the lowest practical and affordable level
- Provision of the most efficient environmental strategies and systems. Will check the solutions against the key success criteria captured at the outset
- Identification of the appropriate renewable energy technologies

- Looking at construction and material methodologies as a strategy to reducing embodied energy
- Whole life carbon, lifecycle costing and renewables opportunity assessments for business case

Atkins Limited are also aligned with the council’s goal to be carbon neutral by 2030. They have committed in their submission to appoint a Carbon Management Lead and an Environmental and Biodiversity Net Gain Lead.

Consultation:

The WECA Professional Services Framework suppliers were advised of the opportunity in advance to give them the opportunity to plan their capacity and resources.

An Executive Committee report was presented by Cllr Mark Canniford, Executive Member for Place and Economy, on 23 June 2021 to note and endorse the submission of an Outline Business Case to the West of England LEP for £11.1m funding to deliver infrastructure and servicing of plots at Weston Business Quarter; approve the preparation of a Full Business Case and to approve the proposed Commissioning Plan for the procurement of professional services and contractors to deliver the proposed infrastructure for this project.

Cllr Mark Canniford, Executive Member for Place and Economy has been regularly briefed on the progress of the project, SPEDR has received regular verbal updates and an internal Weston Business Quarter Officers Group meets fortnightly to review progress, guide the commissioning of external consultants and oversee subsequent work.

Risk Management:

Description	Impact	Mitigation
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 (lump sum) 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 Weston Business Quarter 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”.

Appendices:

None

Background Papers:


- Business Case and Commissioning Plan for development of Weston Business Quarter (Approved at 23.06.2021 Executive)
- Procurement Plan, approved by Executive Member 5 August 2021
- 19/20 DE 322 Decision note to use the WECA PSF

Signatories:

Decision Maker(s):

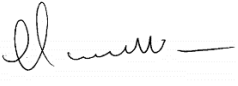
Signed:  Director of Place

Date: 14 October 2021

Signed:  Director of Corporate Services (s151 officer)

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With advice from

Signed:  Head of Strategic Procurement

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