

## North Somerset Council Decision

### Decision Of: Executive Member for Assets and Capital Delivery

With Advice From: ASSISTANT DIRECTOR PLACE MAKING & GROWTH IN ACCORDANCE WITH DELEGATED AUTHORITY 22/23 DP 53 and HEAD OF STRATEGIC PROCUREMENT



**DECISION NO:** DP 22/23 95

**SUBJECT:** Procurement Plan for Major Road Network (MRN) Design and Build Contractor

**KEY DECISION:** No

**REASON:** The Commissioning Plan, which was a key decision, approved the project, the Procurement Plan sets out the way in which the approved commission will be delivered.

### **BACKGROUND:**

The A38 MRN Scheme extends over 32km (20 miles) of the A38 through North Somerset and Somerset between the A4174 Colliters Way (South Bristol Link) and Edithmead Roundabout (M5 J22). The scheme proposes a series of improvements on the A38 across the North Somerset and Somerset areas. These improvements will contribute towards providing additional capacity, improving journey reliability and enhanced resilience across all modes on the major highway corridor between Bristol and the South West, addressing existing issues and providing capacity for economic growth. Additionally, the A38 forms a key strategic function as a diversion route for the M5 so its improvement would enable wider network resilience. The scheme should also be seen in the context of post Covid-19 economic regeneration and enabler, removing constraints on the existing network.

To align with both Council priorities and Department for Transport (DfT) MRN objectives, the various schemes proposed along the A38 have ensured that active travel, public transport, road safety and congestion alleviation with improved capacity would be secured through implementing the scheme proposals. The A38 MRN scheme has a strong base in providing active travel improvements and in improving journey reliability times on the A38 and for each scheme element there are infrastructure improvements for cyclists, pedestrians and other non-motorised road users to better connect local communities. In removing pinch-points at certain locations on the A38, traffic congestion will be reduced benefiting all road users, including public transport, with more reliable journey times, complementing the infrastructure improvements included for public transport, for example bus lane provision and bus stop lay-by accessibility.

NSC and SCC jointly submitted a Strategic Outline Business Case (SOBC) to the DfT in July 2019 for the A38 MRN Scheme, which was successful. The Outline Business Case (OBC) for the scheme was submitted in March 2022 and a decision is anticipated from the DfT in June 2022.

## DECISION:

It is requested that the Procurement Plan be approved to proceed.

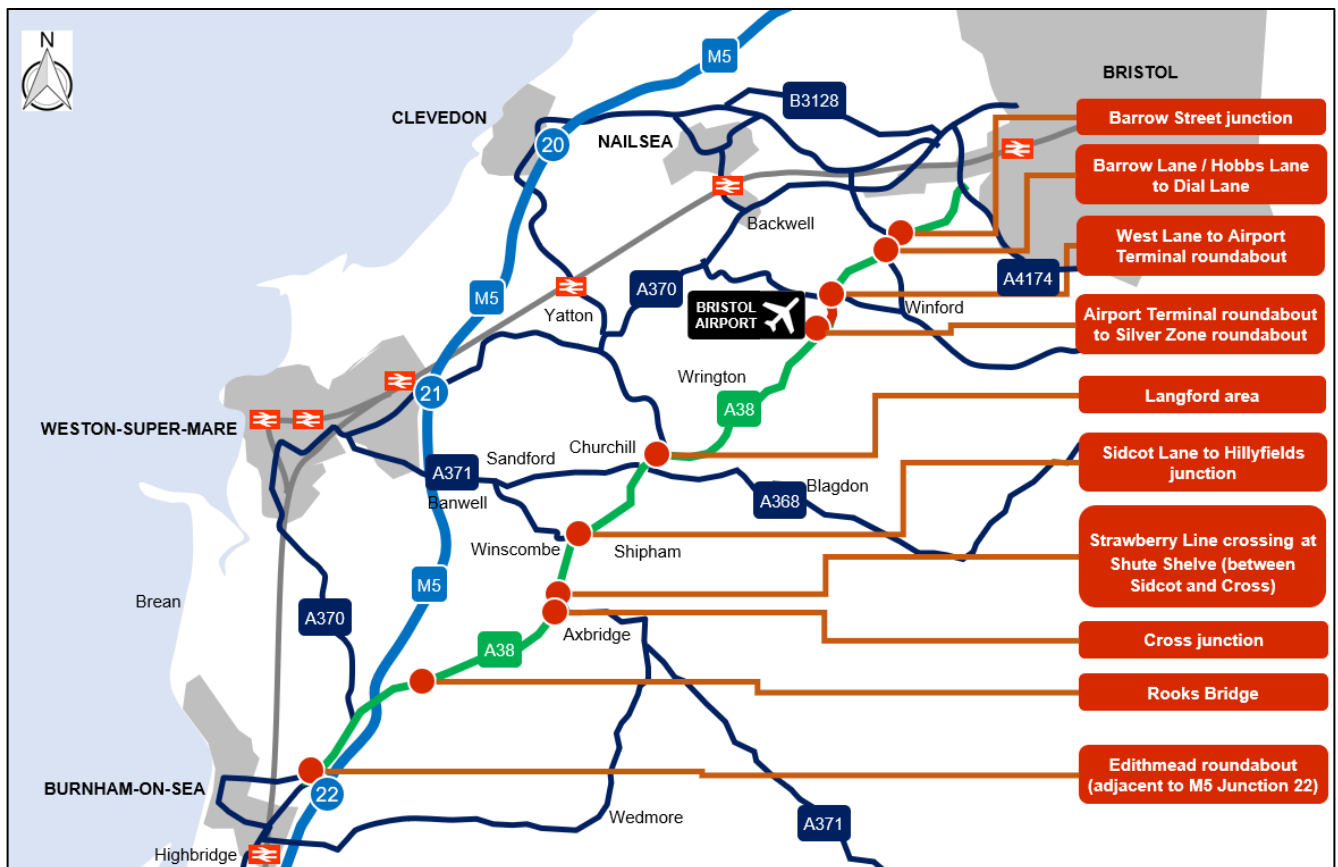
## REASONS:

### Introduction

A design and build contractor is required to deliver the following targeted improvements identified along the A38 corridor:

1. Barrow Street junction
2. Barrow Lane / Hobbs Lane to Dial Lane
3. West Lane to Airport Terminal roundabout
4. Airport Terminal roundabout to Silver Zone roundabout
5. Langford area
6. Sidcot Lane to Hillyfields junction

An additional four schemes will be delivered by Somerset County Council (SCC), which are subject to a separate procurement by SCC and are not covered by this procurement plan.



NSC and SCC will co-ordinate their individual schemes to minimise disruption on the A38.

### Commissioning Plan

The Commissioning Plan was approved at the Full Council meeting on 9 November 2021.

## **Lessons Learned from previous projects**

There are similarities between the A38 MRN project and other recent projects eg Banwell Bypass. As such, a similar approach will be taken to procure a 2-stage design and build contract, rather than procuring the detailed design first and then using a traditional approach to procuring a contractor. The design and build approach is popular with contractors, provides more opportunities for value engineering and ensures continuity for the Council.

In addition, the Council is moving away from the use of single-supplier frameworks due to concerns about how to determine value for money. The recent procurement of a design and build contractor for Winterstoke Hundred Academy Expansion was successful in creating competition between suppliers. This is discussed further in the options section.

As on previous projects, to prevent any conflicts of interest, the design and build and professional services tenders will be undertaken to similar timescales to ensure the design partner for the D&B contract is not the same consultant as for the professional services contract.

## **Requirement**

The following outputs are required to deliver the A38 MRN schemes:

- Design (Stage 1) – Specialist design expertise is required to complete the detailed design of the six NSC scheme elements.
- Construction (Stage 2) – A Civil Engineering contractor is required to deliver the physical works for the 6 NSC scheme elements, covering footway, cycleway and carriageway construction and associated drainage provision and junction signals.

It is recommended that a single contractor is procured to deliver the design and construction of all NSC schemes (1 to 6 above), using two inter-linked contracts. An NEC4 professional services contract for the Stage 1 detailed design and an NEC4 engineering and construction contract for the Stage 2 construction.

A two-stage design and build contract means the contractor is engaged early in the project development and design work, providing more opportunities for value engineering and more cost certainty in Stage 2. However, there will be a break clause in the contract before Stage 2 in the event that the Council wishes to re-tender the construction phase. The Council would retain use of any design work prepared by the contractor during Stage 1. Re-procuring Stage 2 would only be carried out if there were performance issues with the contractor during Stage 1 or the target cost was unacceptable.

The contract duration is anticipated to be 10 months for Stage 1 and 14 months for Stage 2. The estimated total contract value is £12.8 million.

## **Route to market**

Due to programme constraints, it is recommended that a Framework Agreement is used to procure the design and build contractor instead of a lengthy tender process.

The Crown Commercial Services (CCS), Construction Works and Associated Services (CWAS1) framework RM6088 has been identified as the preferred route to market. Lot 3.2 covers South West England with a value band of £10-30million, which is suitable for this scheme. Lot 3.2 has 19 contractors, who are sufficiently experienced to deliver to project, ensuring NSC secures an acceptable level of bids and achieves value for money.

## Indicative Timescales

An indicative timetable of the procurement process:

| Activity   | Date                            |
|--|---------------------------------|
| Commissioning Plan to Full Council   | 9 November 2021                 |
| OBC Submission to DfT  | 9 March 2022                    |
| Procurement Plan Approval (Executive Member)   | May 2022                        |
| DfT FBC Funding Announcement*  | June 2022                       |
| Executive Member Approval of DfT FBC Grant   | June/July 2022                  |
| Supplier Engagement / Capability Assessment  | June/July 2022                  |
| Procure Design & Build Contractor  | July to September 2022          |
| Procure Professional Services (FBC & EA)   | July to August 2022             |
| CPO Assessment**   | September to November 2022      |
| Award of Stage 1 Contracts   | October to November 2022        |
| Contractor Undertakes Detailed Design  | November 2022 to July 2023      |
| FBC Development  | November 2022 to August 2023    |
| Highway licences under Section 106   | January 2023 to August 2023     |
| Stage 2 Pricing Developed  | March 2023 to August 2023       |
| FBC Submission to DfT  | August 2023                     |
| DfT Approves FBC*  | November 2023                   |
| Full Council Approval of DfT Grant   | December 2023                   |
| Award of Stage 2 Contract  | December 2023                   |
| Mobilisation   | January 2024 to February 2024   |
| Construction   | February 2024 to end March 2025 |
| <i>* Indicative timings shown above are based upon an estimated three-month turnaround from DfT.</i> |                                 |
| <i>** Land acquisition to be carried out by Bristol Airport.</i>                                     |                                 |

## Governance

This Procurement Plan will be subject to approval by the Executive Member for Assets and Capital Delivery, with advice from the Director of Place and Head of Strategic Procurement, before the procurement is undertaken.

Previously a Commissioning Plan was approved by Full Council on the 9 November 2021.

The Stage 1 Contract Award will be approved by the Director of Place, advised by the Section 151 Officer and Head of Strategic Procurement. The Stage 2 Contract Award will be approved by the Executive.

Both awards will be Key Decisions and will therefore be advertised on the Council's Forward Plan and be subject to call-in periods, in line with the Council's Contract Standing Orders.

The A38 MRN Project Board will 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 Project Board membership is as follows:

- NSC Head of Major Infrastructure Projects (SRO)
- Somerset County Council Strategic Commissioner for Highways and Transport Services (Senior Stakeholder)
- A38 MRN Senior Project Manager
- A38 MRN Project Officer
- Employer's Agent
- Procurement

Further attendance from specialist officers and technical leads on an ad-hoc basis as required will also be arranged, including:

- Finance Officers
- Highway Network Managers
- Legal Officers

A Members Task & Finish Group will also engage with the project team to provide input on:

- Development of detail on the relevant Works Information sections (specification appendices);
- Development of tender questions plus any associated KPIs; and
- Review of the scheme elements during the scheme's detailed design stage within the scope of the DfT grant.

The group will work with particular focus on the following areas:

- Active Travel
- Carbon reduction
- Bio-diversity

**Market / Suppliers**

The CCS RM6088 Framework (Lot 3.2) has the following 18 contractors:

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Balfour Beatty Construction Limited</li> <li>• BAM Building &amp; Infrastructure</li> <li>• Bougues (UK) Ltd</li> <li>• Galliford Try Construction Limited</li> <li>• Grahams</li> <li>• ISG Construction Limited</li> <li>• John Sisk &amp; Son Limited</li> <li>• Kier Construction Limited</li> <li>• Laing O'Rourke Construction Limited</li> </ul> | <ul style="list-style-type: none"> <li>• Mclaughlin &amp; Harvey Limited</li> <li>• RG Carter</li> <li>• Skanska Construction UK Limited</li> <li>• Speller Metcalfe Limited</li> <li>• TFG JV (Tarmac/Farrans/Griffiths)</li> <li>• Tilbury Douglas Construction Limited</li> <li>• Volkerfitzpatrick Limited</li> <li>• Wates Construction Limited</li> <li>• Willmott Dixon Construction Limited</li> </ul> |
|--|--|

In advance of publishing the opportunity, the framework suppliers will be contacted to provide information about the A38 MRN project, including scope and timescales for any procurement activity, and to gauge their interest in bidding for the opportunity. Market engagement is a formal part of the call-off process when using the CCS framework.

There are a larger number of suppliers on the CCS RM6088 Framework and a capability assessment stage will therefore be used to establish which contractors are both capable and interested in delivering this contract. This will act a shortlisting stage to reduce the number of suppliers invited to tender.

## **Social Value**

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

During the tender process, bidders will be asked to enter their social value commitments on the Social Value Portal using a unique registration link included in the mini competition documents. Social Value Portal utilises the National Themes, Outcomes and Measures (TOMs) to calculate social value contributions, which enables NSC to gain a greater understanding of the value of bidders' commitments and to evaluate social value tender responses quantitatively as well as qualitatively. The Main/Full list of TOMs will be used for this commission.

For the A38 MRN Design and Build commission the project team are proposing the use Social Value Portal to undertake both the evaluation of the social value responses and ongoing contract management of the social value commitments provided by the appointed supplier. This service will cost 0.20% of the contract value and will be paid by the winning bidder direct to the Social Value Portal.

## **Evaluation**

All bids will be evaluated on the basis of 50% Price and 50% Quality, with Social Value allocated 20% of the Quality score (therefore 10% overall).

The recommended route to market is the CCS RM6088 Framework, which allows contracts to be awarded using the above price/quality weightings. The framework consists of pre-qualified bidders who have already been through an evaluation process to be included on the framework.

The procurement process using the CCS RM6088 Framework is to issue a mini competition to the approved suppliers on Lot 3.2.

## **Price Evaluation:**

Price will have a weighted score of 50% and will be based on submission of an Activity Schedule. The Price assessment will consider both the tendered prices and the tendered contract fee percentages. The Prices and Fee Percentages for each Stage will be weighted individually:

**PSC – Option A - Priced Contract** 35%

- Priced Contract with activity schedule 20%
- Fee percentage 10%
- Overheads 5%

**ECC – Option C – Target Cost** 65%

- ECC Initial Target Cost 50%
- ECC fee percentage 15%

The tender with the lowest 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.

**Quality Evaluation:**

Quality will have a weighted score of 50% 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.  |

Bidders will be required to answer seven quality questions, which will be scored. The assessment will cover the following topics:

| <b>Quality Sub-Criteria</b>                       | <b>Weighting</b> |
|---|------------------|
| Project Delivery Approach and Management          | 20%              |
| Risk Management Approach                          | 10%              |
| Traffic Management                                | 15%              |
| Sustainability, Carbon Reduction and Biodiversity | 15%              |
| Active Travel                                     | 15%              |
| Social Value                                      | 20%              |
| Communication / Consultation                      | 5%               |
|   | <b>100%</b>      |

## **Evaluation Panel**

The evaluation panel will consist of:

- Head of Major Infrastructure Projects
- A38 MRN Senior Project Manager
- A38 MRN Project Officer
- Procurement Support Consultants
- Climate Emergency Project Manager

The Strategic Procurement service will moderate the evaluation.

The evaluation panel may wish to hold clarification interviews if it assists in their decision making.

## **Contract Management**

Day to day contract management will be undertaken by the Senior Project Manager for the A38 MRN project.

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. The monthly progress report will list hours worked on a week-by-week basis and fees (monitoring actual days/fees against initial target days/fees in a tabular and graphical format). The monthly highlight report will detail various areas including the following:

- Change in construction costs (compensation events);
- Construction cost out-turn predictability;
- Change in programme (including Utilities);
- Programme predictability;
- Obtaining and monitoring KPI data;
- Contractor's compliance to Social Value commitments; and



- Communications (including stakeholders) that have taken place and those planned in the next month.

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 project team decided that a design and build contract (with no ECI) was the most appropriate contract type for this procurement (see Commissioning Plan).

Once this had been determined, the following routes to market were considered:

1. **Open Procedure** – This was not considered a suitable option for the A38 MRN project, due to a large supplier base, which could generate a large number of submissions and would be time consuming to administer and evaluate the tender. Also, suppliers may be discouraged from bidding if the likelihood of success does not justify the costs associated with preparing and submitting a bid.
2. **Restricted Procedure** – Shortlisting suppliers after an initial selection process enables the project team to focus on the evaluation of a more limited number of suppliers. As the chances of success are increased for those shortlisted suppliers, there may be more interest in the opportunity from the market as suppliers have more confidence in their chances of success. However, it is a more time-intensive procurement route and unfortunately there is insufficient time in the programme to undertake a restricted tender.
3. **Single-Supplier Framework** – Whilst single-supplier frameworks have previously been used for this type of project and it can be a time-efficient process, it is not the preferred route to market, due to a lack of competition between suppliers and concerns about achieving value for money.
4. **Multi-Supplier Framework** – This would provide the benefits of a quicker route to market with pre-qualified suppliers, and would still ensure competition between suppliers to achieve better value for money for the Council.

Option 4 is therefore the recommended option.

As part of their procurement support commission, the consultant reviewed the following available Framework Agreements:

| Purchasing Authority | Framework Details | Levy | No of Contractors |
|----------------------|-------------------|------|-------------------|
|----------------------|-------------------|------|-------------------|

|   |  |                                |              |
|---|--|--------------------------------|--------------|
| North Somerset Council                                    | Highways Term Contract                                 | N/A                            | 1            |
| Crown Commercial Services (CCS)                           | Construction Works and Associated Services – RM6088    | 0.2% payable by the contractor | 19           |
| North East Purchasing Organisation (NEPO)                 | NEPO211 Civil Engineering and Infrastructure Framework | 5% payable by the contractor   | 4+4 reserves |
| NHS Shared Business Services                              | PS Works: Public Sector Construction Works             | Waiting for confirmation       | 10           |
| Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust | Pagabo Major Works                                     | 0.3% payable by the contractor | 6+3 reserves |
| Scape   | Civil Engineering                                      | 0.6% payable by the contractor | 1            |
| Hampshire County Council                                  | Gen4.3 – Major Civil Engineering works                 | 1.5% payable by the contractor | 4            |

The consultant recommended the CCS RM6088 Framework for the following reasons:

- There are sufficient experienced contractors with technical expertise to deliver the project, ensuring NSC secures an acceptable level of bids.
- The number of contractors reduces the risk of needing to re-run the procurement process due to insufficient bids (if tendered via an alternative framework with less contractors.)
- Ability to run a capability assessment stage to establish those capable and interested parties.
- The maximum framework rates for overhead, profit and fee additions will provide a level of cost certainty for NSC.
- The framework levy payable by a contractor is the lowest of the frameworks reviewed.
- Utilising the CCS framework allows NSC to demonstrate that whole life costing has been a consideration to achieve value for money.
- The framework is aligned with the key industry objectives and implements key government policies.
- There is a strong focus on Social Value using the TOMS Framework, which will support the delivery of NSC's Social Value policy and overall priorities in the Corporate Plan.
- Standard boilerplate amendments are included to ensure consistent implementation of government policy, reducing the need for unnecessary drafting, ensuring the procurement process is efficient.

- The CCS framework fully meets NSC’s statutory requirements as a public sector body.

Following discussion with the project team, it was agreed that using the CCS RM6088 Framework would be the most appropriate option.

## **FINANCIAL IMPLICATIONS:**

### **Costs:**

Estimated NSC costs post-OBC for the Professional services for Stage 1 and Stage 2 of the scheme are shown below. Please note that Somerset scheme element costs will be handled separately by SCC through their own contract awards.

|                             |                   |
|-----------------------------|-------------------|
| <b>Stage 1 (FY 2022/23)</b> |                   |
| Detailed Design Costs       | £1,077,300        |
| <b>Stage 1 Total</b>        | <b>£1,077,300</b> |

|  |                    |
|--|--------------------|
| <b>Stage 2 (FY 2023/24 – FY 2024/25)</b> |                    |
| Construction Costs                       | £11,695,810        |
| <b>Stage 2 Total</b>                     | <b>£11,695,810</b> |

Stage 2 of the Professional Services contract will only be awarded following approval of the FBC by DfT to proceed to the construction phase of the project. The approval will be by the Executive and will be a Key Decision.

The contract will use NEC4 Professional Services Contract (PSC) Option A fixed price contract for Stage 1 and an NEC4 Engineering Construction Contract (ECC) Option C target cost contract with activity schedule for Stage 2. Using a fixed price contract for Stage 1 will provide some budget certainty, and for Stage 2 budget will be monitored and controlled through the use of Early Warning Notifications and Compensation Events. The appointed consultant will also be asked to commit to day rates should any change events be required during the life of the contract.

### **Funding:**

All MRN proposals will require a local or third-party contribution towards the final cost of the scheme. As a general guideline, DfT indicates that MRN schemes should aim for the local or third-party contribution to be at least 15% of the total scheme costs. The remaining 85% of scheme funding is supplied by the DfT. A decision note has been approved by the Executive Member to agree to the NSC local contribution costs (see Background Papers).

The estimated total scheme cost, including SOBC and OBC preparation, of £25,148,000 with associated funding sources is profiled in the table immediately below. The estimated total scheme cost post-OBC is estimated to be £24,557,000. It should be noted that these costs

are subject to change as the scheme moves into the FBC stage and further detailed design and survey work are carried out.

|                                      | 2019/20-2020/21* | 2021/22         | 2022/23           | 2023/24            | 2024/25           | Total              |
|--------------------------------------|------------------|-----------------|-------------------|--------------------|-------------------|--------------------|
| DfT Contribution                     | £257,000         | -               | £1,270,000        | £12,717,000        | £7,042,000        | £21,286,000        |
| SCC Local Contribution               | £25,000          | £32,855         | £220,150          | £824,730           | £260,480          | £1,363,215         |
| NSC - S106 (Bristol Airport XCH113)  | £101,000         | -               | -                 | -                  | -                 | £101,000           |
| NSC – LTP                            | -                | £75,000         | -                 | -                  | -                 | £75,000            |
| NSC - D&E Driving Growth Board       | £25,000          | -               | -                 | -                  | -                 | £25,000            |
| NSC Local Contribution – Funding TBA | -                | £75,145         | £374,850          | £1,404,270         | £443,520          | £2,297,785         |
| <b>Total Scheme Cost</b>             | <b>£408,000</b>  | <b>£183,000</b> | <b>£1,865,000</b> | <b>£14,946,000</b> | <b>£7,746,000</b> | <b>£25,148,000</b> |

*\*Please note that contributions received have funded OBC work in the 2020/21 and 2021/22 financial years.*

For the NSC Local Contribution funding sought, the following potential sources have been identified:

- DfT City Deal Transport Grant
- Bus Service Improvement Plan (BSIP)
- Local Transport Plan (LTP) Integrated Block
- Local Transport Plan (LTP) Maintenance Block
- Section 106
- Directorate Reserves

Borrowing may be used to bridge the gap in the Local Contribution funding, considered as part of the Capital programme borrowing and built into the Capital Strategy. This will need to be considered by the S151 Officer to understand the overall impact on the Council's resource envelope. The above funding options would need to be reviewed in the event of the Bristol Airport Section 106 obligations coming into force.

## **LEGAL POWERS AND IMPLICATIONS:**

This contract is covered by the CCS RM6088 Framework Terms and Conditions. The CCS RM6088 Framework was compliantly procured in accordance with the Public Contracts Regulations 2015.

The contract will use NEC4 Professional Services Contract (PSC) Option A for Stage 1 and an NEC4 Engineering Construction Contract (ECC) Option C for Stage 2. The contract is being prepared by Hugh James solicitors.

The procurement process will be compliant with the Public Services (Social Value Act) 2012 by ensuring it seeks additional social value during the tender process.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS:**

### **1. Pre-Qualification**

Due to using an existing Framework Agreement, our influence at this stage is limited as the suppliers are pre-qualified.

### **2. Specification**

The scheme improvements will focus on active travel provision, reducing traffic congestion, and improving journey reliability times which will contribute towards carbon reduction in the local area. There will also be improved bus stop infrastructure enabling better access to bus services and expanding travel choices.

The bid specification includes the requirement for an assessment of climate change resilience where impacts, mitigation and management with opportunities for enhancement and bio-diversity net gain are clearly identified. This is detailed in the Preliminary Environmental Assessment Report which has been produced as part of the scheme's OBC.

The A38 MRN scheme aims to:

- Better connect local communities by active travel modes;
- Improve vehicle journey times and congestion on the A38 corridor thereby reducing carbon emissions from queuing traffic
- Minimise environmental impacts, including carbon, and help secure positive environmental enhancements

The appointed contractor will be expected to deliver the contract in accordance with PAS2080:2016 Carbon Management in Infrastructure. The PAS framework provides guidance for all sectors and value chain members on how to manage whole life carbon when delivering infrastructure assets.

In addition to the above, the sustainability risk register identified the following items to be included within the specification:

- The requirement to re-use existing materials on site wherever possible
- The requirement to re-use topsoil on site and any surplus to be donated to other local schemes in NSC, such as Banwell Bypass
- The requirement for recycling facilities at the site office/hub
- The inclusion of traffic safety and traffic management requirements, such as specifying time for use of traffic lights. The emphasis will be on maintaining a free-flowing traffic environment.
- The requirement for machinery and vehicles to be switched off when not in use.
- The requirement for no burning of any waste
- The requirement to minimise water consumption from mains water

- The requirement to contain any hazardous materials on site, contain any spillages and carry out any environmental mitigations
- The requirement to avoid landfill and recycle all waste materials wherever possible.

### **3. Tender Evaluation**

Quality questions covering sustainability, carbon reduction, biodiversity and active travel will form part of the quality evaluation, which will have a combined weighting of 30% to reflect the importance of these aspects.

Bidders will be asked to understand the total emissions for the project in delivery and maintenance and to identify carbon emissions will be mitigated and monitored.

Bidders will also be asked to consider the following in their response quality submission:

- Opportunities to use recycled materials, sustainably sourced materials, and construction methods to reduce carbon/greenhouse gas emissions
- Opportunities to use local supply chain and resources
- Opportunities to reduce carbon/greenhouse gas emissions throughout the maintenance life of the project, promoting again the recycling of materials
- Management of waste to minimising materials being placed in landfill or other non-recycling areas
- Opportunities to reduce water consumption
- Management of the environmental risk to biodiversity and animals
- Opportunities for biodiversity net gain
- How to minimise environmental impact during construction
- Consideration of active travel opportunities during detailed design
- Alignment with NSC's active travel ambitions
- Design of schemes to promote walking and cycling
- Opportunities to encourage behavioural change to increase active travel uptake

There will also be an environmental / sustainability aspect to a further two questions on traffic management and social value, worth 15% and 20% of the quality score respectively. This totals 65% of the overall quality score where climate change and environmental implications will be considered.

The PAS2080 Specification will be considered when determining the quality questions and scoring of the submitted bids, to ensure carbon reduction is a key consideration in design and construction of the Programme.

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.

### **4. Social Value**

A Social Value question will form part of the evaluation. This question will be worth 20% of the quality weighting, and 10% of the overall evaluation score, which is in line with the

council's Social Value policy. Suppliers will be encouraged to provide social value commitments relating to the outcome of reducing negative and promoting positive environmental impacts. This will be evaluated by Social Value Portal using the TOMS approach.

## **5. Contract Management**

The contract will be managed by the Senior Project Manager for the A38 MRN project, who will ensure adherence with the Specification, including carbon management, sustainability, mitigation of environment impacts and Biodiversity Net Gain. Social Value Portal will monitor the supplier's progress on their Social Value commitments.

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 that the Council's ambition of carbon reduction and biodiversity net gain is secured and achieved through both being an active member of the project team and through necessary application of statutory and non-statutory legislation in the design, development and delivery of the proposed infrastructure. The outcomes that can be secured from all parties working collaboratively towards a common goal of carbon reduction are:

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

The proposal is to undertake the design, development and delivery of the programme to align with the principals within the PAS2080 framework. Suppliers may detail their own specific carbon management and measurement systems, including demonstrating how their design proposals will build in Biodiversity Net Gain.

A Construction Environmental Management Plan will be required of the contractor for this scheme and will reflect the requirements in terms of sustainability and carbon reduction. There will also be specific KPIs to measure performance around sustainability aspects, such as the re-use of materials on site and minimising waste going to landfill.

### **CONSULTATION:**

An engagement exercise was undertaken as part of the scheme's OBC preparation between April and August 2021 during which time internal and external stakeholders were briefed on the A38 MRN proposed scheme elements.

NSC stakeholders covered in this engagement exercise are listed as follows:

- Place Director and Directorate senior colleagues
- Executive Member for Assets & Capital Delivery

- Executive Member for Climate Emergency & Engagement
- Place Policy & Scrutiny Panel
- Ward Members captured in scheme areas
- MPs captured in scheme areas
- Parish Councils captured in scheme areas
- Parish Councils' Airport Association
- Internal Highways & Transport, Streets & Open Spaces and Planning & Heritage teams
- Residents and Businesses captured in scheme areas

Stakeholder briefings have taken place via Microsoft Teams with provided feedback recorded in an engagement log. In order to provide opportunity for the wider group of residents and businesses in the area to comment on scheme proposals, a public engagement website ([a38mrn-engagement.com](http://a38mrn-engagement.com)) was launched in July 2021 for a 6-week period. This enabled visitors to this website to comment on specific aspects of the scheme elements and ask general questions. From this website engagement there were around 4,700 unique visits with many stakeholders returning several times over the engagement period; and a total of 266 users provided comment, sentiment reviews or signed up for newsletter updates.

The comments received from this engagement exercise have been considered as part of the scheme's ongoing design and planning in which the A38 Redhill scheme element has now been removed, and active travel proposals along the A38 at Langford and between Star and Sidcot have been revised based on comments from residents. The above website will remain live and be updated with a summary of comments received once the analysis of comments has been completed by the scheme designer.

In the event of the scheme's OBC being approved by the DfT then public engagement will continue as part of the scheme's FBC development.

Early engagement with the Framework suppliers will take place prior to publishing the opportunity to ascertain suppliers' capacity and appetite to bid for this contract.

As mentioned above, a Members Task & Finish Group will engage with the project team to provide input on:

- Active Travel
- Carbon reduction
- Biodiversity

## **RISK MANAGEMENT:**

| Risk                              | Mitigation  |
|-----------------------------------|---|
| Insufficient time for procurement | Use of the CCS RM6088 Framework, rather than open/restricted tender to provide a shorter timescale for procurement, whilst still ensuring competition between suppliers with the necessary skills and experience to deliver the contract. |



|  |   |
|--|---|
| The procurement timeframes (outlined above) are delayed or unachievable, which impacts the ability to meet the grant funding requirements, including construction start and end dates. | Specialist consultant advice on designing the process to ensure compliance with timescales. Close monitoring of progress. Any potential for delay will need to be communicated to funders at earliest possible stage.   |
| Insufficient interest from contractors.  | Soft market testing with framework suppliers prior to procurement in order to gauge their appetite for bidding and stimulate interest in the opportunity.   |
| An unmanageable number of bids are received due to the larger number of suppliers in the CCS RM6088 Framework.   | A capability assessment stage will be used to establish which contractors are both capable and interested in delivering this contract. This will act a shortlisting stage to reduce the number of suppliers invited to tender.  |
| Stage 1 (Detailed Design) will have been carried out prior to the FBC being approved which is a cost to the Council.   | Past experience suggested very few schemes do not proceed following OBC approval. Therefore, low risk.  |
| Stage 2 costs are higher than anticipated/performance of contractor a concern.   | Specialist consultant advice was used to estimate the correct budget for the funding application. Two-stage contract enabling the Council to re-procure stage 2 if unsatisfied with the contractor's target cost or performance. The contract contains a mechanism to control cost increases. |
| Contractor submits a low bid for Stage 2 and then walks away after Stage 1   | The bulk of the contract value sits in Stage 2, so it is unlikely the contractor will walk away from the contract. The contract contains a mechanism to control cost increases. The council has the option to award to the second placed bidder, if necessary, or re-procure stage 2.         |
| Staff resource is inadequate to support process.   | Professional services to be procured to support staff. Monitoring and management of staff time and priorities.  |

### **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 proposals. An Equality Impact Assessment has been undertaken as part of the scheme's OBC.

### **CORPORATE IMPLICATIONS:**

The provision of key enabling infrastructure 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. Such provisions also contribute to strategic recovery

post COVID-19 and supports Core Strategy policies including CS10 Transportation and Movement.

The resourcing of the procurement of a contractor and professional services and delivery of Scheme will be led by the Major Projects Team, with support from Procurement.

**APPENDICES:**

Climate Emergency Risk Assessment

**BACKGROUND PAPERS:**

- [21/22 Commissioning Plan for Design & Build of A38 MRN schemes and associated Professional Services](#)
- 21/22 DP 270 Approval to submit the MRN OBC and local contribution funding
- [19/20 DE 295 MRN OBC Commissioning and Procurement Plan](#)
- 18/19 DE 410 A38 MRN Outline Business Case
- Consultant report – Framework Agreements
- A38 MRN Outline Business Case

Signatories:

Decision Maker(s):



Signed:

Executive Member for Assets and Capital Delivery

Date: 1 July 2022

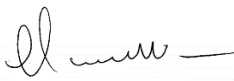
With Advice From:



Signed:

Assistant Director Placemaking and Growth

Date: 23 June 2022



Signed:

Head of Strategic Procurement

Date: 23 June 2022

