

Cabinet – 16 September 2009

Appointment of Framework Contractor for Capital Programme

Portfolio: Councillor Ansell, Transport
Councillor Andrew, Deputy Leader and Regeneration

Service: Strategic Regeneration - Transportation

Wards: All

Key decisions: Yes

Forward plan: Yes

1. Summary of report

- 1.1 This report seeks the authorisation for the Council to appoint a series of Contractors as detailed below to a Framework Contract for a period of 4 years.
- 1.2 The preferred contractors have been selected in accordance with the European and National Procurement regulations and procedures for service contracts. The selection of the recommended contractors is based on an assessment of quality, sustainability and value for money.
- 1.3 The aim is to ensure that the council is in the best possible position to deliver major transportation schemes over the next 4 years. By seeking to appointment of a series of contractors over a fixed period of time, it will allow the council to seek additional resources should they be required and deliver construction schemes more efficiently offering better value for money than through the current tender process.

2. Recommendations

- 2.1 That Cabinet appoint the following contractors to the Walsall Transportation Framework to deliver schemes over the next 4 years:

Red Route and Bus Showcase Schemes up to £5m

- Jackson
- G F Tomlinson
- Fitzgerald

Major Schemes including the Darlaston Major Scheme

- Birse Civils

- 2.2 To delegate authority to the Executive Director for Regeneration to sign and seal the Framework Contract and delegate the management of the contract to relevant officers.
- 2.3 To delegate authority to the Executive Director for Regeneration to award all individual scheme contracts throughout the duration of the Framework.

3. Background information

- 3.1 The delivery of the West Midlands Local Transport Plan (LTP) is now assessed by the Department for Transport (DfT) using a range of performance assessment criteria. The DfT's assessment of the delivery of the West Midlands LTP forms part of the Council's corporate CPA Assessment. The Department for Transport is increasingly focusing on performance management and delivery when making decisions on funding for major transport projects (such as Darlaston Strategic Development Area, Red Routes and Bus Showcase schemes) and for annual allocations for delivery of smaller scale projects and programmes (for example Local Safety Schemes and Safer Routes to School). The annual funding allocations awarded to the Council can be varied by $\pm 25\%$ dependent on performance in delivering schemes and achieving LTP targets in previous years.
- 3.2 For the Council to maximise its performance in delivering against targets in the LTP and securing investment in the borough's transport network to support the wider regeneration programme, it is recommended that the Council should seek to appoint one or more framework contractors, to undertake the construction of major transport schemes and provide additional resources to the Major Projects and Minor Improvements team should they be required.
- 3.3 In July 2008 cabinet approved the Transportation team to undertake a procurement process to appoint a series of contractors to a Framework Contract to construct future Red Route, Bus Showcase and major schemes such as Darlaston. The OJEU Notice was placed in September 2008, where 21 parties displayed an interest. Through the tender process the number was whittled down to 6 who were subsequently interviewed.
- 3.4 Following the assessment of the Financial Submission, The Quality Submission and the performance at the interview stage we are recommended that cabinet appoint the following companies to the Framework Contract:

For Red Routes and Bus Showcase schemes up to the value of £5m

Jackson Civil Engineering
G F Tomlinsons
Fitzgeralds

For Early Contractor Involvement and Major Schemes

Birse

- 3.5 To ensure that competitive quotes are delivered on the major scheme, at the appropriate time Walsall Council will seek to appoint an Independent Cost Consultant to ensure that the tendered price reflects the current market conditions this is to be funded from approved capital and revenue projects.

- 3.6 The appointment would have significant benefits for the Council, the contract would enable schemes to be taken out onto site far earlier than through the current tendering process. It would also allow the client to engage with the contractor during the detailed design process which would reduce the amount of risk placed on the Council and allow a more accurate price to be determined before construction commences.

4. Resource considerations

4.1 Financial:

- 4.1.1 A Framework Contract has been identified as the most appropriate form of contract as it will provide the flexibility to operate as a 'top-up' resource to be used when existing staff resources are at capacity or where specialist skills are required that are not contained within the Council's workforce. The Council seeks to appoint a series of Contractors for a duration of 4 years, in accordance with current European Union law. The Council will not be obliged to deliver the schemes through the appointed contractors, but it allows the flexibility to deliver greater value for money and higher efficiency savings than through the current practice.
- 4.1.2 The work undertaken by the Framework Contractors will be funded from the capital funding secured through the LTP or other funding streams; construction costs for the contractor will form part of the overall scheme fee allocated to each project. The Framework Contractors would enable the Major Projects and Minor Improvements team (based at Hawbush Road) to bring in resources as and when required, fees for which will form part of the project fees for individual schemes; in the same manner that officer time and existing consultant commissions are budgeted and funded. The Framework Contract will not be exclusively restricted to capital funded work and will be available to undertake revenue funded schemes if the need arises and where funding is available.
- 4.1.3 The Council currently has in the region of £40m worth of work that is planned on the current highway network. This includes the current Bus Showcase, Red Routes and Major Scheme programmes (include DSDA, and M6 J10) over the next 4 years. By appointing a series of contractors (part of the contract would allow for Early Contractor Involvement, should a scheme like Darlaston require it) it will enable a contractor to be appointed earlier on in the design process (should the need for addition resources be required by the Major Projects and Minor Improvements team) to mitigate large elements of risk and introduce significant cost savings on the basis of time spent running through the current tender process. The savings would then allow for additional money to be spent on road improvements across the borough. The council would seek to appoint a series of contractors who would be judged not only on costs, but on best value indicators to ensure that there is still a significant level of competition over the duration of the contract.

4.2 Legal:

- 4.2.1 The framework contract will involve a rigorous monitoring process that would benchmark the work undertaken by each contractor by using best value/key performance indicators to evaluate future work carried out.
- 4.2.2 All Red Route, Bus Showcase and Major Schemes will be initially tendered through the framework for both efficiency and value for money.

4.3 Staffing:

- 4.3.1 The appointment of a series of Framework Contractors through competitive tender is intended to provide increased efficiency for delivering schemes in future years, as the Council will have an appointed service provider, therefore individual schemes will not have to be separately procured. It should however be noted that the framework contract will not preclude the Council from procuring other contractors to provide services included in the scope of the contract. The Council will not be contractually bound to award a specific annual value of work to the appointed contractor; use of the services within the contract will operate on an as required basis.

5. Citizen impact

Investment in new transport facilities and the improvement of the existing network and management of traffic has a bearing on the well-being and satisfaction of all citizens in the borough. Appointment of the framework contractors will support the Council in improving the quality of service offered to residents and stakeholders, in addition to supporting the Council in making most efficient use of existing resources and securing additional resources to help deliver a higher quality scheme.

6. Community safety

- 6.1 Quality assurance will be built into the contracts to ensure that the level of service, construction methods, materials used and communications with local residents is fully compliant with health and safety regulations to protect the end users and their safety. All contractors are governed by Health and Safety Legislation and required to undertake any works in line with the Construction, Design and Management Regulations.
- 6.2 Improving the safety of the transport network and the security of people using the transport system are important considerations in the development and delivery of transport schemes contained in the West Midlands Local Transport Plan.

7. Environmental impact

Traffic impacts upon air quality and noise and vulnerable travellers such as pedestrians, cyclists and people with disabilities. These factors are considered in the development and delivery of transport schemes and the forward capital programme in order to reduce adverse environmental impacts. As part of the evaluation process, the Council will be seeking to include social and environmental factors when choosing the appointment of the framework contractors these could include encouraging them to take offices within Walsall Town Centre, employ local people and try to source materials locally thus benefiting the whole of the borough and keeping in line with 'Think Walsall'.

8. Performance and risk management issues

8.1 Risk:

- 8.1.1 The delivery of the Red Route and Bus Showcase schemes will be a significant step in progress towards achieving the existing objectives and targets specified in the Local Transport Plan (LTP). Future transport funding will be dependent on the level of progress towards achieving these targets specifically; limiting the increase in congestion, improving public transport usage and reliability, improving accessibility to key West Midlands town centres, including Walsall. Failure to deliver Phase 1 of the West Midlands Red Route network on budget and within timescale could put future major scheme funding for Red Route schemes at risk.

8.2 Performance management:

- 8.2.1 The appointed framework contractors will ensure the Council has access to additional specialist resources, as required, to minimise the risk of projects being delayed and to ensure that the Council provides itself with the maximum opportunity to achieve the performance targets and outputs required by the Department for Transport.
- 8.2.2 The delivery of transport programmes and the contribution that these programmes make to achieving West Midlands LTP objectives and delivering forecast outputs and outcomes is subjected to detailed monitoring and reporting. The DfT monitors the delivery of the West Midlands LTP programme carefully and the level of future funding will be reduced if we do not achieve appropriate performance in specific programme areas such as bus patronage, cycling and congestion.
- 8.2.3 The level of investment in transport projects and programmes has increased significantly over the last five years. The framework contract would allow the council to use the agreement where increases in workloads occur over time and still ensure that targets are met. It is intended that the partnership will be mutually beneficial to both the Council and appointed contractors with regard to knowledge sharing and use of best practice procedures and guidance. The appointment of a series of framework contractors will remove the need to undertake tender exercises for construction works on transportation projects over the value of 100k, resulting in time savings and reduced costs for officer time spent managing procurement exercises. The framework contract will not

preclude officers from issuing work for tender if it is deemed that the Council will receive better quality, performance or value for money through undertaking a competitive tender process.

9. Equality implications

In the development and delivery of the West Midlands LTP, consideration is given to ensuring that the needs of all sections of the community are considered. The contractors will be involved in developing and delivering schemes for use by all sectors of the community.

10. Consultation

- 10.1 As part of any scheme being developed under the contract there would be full public consultation at the preliminary design stage; where appropriate we will look to carry out workshops with local residents and key stakeholders in a process similar to that undertaken in Bloxwich and Caldmore. No construction work would be undertaken unless we have received full support from local residents on any scheme proposals.
- 10.2 The scope of the contract and required services under the contract has been consulted upon officers of relevant service areas of the Council.

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8 September 2009



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8 September 2009



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