

Wiltshire Council

Cabinet

4 April 2017

Subject: A350 Chippenham Phase 3 and M4 Junction 17 Improvement contract award

Cabinet Member: Councillor Philip Whitehead – Highways and Transport

Key Decision: Yes

Executive Summary

The A350 provides an important strategic north-south link through western Wiltshire. It forms the main connection for Chippenham and the west Wiltshire towns to the M4. High traffic volumes, particularly during peak periods, results in congestion, safety problems, delays and unpredictable journey times at some locations on the Chippenham Bypass and at the M4 junction.

Tenders have been invited for two improvement schemes for this route. The M4 Junction 17 Improvements, and A350 Chippenham Phase 3.

The procurement of the contracts has followed a two stage process. Following the publishing of the Official Journal of the European Union (OJEU) notice, 14 firms (made up of medium and larger companies), expressed an interest via the supplying southwest portal.

Based on the evaluations by a team of Council highways officers, with the Corporate Procurement team acting as moderators, it was concluded that the initial submissions from all of the potential bidders were good and they were invited to submit tenders for the schemes.

There were six contractors who submitted tenders for the A350 Chippenham Phase 3 scheme and five for the M4 Junction 17, which have been assessed in terms of cost and quality, using Price/Quality considerations of 70/30 described in the tender documentation.

The detailed scoring and financial information is contained in a confidential report to be considered in Part 2 of this meeting.

Proposal

To approve the award of contract for the A350 Chippenham Phase 3 and for the M4 Junction 17 Improvement Works following consideration of the information contained in the Part II report

Reasons for Proposal

- (i) There is a need for a specialist contracts to be awarded to deliver these two important improvement schemes on the A350.
- (ii) Following a procurement exercise in accordance with the 'Restricted Procedure' tenders were submitted and have been assessed in terms of price and quality.
- (iii) The most advantageous tender for the Council, taking into account quality and price, should be accepted in accordance with the procurement procedures. The detailed scoring and financial information is contained in a confidential report to be considered in Part 2 of this meeting.

Dr Carlton Brand, Corporate Director

Wiltshire Council

Cabinet

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Subject: A350 Chippenham Phase 3 and M4 Junction 17 Improvement contract award

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Key Decision: Yes

Purpose of Report

1. To seek approval to award contracts for A350 Chippenham Phase 3 and M4 Junction 17 Improvement Works.

Relevance to the Council's Business Plan

2. The Council's highways contract helps meet the priorities of the Council's Business Plan, including:
 - Outcome 1 – Wiltshire has a thriving and growing economy
 - Outcome 3 – Everyone in Wiltshire lives in a high quality environment
 - Outcome 6 – People are as protected from harm as possible and feel safe

Background

3. The A350 provides an important strategic north-south link through western Wiltshire. It forms the main connection for Chippenham and the west Wiltshire towns to the M4. High traffic volumes, particularly during peak periods, results in congestion, delays and unpredictable journey times at some locations.
4. Lack of investment on the A350 has the potential to constrain delivery of new homes and new employment opportunities in strategic sites around Chippenham. Worsening congestion will potentially hinder economic growth in all the towns within the A350 growth zone.
5. Two improvement schemes have been identified for implementation:
 - (i) M4 Junction 17 Improvements
 - (ii) A350 Chippenham Phase 3
6. These schemes build on the previous investment to improve the A350 north of Chippenham as part of the Department for Transport (DfT) Pinch Point funding and the A350 Bumpers Farm scheme implemented last year.
7. The purpose of the new schemes is to:
 - (i) Improve connectivity between Chippenham and the West Wiltshire towns, with reduced journey times;

- (ii) Reduce queue lengths and delays;
 - (iii) Reduce frequency of personal injury collisions;
 - (iv) Facilitate housing and employment growth;
 - (v) Protect the strategic role of the A350;
 - (vi) Reduce queue lengths on the M4 off-slips and prevent them from backing onto the M4 mainline;
 - (vii) Minimise delays at the junction specifically on the M4 off-slip eastbound in the AM peak and M4 off-slip westbound in the PM peak;
 - (viii) Reduce the total amount of collisions and accidents that occur at the junction;
 - (ix) Improve the capacity of the junction to mitigate congestion impacts of future development.
8. The Outline Business Cases for the proposals were considered by the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) Board at its meeting on 11 May 2016, when it was agreed to proceed to a Full Business Case. The schemes were also considered by the Council's Cabinet Capital Assets Committee on 13 September 2016, when the outline cash flow proposals for delivery of the schemes were discussed.
9. In order to develop the Full Business Cases for the schemes it was necessary to obtain tenders for the work to enable the costs to be identified in more detail. It is intended that the schemes will be considered by the SWLEP Board on 25 May 2017, with a view to the Business Cases being approved and construction starting this summer.

M4 Junction 17 Improvement

10. This junction has been the subject of several collisions on the M4 where traffic queues have backed up from the westbound off-slip road onto the main carriageways of the motorway. Entering the circulatory carriageway from the slip roads can be difficult because of high circulatory speeds of vehicles.
11. The proposed scheme is intended to address these issues, and comprises the installation of signal control at the entrances to the roundabout on the eastbound and westbound off slip roads of the M4, as well as the A429 northern approach and A350 southern approach, with modern signal controller and the installation of cut loop detectors on the approach to the stop lines in order to detect traffic build-up and queue length. The circulatory carriageway and the slip road surfaces are also to be resurfaced.
12. As this route is highly traffic sensitive any road closures will generally have to be undertaken at night, and the traffic management will need careful consideration to allow free passage of traffic at all other times.
13. The scheme has been awarded £0.5 million funding from the Growth Deal. Detailed discussions are taking place with Highways England who is responsible for the motorway and slip roads and the opportunity is being taken to include some of its maintenance works in the scheme in order to reduce disruption to road users and to share costs.

A350 Chippenham Phase 3

14. The proposed scheme represents the third phase of the A350 Chippenham Bypass dualling to improve capacity on this section of the A350. The sections of the route being dualled as part of this scheme are:
 - (i) the northern approach to Chequers Roundabout (including construction of a second road bridge);
 - (ii) the section from Chequers Roundabout to South Cepen Park Roundabout (including improvements to the geometry of the South Cepen Park Roundabout to address safety concerns at that junction), and
 - (iii) the section between Brook Roundabout and Badger Roundabout.
15. The scheme was successful in being awarded £7.1 million as part of the first round of Growth Deal funding. It will increase the existing single carriageway capacity by constructing a new northbound carriageway, with the southbound traffic running on the existing carriageway. This will include the construction of a second road bridge across the Pudding Brook immediately south of Chequers Roundabout, the installation of drainage with a sustainable drainage system, street lights, signage, safety barriers, full depth construction of 1.4 kilometres of carriageway and alterations to the existing roundabouts.
16. As this route is highly traffic sensitive some road closures will have to be undertaken at night, and the traffic management has required careful consideration in order to allow free passage of traffic at all other times and keep delays to the minimum.
17. Utility company's equipment in the area of the works has been diverted prior to commencement on site. Measures have also been undertaken to ensure that the environmental requirements are met to enable a start on site this summer.

Main Considerations for the Council

18. The procurement for the two schemes has been carried out at the same time in order to reduce procurement costs and to provide an attractive package for bidders. The first stage was for bidders to submit information to enable them to be considered for inclusion on a list to be invited to tender.
19. The second stage was for tenderers to be issued the Invitation to Tender (ITT) documents, which had to be completed and returned by the closing date of 28 February 2017. The tender documents included both price and quality elements which are taken into account in awarding the contract.

Pre Qualification Questionnaire

20. Following the issue of a Prior Information Notice (PIN), the Pre-Qualification Questionnaire (PQQ) was made available to potential bidders. The PQQ requested information about the bidder, including financial information, business and professional standing, health and safety, equal opportunities and diversity, environmental management, quality management and previous experience.

21. Following the publishing of the PIN in the Official Journal of the European Union (OJEU) notice, 14 firms (made up of both medium and larger companies), expressed an interest via the supplying southwest portal. The returned PQQs were assessed in accordance with the process set out in the document, and were scored by a panel of Council officers to identify a list of organisations to be invited to tender.
22. In compliance with the Public Contract Regulation 2015, all of the documents (the PQQ and the Draft Tender Documents) were made available to the potential bidders. This was to allow them to view the documents, and the requirements of the Council, to allow an informed decision to be made on whether to submit a completed PQQ.
23. By 19 December 2016, which was the deadline to receive completed PQQs, 14 firms had submitted documents. All of the submitted PQQs were of good quality, with the bidders all potentially capable of carrying out the works. Financial checks confirmed that there were no major concerns identified in connection with the potential bidders.
24. Based on the evaluations by a team of Council highways officers, with the Corporate Procurement team acting as moderators, it was concluded that the scores of the PQQs were very close, and there was a case for inviting all of the companies to submit a bid, whilst understanding that some may not wish to or decline as a result of workload elsewhere.

Invitation to Tender

25. The updated tender documents were issued to the selected list of bidders on 17 January 2017 for return by 28 February 2017. The tender documents included a Price List and a Quality Questionnaire.
26. The Quality Questionnaire has questions in connection with:
 - The Management Arrangements
 - Programme
 - Methodology
27. The tenderers had to complete the Bill of Quantities of items which reflected the work to be procured through the contract.
28. It was indicated that the assessment would be based on 70% price and 30% quality.

Quality Assessment

29. The Quality Questionnaires were assessed and scored by a panel comprising Heads of Service and other staff who have extensive experience of the type of work being undertaken through the contract. The weightings given to each aspect of the Quality Questionnaire and the tender assessment procedure are described in **Appendix 1**.

30. The Quality Scores were calculated for each tenderer by dividing their initial quality scores awarded by the panel by the highest initial quality score. Thus the tenderer with the highest initial quality score from the Quality evaluation was awarded a score of 100.00% and all the others are awarded Quality Scores pro rata to their initial quality scores (rounded to two decimal places).
31. The outcome of the tender quality assessment is reported in the Part 2 item to be considered at this meeting.

Price Assessments

32. Tenderers completed and submitted a Bill of Quantities which contained a schedule of rates and items for the work required under the contracts. This included a mixture of rates for different types of measured work, fixed sums for particular identified elements of work, and on-costs and multipliers to be applied in certain circumstances. These rates were used to price a summary of items which represented the work anticipated through the contracts.
33. The lowest value calculated from the price assessment was awarded 100%. The cost scores for all the other tenderers were calculated by dividing the lowest value by each tender value in turn.
34. The outcome of the price assessment is reported in the Part 2 item to be considered at this meeting.

Comparison of Bids

35. The tender assessment process has recognised the vital importance of delivering cost-effective works, but has also recognised the importance of the quality of the work to be carried out by the contractor. Consequently, bids have been evaluated on a 70/30 Price/Quality basis in order to reflect the relative importance of these two aspects.
36. The quality and price scores of the tenderers were combined to determine the preferred contractors. The full details of the assessment are described in the Part 2 item to be considered at this meeting.

Next Stages

37. Following a decision to award the contract there will be a ten day standstill period during which other tenderers may make a legal challenge to the award of the contract.
38. Subject to the outcome of the decision by Cabinet, and assuming no legal challenge is received, the intention is to complete the Full Business Case so that the SWLEP Board can consider the funding of the scheme at its meeting on 25 May 2017.
39. There will be a significant amount of preparatory work for the successful bidder (or bidders) in arranging the necessary plant, resources and equipment to enable a start on site in the summer. However, final approval will be subject to the decision of the SWLEP in May.

Overview and Scrutiny Engagement

40. A Swindon and Wiltshire Local Enterprise Partnership Joint Task Group has been established. This Group acts as a critical friend, developing an overview of strategies and plans and providing independent scrutiny of the work of the SWLEP Board and Joint Strategic Economic Committee (JSEC) and comprises four elected Councillors from each of the two Unitary Authorities. It is an essential element of assuring democratic accountability for the use of public funds.
41. Although it is planning to monitor the implementation of projects in future, the Swindon and Wiltshire Local Enterprise Partnership Joint Task Group has not specifically considered this report therefore cannot offer any further comments.

Safeguarding Implications

42. None.

Public Health Implications

43. The layout and condition of roads and junctions can have serious safety implications. The proposed improvements are intended to reduce collisions and improve safety for all road users.

Corporate Procurement Implications

44. The procurement has followed the Restricted Procedure, which is a two stage process, with the relevant OJEU notices and procedures being complied with.
45. The Council's Procurement Team has been actively involved in the process and has monitored the procurement and tender assessment processes to ensure they are carried out properly to reduce the risk of a legal challenge at a later stage.
46. The scope and details of the new contracts take into account a number of factors, including the type of work required and the need to make them attractive to bidders by reducing the risks and providing a procurement process that is easily understood, clear and fair.
47. The detailed scoring and financial information on the tender assessment is contained in a confidential report to be considered in Part 2 of this meeting.

Equalities Impact of the Proposal

48. The successful tenderer has been required to demonstrate good practice in terms of employment policies and practices, and conform to the Council's standards and behaviours framework. The tenderers' employment policies have been taken into account in assessing the tenders.

Environmental and Climate Change Considerations

49. The effects of climate change are likely to have significant effects on the highways network as was seen in the flooding in recent years, and the consequent damage to the roads, footways and drainage systems. The proposed schemes have been developed and designed to improve the condition of the network and help build resilience into the highway infrastructure.
50. The schemes include improvements to the street lighting and the use of energy efficient equipment. The tender assessment process for the new highways contract has taken into account the environmental policies of the tenderers in the quality assessments.

Risk Assessment

51. There are significant risks associated with construction of major highway works, especially in terms of health and safety, and in financial and reputational risks to the Council. The appointment of suitable contractors for this work is important in reducing and managing these risks.

Risks that may arise if the proposed decision and related work is not taken

52. Not proceeding with the schemes would result in increasing traffic delays and increased collisions. It is important that the works proceed for the reasons described in this report, and set out in the business case.
53. There could be a risk of increased collisions, claims and public dissatisfaction if highway improvements are not delivered effectively, or are delayed.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

54. There is a risk that, despite the stringent procurement procedure and assessment processes, the selected contractor does not meet expectations and performance is not as good as anticipated. These potential issues, especially with regard to safety, are well understood, and comprehensive site supervision and contract management is being put in place to manage those risks.
55. The risks associated with implementing the schemes have been significantly reduced by the advance work carried out to facilitate the works, particularly in connection with public utilities equipment and environmental factors. There remain some financial risks associated with these types of contract, but the supervision arrangements and contract procedures to be followed should enable these to be managed.
56. There is a risk that there could be a legal challenge to the contract award. There is a ten day standstill period following award during which this could happen. The processes followed in procuring the contract have followed the required procedure in order to reduce this risk.

Financial Implications

57. Both schemes represent a significant investment in improving the highways network, and have substantial benefits as demonstrated in the previously prepared Outline Business Cases. The financial position will be reviewed as part of the consideration of the Full Business Case for the SWLEP Board, but the indications are that both schemes represent good value for money, with significant economic benefits.
58. The work to be carried out by the contractors is well defined and the schemes have been designed in considerable detail in order to reduce risks and obtain the best price. Advanced work has been carried out to facilitate the early implementation of the scheme, and to avoid costly delays.
59. The assessment of the tenders has included financial considerations. A weighting of 70% has been given to the cost elements, compared to 30% for quality, which reflects the importance of achieving value for money through the contracts.
60. The A350 Chippenham Bypass Phase 3 scheme (Badger to Brook and Chequers Roundabouts) was successful in achieving an allocation (£7.1 million) as part of the first round of Growth Deal funding. The project was originally profiled to be delivered over three years, between 2017/18 and 2019/20. In September 2016, the Cabinet Capital Assets Committee (CCAC) agreed to cashflow the scheme in order to accelerate delivery, enabling the scheme to be completed in 2018/19.
61. The M4 Junction 17 Improvements scheme was successful in achieving a Growth Deal allocation (£0.5 million) as part of the second round of Growth Deal funding. The project was originally profiled to be delivered in 2019/20. In September 2016, CCAC agreed to cashflow the scheme in order to accelerate delivery, enabling the scheme to be completed in 2017/18. Highways England will be contributing to the funding of the scheme.
62. The early delivery of these projects can send a strong message to Government of Wiltshire Council's ability and reliability in relation to Growth Deal delivery.
63. The financial implications of the award of the contracts are discussed in the Part 2 report which will be considered at this meeting.

Legal Implications

64. The Council is the local highway authority and has a duty to maintain the highways network and related infrastructure. The proposed schemes will help to improve the capacity and safety of the highway network. Highways England is responsible for the motorway network and there has been close liaison with them regarding the proposed works at Junction 17.
65. The schemes are within highway land, and no additional land acquisition or permissions are required. A legal agreement is being put in place with Highways England to enable the M4 Junction 17 scheme to be delivered by this Council and to allow the Council's contractor to carry out the necessary works on the motorway network. No further legal agreements are required to deliver the schemes.

66. It is important that the procurement process and contract award have followed the correct processes in order to avoid legal challenges during the process, which could delay or prevent the start of construction.

Options Considered

67. Not proceeding with the schemes would result in increasing traffic delays and increased collisions. There could be a risk of increased collisions, claims and public dissatisfaction if highway improvements are not delivered effectively, or are delayed.
68. The procurement process has identified the most suitable contractors for the work. Awarding the contract to one of the unsuccessful tenderers would not represent value for money and could result in a legal challenge.
69. The tenders submitted for the contracts have been assessed in terms of price and quality in accordance with the agreed procedure, and the most suitable tenderer has been identified.

Conclusions

70. The result of the assessment to identify the preferred contractors is described in the Part 2 item to be considered at this meeting. The most advantageous tender for the Council, taking into account quality and price, has been identified in accordance with the procurement procedures.

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The following unpublished documents have been relied on in the preparation of this Report:

None

Appendices:

Appendix 1 – Tender Assessment Procedure