#### Wiltshire Council

#### Cabinet

#### **14 November 2023**

Subject: A350 Chippenham Bypass (Phases 4 & 5) – Contract Award

Cabinet Member: Councillor Caroline Thomas, Cabinet Member for Transport,

**Street Scene & Flooding** 

**Key Decision:** Key

# **Executive Summary**

The A350 forms part of the nationally important Major Road Network and provides an important strategic north-south link through western Wiltshire. It is the main connection from Chippenham and the west Wiltshire towns to the M4. High traffic volumes, particularly during peak periods, result in congestion, safety problems, delays, and unpredictable journey times on the route at Chippenham, especially at Bumpers Farm Roundabout.

The A350 Chippenham Bypass (Phases 4 & 5) scheme will provide an additional two-lane carriageway from Bumpers Farm Roundabout to Cepen Park South Roundabout, and from Chequers Roundabout to Lackham Roundabout, and improvements to Bumpers Farm Roundabout by increasing traffic lanes and the introduction of traffic signals. The scheme will complete the dualling of the A350 from the M4 to Lackham Roundabout.

The Outline Business Case for the scheme was approved in the Spending Review on 27 October 2021, when the Chancellor approved funding of up to £26,625,000 for the dualling of the remaining sections of the Chippenham Bypass. In February 2022 the Council approved £3,154,212 funding from the Community Infrastructure Levy (CIL) to contribute to the cost of the scheme.

The procurement of the contract to construct the scheme has followed a robust twostage process. The first stage was for potential bidders to complete a Supplier Qualification (SQ) document to show their capability of delivering the proposed works. The second stage has been for the five highest scoring bidders to be invited to submit prices and a quality submission which are assessed to identify a preferred bidder. The detailed scoring and financial information on the bids are contained in a confidential report to be considered in Part 2 of this meeting.

The outcome of the procurement process will be used to complete the Full Business Case to obtain final funding approval from the Department of Transport. It is envisaged that construction will start in April 2024 and be completed in summer 2025. In the meantime, it is proposed to carry out advance works to facilitate an early start on the construction.

# **Proposal**

Cabinet is asked to approve the appointment of the contractor detailed in the

exempt appendix for construction of the A350 Chippenham Bypass (Phases 4 & 5).

The proposal is to be considered as a Part 2 Item at this meeting.

## **Reasons for Proposal**

- 1) There is a need for a specialist contractor to construct the A350 Chippenham Bypass (Phases 4 & 5).
- 2) Following a robust procurement exercise in accordance with the 'Restricted Procedure' tenders have been submitted and assessed in terms of price and quality.
- The most advantageous tender for the Council, taking into account price, quality, carbon and social value, should be accepted in accordance with the procurement procedures. The detailed scoring and financial information are contained in a confidential report to be considered in Part 2 of this meeting.

Parvis Khansari Corporate Director, Place

#### Wiltshire Council

#### Cabinet

#### **14 November 2023**

Subject: A350 Chippenham Bypass (Phases 4 & 5) – Contract Award

Cabinet Member: Councillor Caroline Thomas - Highways & Transport, Street

Scene & Flooding

**Key Decision:** Key

## **Purpose of Report**

1. To seek approval to award a contract for construction of the A350 Chippenham Bypass (Phases 4 & 5).

#### Relevance to the Council's Business Plan

- The Council's Business Plan 2022 to 2032 sets out themes for Thriving Economy, Resilient Society, Sustainable Environment and Empowered People. The following objectives are particularly relevant to the current proposals:
  - We have vibrant well-connected communities,
  - We ensure decisions are evidence-based,
  - We take responsibility for the environment,
  - We are on the path to carbon neutral (net zero),
  - We are safe.
- 3. The dualling of the remaining sections of the Chippenham Bypass will improve the key A350 north-south route to ease connections to the west Wiltshire towns and improve road safety. The project includes environmental measures and facilities to improve safety for vulnerable road users. The alterations to Bumpers Farm Roundabout will improve safety and access to and from the important employment area at Bumpers Farm Industrial Estate.

# **Background**

- 4. The A350 forms part of the nationally important Major Road Network and provides an important strategic north-south link in the Western Gateway Strategic Transport Body area. In Wiltshire, it connects Chippenham with Melksham, Trowbridge, Warminster and then on to Salisbury via the A36. It is the main connection from the towns to the wider strategic road network, including the M4 (Junction 17) to the north and the A36 (Trunk Road) to the South. High traffic volumes, particularly in the peak periods, result in congestion, delays, and unpredictable journey times on the route, especially at Bumpers Farm Roundabout.
- 5. The A350 Chippenham Bypass scheme was the subject of a planning application, statutory orders, and a public inquiry in the 1990's. It was always envisaged that the road would need to become a dual carriageway as traffic volumes increased, and sufficient land was acquired at that time to facilitate the future dualling.

- 6. The initial stages of the Chippenham Bypass at its northern end were built by developers as single carriageways. Subsequent stages were completed using government funding and were also built initially as single carriageways, but with the key structures constructed so that they could accommodate the final dual carriageway with minimal alterations.
- 7. In recent years dualling and junction improvements have been undertaken on various sections of the bypass as funding became available from the Department for Transport and Local Enterprise Partnership. The two remaining single carriageway sections of the bypass and Bumpers Farm Roundabout (see **Appendix 1**) are the subject of this report.
- 8. The Outline Business Case for the currently proposed improvement was approved in the Spending Review on 27 October 2021, when the Chancellor approved funding of up to £26,625,000 for the dualling of the remaining sections of the Chippenham Bypass. In February 2022 the Council approved £3,154,212 funding from the Community Infrastructure Levy (CIL) to contribute to the cost of the scheme.
- 9. The benefits of the scheme are to:
  - Improve journey time reliability and reduce total delay along the A350 Chippenham Bypass.
  - Reduce the frequency of personal injury collisions along the A350 Chippenham Bypass and parallel routes.
  - Improve journey time reliability on the A350 to preserve its key role as part of the advisory freight route network.
  - Increase the capacity of the A350 Chippenham Bypass to support planned growth and future growth in the emerging Local Plan.
  - Improve journey time reliability and reduce total delay along the A350 which may otherwise discourage inward investment towards new and existing employment sites in Chippenham.
  - Protect the strategic role of the A350, by increasing the road capacity to improve north-south connectivity and minimise traffic reassigning onto the local road network.
- 10. The scheme has now been designed in detail and further assessment work has been undertaken to inform the preparation of the Full Business Case, which will be submitted to the DfT for approval and funding shortly. The Full Business Case for the scheme requires tenders for the work to be obtained to enable the costs to be identified with greater certainty.

## **Main Considerations for the Council**

#### The Scheme

- 11. The proposals for a Chippenham Bypass at the time of the original planning application and public inquiry was for a dual carriageway, with earth mounds and landscaping proposals, as well as drainage management and other mitigation measures. It was initially constructed as a single carriageway with provision for future dualling.
- 12. The statutory orders for the scheme included the compulsory purchase of sufficient land to construct the full dual carriageway bypass, including easements for drainage provision, working space to facilitate construction, and landscaping including providing

- an extension to Vincients Wood which is now a nature reserve. The land along the route was taken into the public highway to facilitate the future dualling.
- 13. The scheme included statutory orders to stop up rights of way where they were crossed by the bypass route, and the provision of new crossing facilities with a new bridge for pedestrians, cyclists and equestrians at Frogwell and a road bridge and diverted Byway at Easton Lane. When the bypass was constructed pedestrians and other users were allowed to continue using those single carriageway crossing locations pending the eventual dualling.
- 14. The original bypass scheme included new road bridges over the A350 at Frogwell and Easton Lane, and a bridge for the London-Bristol railway, which were all constructed with adequate width to accommodate the second carriageway when required for future traffic volumes.
- 15. Some sections of the bypass have already been dualled, and the current scheme will dual the remaining sections of the bypass. The scheme comprises:
  - An additional two-lane carriageway from Chequers Roundabout to Lackham Roundabout on the western side of the existing road (Phase 4),
  - Alterations at Lackham Roundabout,
  - Improvement of Bumpers Farm Roundabout by increasing traffic lanes and the introduction of traffic signals (Phase 5),
  - An additional two-lane carriageway between Bumpers Farm Roundabout and Cepen Park South Roundabout on the western side of the existing road (Phase 5),
  - Signal controlled pedestrian crossings and routes to provide safe pedestrian and cyclist movements across the bypass, and connections to the existing overbridges.
- 16. Further information on the proposals can be found on the scheme webpage at:

## A350 Chippenham Bypass Improvements (Phase 4 and 5) - Wiltshire Council

17. The works are in the public highway and no further planning or statutory permissions are required to facilitate the implementation of the current proposals.

## Public Engagement

- 18. The proposals for the dual carriageway Chippenham Bypass were the subject of consultations at the planning application stage and at a public inquiry in the 1990s. Following the public inquiry, the statutory orders for the scheme were approved by the Secretary of State.
- 19. The scheme was the subject of a further public engagement exercise between December 2022 to February 2023. This included direct letter deliveries to local businesses and residents within the Bumpers Farm Roundabout area, public meetings and presentations and a display at Chippenham Library, with a dedicated scheme webpage and an online questionnaire.
- 20. The purpose of the exercise was to raise awareness of the project, highlight the scope and scale of the works to be delivered and obtain views regarding the proposals. From the public engagement exercise several themes were identified, including comments

- about the need for the scheme, the priority, speed limits, noise, access to the countryside, operational and environmental aspects.
- 21. The comments and suggestions received, and the responses are summarised in a report on the public engagement exercise which is available on the scheme webpage. The matters raised have been considered and are discussed in the 'Response to Public Engagement' document which is also available on the scheme webpage.

## The Proposals

- 22. The scheme has not changed significantly since the bypass was granted planning permission and the first phases of the bypass were constructed. However, some changes have been made in response to changing design standards and guidance, and in response to the recent public engagement exercise.
- 23. At Bumpers Farm, increased traffic volumes have resulted in increasing delays, especially for traffic leaving the industrial estate in the evening peak periods when there can be substantial queues and delays before drivers are able to enter the roundabout because of the high volume of circulating traffic. To increase the throughput of traffic, it is proposed to introduce traffic signals on four arms of the roundabout to create gaps in the circulatory traffic to ease movements. Similar arrangements proved successful at Farmers Roundabout on the A350 at Melksham.
- 24. The changes at Bumpers Farm roundabout will include signal-controlled pedestrian and cyclists crossings across the A350 on the north side of the roundabout and across the eastern arm of the A420 Bristol Road.
- 25. New pedestrian routes will be provided within the highway boundary to connect the footpaths Chippenham 33 and Chippenham 116 at Bumpers Farm Industrial Estate and the footpath Chippenham 6 at the Rugby Club to the overbridge at Frogwell. This will provide a safe pedestrian route to cross the bypass.
- 26. Consideration was given to the closure of the left in/left out junction at Drake Crescent, which could improve safety by concentrating vehicle turning movements at the roundabouts and would enable additional screening to be provided to residential properties. However, it is appreciated that this would be less convenient for some residents, and instead changes to the signing and road markings will be made.
- 27. At Cepen Park South Roundabout a signal-controlled Toucan crossing will be provided to link the residential areas with the Bridleways Chippenham 10 and Chippenham 8 on the west side of the bypass. Consideration was given to options to keep link the byways via the previous crossing location at Drake Crescent, but a pedestrian route at ground level would be less safe with the dual carriageway and merging traffic. An overbridge would not be practical because of the presence of the overhead electricity lines and an underpass would not be feasible on cost grounds and it would require the removal of a large part of the earth mounds which currently screen the road from the adjacent properties.
- 28. There were concerns from residents about traffic noise because of increased traffic and speeds. The bypass is generally well screened from adjacent properties and additional noise fencing would not be justified. However, it is proposed to use quieter road surfacing on the new carriageway to reduce traffic noise associated with the scheme.

29. The original bypass was provided with street lighting along its whole length north of the A4. Current practice is to provide lighting generally only at junctions and where required for safety reasons. It is therefore intended to remove the existing lighting where it is no longer required on the longer lengths of fairly straight road between the roundabouts. Lighting at the junctions will be retained and upgraded as necessary.

## Procurement Strategy

- 30. Consideration was given to various procurement options, which were assessed against criteria for time (speed or certainty of completion date), cost (price level and cost certainty), and quality (functionality and performance). They were assessed in the knowledge that the scheme has been developed to a good level of detail with design drawings, quantities and estimated costs prepared.
- 31. The traditional contract approach scored highest in the assessment for this scheme. This procurement method was also followed for the previous phases of the Chippenham Bypass improvements which were all delivered successfully, and it is expected to provide time predictability and good cost certainty for the current works.
- 32. During November and December 2022, supplier engagement was undertaken, focusing on a presentation to potential suppliers using Microsoft Teams on the 17 November 2022. The main aim of the exercise was to proactively engage with potential suppliers and inform them of the opportunity, and to seek input and feedback from the market regarding the procurement approach and strategy being adopted.
- 33. The market engagement presentation attracted interest from 19 potential suppliers, including major national contractors, medium sized organisations, and local suppliers. Following the presentation four suppliers requested individual meetings and four suppliers provided written submissions with their views.
- 34. It was apparent that the scheme was an attractive proposition for the market, and the suppliers considered the presentation to have been informative and clear. The proposed Price (60%) and Quality (40%) tender assessment arrangement was well received by most of the suppliers, and the two-stage route to market with a Supplier Qualification (SQ) and Invitation to Tender (ITT) was well received and is something that the market was comfortable with and is standard practice.
- 35. From the market engagement exercise, and from the more detailed discussions with potential suppliers, it was concluded that the two-stage procurement route would be appropriate and would be likely to be successful.

#### **Procurement Process**

- 36. The tenders were invited using the two stage Restricted Procedure based on the NEC4 form of contract, which has the following advantages:
  - Restricts the number of organisations invited to tender making the tender evaluation more manageable and requiring a more finite amount of resource to evaluate effectively.
  - Enables a detailed selection assessment and allows commissioners to focus on potential bidders who can demonstrate the requisite level of capability and experience in the sector.
  - Can help to improve the quality of bids as there is an increased chance of a capable and experienced bidder being successful.

- 37. The first stage of the procurement was for potential bidders to complete a SQ document to show their capability of delivering the proposed works. The SQ assessed financial capabilities of the supplier and quality based on questions regarding previous projects.
- 38. In compliance with the regulations, all the documents (the SQ and the draft tender documents) were made available to the potential bidders at the start of the process. This was to allow them to fully understand the requirements and make an informed decision regarding whether to complete and submit a SQ.
- 39. The SQ documents were published on 27 April 2023 and were to be returned by 30 May 2023. As well as the full package of tender documents, there was a questionnaire which required information on the suppliers' policies, capacity, and capability. There were specific questions asking for examples of previous schemes, delivery, and commercial management. It was indicated that the five highest scoring contractors would be taken through to the next stage.
- 40. There were 13 completed SQ documents returned which were reviewed by a panel of suitably experienced staff. Three submissions were rejected because of incomplete information, and the top scoring five suppliers were selected for the second stage of the process.

## **Tender Process**

- 41. The tender documents were issued to the selected list of bidders on 26 June 2023 for return by 31 August 2023. The tender documents included a Price List and a Quality Questionnaire.
- 42. During the tender period a total of 91 clarification questions were received from bidders, which were answered. From the questions received it was apparent that the bidders had a good understanding of the requirements of the contract.
- 43. At the close of the tender period on 31 August 2023 there had been three tenders received. Two contractors indicated that they would not be bidding because of resource pressures and tenders recently won elsewhere. This was disappointing but reflected the current state of the market and resource availability.
- 44. The received tenders were reviewed, and clarification questions were sent to each of the bidders to ensure that they had fully understood the requirements, especially where zero rates had been returned and sums were assumed to be included in other items. No major discrepancies were identified.
- 45. The tenders were assessed in accordance with the methodology set out in the tender documentation, which set out the tender assessment process based on price (60%) and quality (40%) (see **Appendix 2**).
- 46. The total score for the Quality evaluation of 40% was broken down into the following elements:
  - Q1 Organisation, Key People and Delivery 8%
  - Q2 Programme and project risks 16%
  - Q3 Social Value 4%
  - Q4 Minimising Carbon/ Climate Emergency 4%
  - Q5 Traffic and Pedestrian Management and public liaison 8%

- 47. The bidders had to provide information on their proposed staffing, resources subcontractors and approach to delivery, including an organogram which showed linkages to stakeholders and the Council.
- 48. An indication of the proposed outline programme for the works had to be provided, with a narrative to describe the proposed resourcing phasing and key traffic management changes.
- 49. The bidders were requested to set out the social value commitments that they were prepared to make when delivering the project, taking into account the Council's Business Plan priorities.
- 50. Bidders were asked to set out what measures they would implement to minimise the climate/carbon impact of the Project. A Carbon Management Plan has been developed for the project and bidders had to indicate how they would develop this further.
- 51. The effective and efficient management of the works is important to ensure safe and speedy delivery and the bidders have been assessed on their proposals, including the approach to be taken to traffic management, public liaison and communications. The A350 is an important route and Bumpers Farm Roundabout is a busy junction, so delays need to be kept to a minimum whilst still constructing the works safely.
- 52. The Quality Questionnaires were assessed and scored by a panel of council staff who have extensive experience of the type of work proposed to be undertaken through the contract. The scores awarded for each question could range from 10 for an excellent response which exceeds the requirements to 0 for an unacceptable that does not meet the requirement.
- 53. The financial element representing 60% of the overall score consisted of two elements:
  - Tendered Total of the Prices 51%
  - Compensation Event Scenarios 9%
- 54. The tendered total is based on a bill of quantities using the volume of work expected to be undertaken. The Compensation Event scenarios assess the contractors submitted fees to be paid in the event of variations to the work, based on three potential scenarios with the total used to generate a score.
- 55. All three bids were considered to be of good quality and from experienced contractors.

#### Comparison of Bids

- 56. The quality and price scores were combined in accordance with the 60/40 Price/Quality proportions to obtain an overall score for each bidder. This tender assessment process recognised the vital importance of delivering cost-effective works but has also acknowledged the importance of the quality of the work to be carried out by the contractor. This robust process applied to the tender assessment has enabled a preferred bidder to be identified for the contract.
- 57. The full details of the results of the assessments are described in the **Part II** item to be considered at this meeting.

### **Next Stages**

- 58. 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.
- 59. Subject to the outcome of the decision by Cabinet, and assuming no legal challenges are received, the intention is to complete the Full Business Case (FBC) so that the Department for Transport can review the case and confirm the funding. Following approval of the FBC the contract will be awarded to the identified preferred bidder.
- 60. The contractor will prepare a communications strategy to ensure that residents and businesses are kept informed regarding the proposed start of works, progress during the works, and the temporary traffic management arrangements to be implemented. It is intended that a 'meet the contractor' or similar events will be held prior to the start of the main works.
- 61. There would be benefits in carrying out some site clearance and earth moving operations before the start of the main contract to avoid delays and additional costs because of seasonal environmental constraints, especially in connection with nesting birds. It is therefore proposed that some advance works should be undertaken making use of the Council's existing highway framework contracts. This will reduce the risk of delays and additional costs resulting from potential claims by the main contractor and will increase certainty of delivery to time and price.
- 62. The companies on the Council's framework contract for Specialist Surfacing and Associated Highway Works were invited to submit prices for the advance works, and the outcome of that procurement exercise will also be included in the Part 2 report.
- 63. There is a risk that this work could be abortive if the scheme is cancelled or does not receive funding. However, it is considered that this is a low risk in view of the strategic importance of the scheme, the previous approval of the Outline Business Case by the Department for Transport, and the results of the recent procurement exercise and funding position.

# **Overview and Scrutiny Engagement**

64. A briefing on the tender assessment process will be given to the Chair of the Environment Select Committee and any views or comments will be reported at this meeting.

# **Safeguarding Implications**

65. The tender is for the construction of a road improvement scheme and is not considered to have any safeguarding implications.

# **Public Health Implications**

66. Roads and junctions can have serious safety implications for road users. The proposed scheme is intended to reduce collisions and improve safety for all road users. The introduction of dual carriageways will reduce the potential for head on vehicle collisions, and the use of traffic signals at Bumpers Farm Roundabout is expected to reduce serious conflicts and collisions between vehicles.

- 67. The proposals include additional pedestrian and cyclist crossing provision and links to safe crossing points of the road. Consideration has been given to the noise and air quality implications of the scheme, and it is not considered to have a significant detrimental effect.
- 68. Independent Road Safety Audits have been undertaken during the development of the scheme and a further audit will be undertaken when construction is complete. During the construction works careful consideration will be given to traffic management and protection of the public and those working on the project.
- 69. The tender evaluation process has included assessment of the contractor's health and safety policies and procedures.

# **Procurement Implications**

- 70. The Council's Procurement Team has been actively involved in the process and has monitored the procurement and tender assessment to ensure they are carried out properly and to reduce the risk of a legal challenge at a later stage.
- 71. The procurement has followed the Restricted Procedure, which is a two-stage process. The relevant notices and procedures have been complied with.
- 72. The scope and details of the contract considered several factors, including the type of work required and the need to make the contract attractive to bidders by managing risks and providing a procurement process that is easily understood, clear and fair.
- 73. The detailed scoring and financial information on the tender assessment are contained in a confidential report to be considered in **Part 2** of this meeting.

#### **Equalities Impact of the Proposal**

- 74. The Full Business Case for the scheme which will be submitted to the Department for Transport will include an Equalities Impact Assessment.
- 75. The successful tenderer has been required to demonstrate good practice in terms of employment policies and practices which conform to the Council's standards and requirements. The tenderers' employment policies have been considered in assessing the tenders.
- 76. The tender assessment process has also included consideration of the social value and community engagement proposals of the bidders.

#### **Environmental and Climate Change Considerations**

- 77. The effects of climate change are likely to have a significant impact on the highways network as has been seen in the flooding and high temperatures experienced at various times in recent years. In some cases, this has resulted in substantial damage to the roads, footways, and drainage systems.
- 78. The Chippenham Bypass scheme has been developed and designed to improve the condition of the network and help build resilience into the highway infrastructure. The choices of materials and construction processes have been made considering the

whole life implications and the need to provide a durable and resilient highway network.

- 79. The move to net zero will see an increasing use of construction plant and materials with reduced carbon emissions, mainly following the example of National Highways who have set out a Net Zero Highways Plan to achieve it for their own maintenance and construction operations by 2040. However, at present there is limited scope for reducing the carbon impact of many construction processes needed for a scheme of this type because of the currently limited choice of suitable materials, equipment, and processes available.
- 80. A Carbon Management Plan has been developed for the scheme and was included in the tender documentation. The bidders were asked to indicate the measures they would take during construction and how they would develop the plan further.
- 81. The tender assessment process has reviewed and scored the environmental policies and approach to carbon reduction of the bidders. This has included reviews of their longer-term carbon reduction plans and policies, and their commitment to carbon reduction, although it is appreciated that many measures may be longer term and are unlikely to be delivered in the current contract.

# **Workforce Implications**

- 82. There are no significant workforce implications for the Council with the award of this contract and there are no TUPE implications. The construction work will be carried out by external contractors under the supervision of the Council's own Major Highway Projects team supported by staff provided through the Highways Consultancy Contract.
- 83. The opportunity will be taken to provide site experience for other Council staff, especially apprentices, as a large scheme of this type enables experience to be gained in a wider range of construction processes than is usually possible on smaller schemes and maintenance work. This will contribute to staff development and increase the capacity and capability of the highways service.

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

- 84. Not proceeding with the construction of the scheme would result in increasing traffic delays and an increased number of vehicle collisions on this section of the A350. It would not deliver the strategic benefits associated with improving transport links within the corridor as described in the Outline Business Case and would not achieve the Council's Business Plan priorities.
- 85. Delaying the award of the contract would be expected to result in increased costs and could require the contract to be retendered. This would incur additional procurement costs as well as the effects of inflation and it is unlikely to result in reduced prices in the current circumstances.
- 86. Awarding the contract to a contractor other than the preferred bidder identified through the procurement process would not be justified and would be likely to result in a legal challenge, with consequent delays and financial implications.

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

- 87. There is a risk that despite the stringent procurement procedure and assessment processes that the selected contractor does not meet expectations and performance is not as good as anticipated. Careful consideration has been given to managing the contractor's performance using suitably experienced supervising staff, performance milestones and key performance indicators to ensure that the contract requirements are met.
- 88. The potential risks associated with major construction projects, especially regarding safety, costs, and delivery are well understood by the Council, and comprehensive site supervision and contract management will be put in place to manage those risks.
- 89. Inflation has been causing concern in the construction industry recently, and the situation is continuing to be monitored. The proposed contract includes provision for the linking the prices to construction indices. This can cause some uncertainty regarding final costs as they would increase in the event of high inflation, but it removes the risk of the bidders increasing their initial bid prices disproportionately if they must carry those inflation risks.
- 90. Increasing workloads in the public and private sectors, and national skills shortages, are causing resourcing concerns across the construction industry which could affect delivery of the scheme. The bidders proposed staffing and resourcing of the works have been considered in the assessment of their bids which should reduce these risks.
- 91. Previous experience indicates that major risks associated with implementing a scheme of this type are that there will delays in public utilities carrying out diversion of their plant, or that environmental constraints will cause delays. These risks will be reduced as much as possible by the careful programming of the works and by carrying out a package of advance work where feasible.
- 92. The implementation of an advance works package before the main works would reduce some of the risks associated with potential programming constraints because of environmental factors but does have its own risks as such works could be abortive if the scheme does not proceed. In view of the strategic importance of the scheme and its stage of development, this is considered to be a low risk in the current circumstances.
- 93. There are some financial risks associated with this type of contract, especially because of unforeseen circumstances, including ground conditions and public utilities apparatus, but the design work and the site investigations that have been carried out in advance have reduced these and should enable any residual risks to be managed effectively.
- 94. There is a risk that there could be a legal challenge to the contract award during the ten-day standstill period following contract award. However, the robust processes followed in procuring the contract will have reduced this risk.

# **Financial Implications**

95. The scheme represents a significant investment in improving the county's highways network, which would have substantial benefits as demonstrated in the previously approved Outline Business Case. The financial benefits will be confirmed as part of

- the finalisation of the Full Business Case, but the indications are that the scheme represents good value for money, with significant economic benefits.
- 96. The funding for the scheme is being predominantly provided by the Department for Transport following the approval of the outline Business Case. The funding was approved in the Spending Review on 27 October 2021, when the Chancellor approved funding of up to £26,625,000 for the dualling of the remaining sections of the Chippenham Bypass. In February 2022 the Council approved £3,154,212 funding from the Community Infrastructure Levy (CIL) to contribute to the cost of the scheme.
- 97. 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**

- 98. The Council is the local highway authority and has a duty to maintain the highways network and related infrastructure. The proposed scheme would help the Council to carry out its statutory duties and improve the capacity and safety of the highway network. The schemes are within existing highway boundaries and Council land, and no additional land acquisition or permissions are required to implement the scheme.
- 99. The Council's legal services team have been involved in the development of the contract documents and the award of the contract. Care has been taken to ensure that the procurement and contract award processes have been followed correctly to avoid legal challenges during the process, which could delay or prevent the start of construction.

# **Options Considered**

- 100. Not proceeding with the scheme would result in increasing traffic delays and increased collisions and would not deliver the strategic transport and business plan objectives.
- 101. The possibility of separate contracts for each phase of the works was considered, but there would be economies of scale in having a single contract for all phases of the work.
- 102. Various procurement options were considered at the Outline Business Case stage, including an open single stage procurement and the use of framework contracts, however it was concluded that the two-stage restricted process would be most appropriate for this scheme in view of the high level of design development, limited scope for variations in the design and the balance of quality and cost factors.
- 103. Other weightings of cost and quality could have been used in the assessment process, but whilst the price is an important consideration the quality aspects are particularly relevant to this scheme because of the high level of traffic management required, especially at Bumpers Farm and the road safety implications of working on busy high-speed roads.
- 104. The procurement process has identified the most suitable contractors for the work.

  Awarding the contract to one of the unsuccessful tenderers would not represent good value for money and could result in a legal challenge.

105. 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

- 106. A robust procurement process has been undertaken to ensure appropriate arrangements are made for the construction of the Chippenham Bypass (Phases 4 & 5) scheme, and a suitable and competent contractor has been identified for the award of the contract.
- 107. The most advantageous tender for the Council, taking into account quality and price, has been identified in accordance with the procurement procedures. The results of the assessment to identify the preferred bidder are described in detail in the Part 2 item to be considered at this meeting.

# Samantha Howell Director, Highways and Transport

Report Author: Peter Binley, Head of Major Highway Projects, peter.binley@wiltshire.gov.uk

Tel 01225-713412

6 November 2023

## **Appendices**

Appendix 1 – Scheme description Appendix 2 - Tender Evaluation Process

# **Background Papers**

Background information including the Outline Business Case for the scheme can be viewed on the scheme webpage at:

A350 Chippenham Bypass Improvements (Phase 4 and 5) - Wiltshire Council