

# North Tyneside Council

## Report to Cabinet

### Date: 14 March 2016

**ITEM 7(i)**  
**Title: Procurement of Contractor to Carry Out Works at Norham Road Bridge**

**Portfolio(s):** Housing and Transport

**Cabinet Member(s):** Councillor John Harrison

**Report from Service**

**Area:** Environment, Housing and Leisure

**Responsible Officer:** Phil Scott (Tel: 0191 6437295)

**Wards affected:** All Wards

## **PART 1**

### **1.1 Executive Summary:**

The purpose of this report is to seek Cabinet approval to undertake a competitive procurement exercise to establish and appoint construction partner to deliver the Norham Road Bridge demolition and rebuild, as part of the wider A1058 - Coast Road Highways Improvement Scheme being delivered by the Technical Services Partner, Capita. The Norham Road Bridge works constitutes Phase 3 of the overall scheme. Cabinet approval is required in accordance with paragraph 8 (4) of the Authority's Contract Standing Orders as the value of the contract will exceed £500,000.

It is anticipated that the procurement exercise will begin in March 2016, with a view to the contract commencing in June 2016.

### **1.2 Recommendation(s):**

It is recommended that Cabinet approve and authorise the Head of Environment, Housing and Leisure in consultation with the Cabinet Member for Housing and Transport, the Head of Law and Governance and the Head of Finance to undertake a competitive procurement exercise and to appoint a construction partner to deliver the Norham Road Bridge demolition and rebuild.

### **1.3 Forward Plan:**

It has not been possible to give twenty eight days notice of this report because an urgent decision on this matter is required to ensure that the contract for the proposed works can be awarded at an early date. The approval of the Chair of the Council and the Chair of the Overview and Scrutiny Committee has been given to the matter proceeding urgently and without it being subject to call-in.

## 1.4 Council Plan and Policy Framework:

This report relates to the following priorities contained within the 2014 - 18, Our North Tyneside Plan:

- Our Places will: Be great places to live, and attract others to visit or work here
- Our Places will: Have an effective transport and physical infrastructure

## 1.5 Information:

### 1.5.1 Background

Government funding for transport major schemes was awarded to the North East through the North East Growth Deal. North Tyneside was successful in bidding for funding through the growth deal for the Coast Road scheme. The funding is administered by the North East Local Enterprise Partnership (LEP).

The strategic aims of the scheme are:

- 1) **Improve road safety on the A1058 Coast Road Corridor**
- 2) **Remove congestion on the key junctions of Billy Mill and Norham Road, to enable future growth (employment and residential)**
- 3) **Increase the longevity and capacity of the Norham Road Bridge**
- 4) **Support the Proposed “Cycles Cities” Coast Road Cycle Route**

At Beach Road and Billy Mill roundabout (Phases 1 and 2), the plans include: replacing the roundabout with a signalised junction; providing two lanes eastbound along Beach Road; and delivering improved facilities for cyclists.

At Norham Road junction (Phase 3), they include: providing two northbound and southbound lanes; signalising the sliproad junction; and providing improved facilities for cyclists.

The Beach Road widening works (Phase 1) is currently on site and being delivered to programme. The Billy Mill Roundabout works (Phase 2) will commence on completion of Phase 1. Both phases shall be delivered, through the Technical Services Partnership Contract with Capita.

However, the complexity of the demolition and rebuild of the bridge, means securing a specialist delivery company to undertake these works. The proposal to directly subcontract with a specialist contractor for the bridge demolition and rebuild works is expected to provide better value for money for the scheme. It is anticipated that the tenders will be contained within the current budget however if they exceed the budget a further report will be brought forward for consideration.

### 1.5.2 Procurement of the Works

Subject to approval, the procurement will run from March to June 2016, with the intent of appointing a single contractor to undertake the demolition and rebuild works of the bridge.

The contract will be award to the bidder who submits the most economically advantageous tender.

## **1.6 Decision options:**

The following decision options are available for consideration by Cabinet:

### Option 1

Agree the recommendations set out at section 1.2 to carry out a procurement exercise and appoint a contractor for the Norham Bridge Works.

### Option 2

Not agree the recommendations set out at section 1.2.

Option 1 is the recommended option.

## **1.7 Reasons for recommended option:**

Option 1 is recommended for the following reasons:

If Cabinet approves the recommended option, the procurement process will begin immediately and the Authority will be ready to award the contract in June 2016.

### **There are a number of reasons to support this recommendation:**

1. The timely procurement of phase 3 will ensure that conflict with other major highway works in the borough is minimised as much as practicably possible, specifically in relation to the Highways England scheme at Silverlink
2. The timely procurement of phase 3 will ensure that external funding spend requirements are achieved
3. Contracting directly will deliver the best Value for Money for the Authority

If the preferred option is not approved, the Authority will be unable to progress its procurement exercise and will not be in a position to award the contract in June causing delay to the Coast Road programme, and consequential impact on the Highway Network, specifically the elongated conflict with the Highways England Scheme at Silverlink and the other local growth fund schemes. Additionally there is the potential to impact on the spend profile agreed with the LEP.

## **1.8 Appendices:**

None

## **1.9 Contact officers:**

Phil Scott, Head of Environment, Housing and Leisure (0191) 6437295

Colin MacDonald, Senior Manager Technical and Regulatory Services (0191) 6432195

Richard Carmichael, Business Director, Capita, Tel (07703) 470808

Alison Campbell, Senior Business Partner, Finance, Tel (0191) 643 7038

Sarah Heslop, Legal Services, Tel: (0191) 643 5456

Phil McConnell, Head of Governance and Procurement, Engie, Tel (0191) 643 4304

Judith Robson, Procurement and Contracts Officer, Engie, Tel (0191) 643 5660

## **1.10 Background information:**

The following background papers/information and have been used in the compilation of this report and are available at the office of the author:

- North East Leadership Board 14 July 2015 – Item 7 Coast Road A1058 – Scheme Approval <http://www.northeastca.gov.uk/committee-meetings/north-east-leadership-board-background-information-papers>
- A1058 Full Business Case – LEP Submission document

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The Norham Road Bridge works form part of the A1058 Coast Road local major transport scheme. The Authority has allocated a local contribution of £0.681m towards the scheme. The balance of scheme costs, up to the total of £7.204m, is funded from Local Growth Fund grant funding.

### **2.2 Legal**

Given the value of the services, the procurement exercise will be undertaken in compliance with the Public Contract Regulations 2015 and the Authority's Contract Standing Orders. Whilst the estimated contract value does not exceed EU Procurement thresholds a tender exercise will be undertaken to ensure that a contractor is appointed following an open and transparent process.

Any successful provider shall enter into a contract with the Authority on terms agreed by the Head of Law and Governance. Contracts shall be awarded to the most economically advantageous tenderer.

### **2.3 Consultation/community engagement**

A comprehensive communications and engagement framework has been developed to ensure the public is informed of the scheme and able to take steps to mitigate disruption to their journeys.

This has been supported by a community impact assessment to identify key stakeholders and a timeline of communications activity.

An e-bulletin, which has more than 1,000 subscribers, provides fortnightly updates on the scheme progress. In addition there have been two letterdrops to around 31,000 properties to date plus a further letterdrop to properties adjacent to the Beach Road site compound. Other communications methods have included council website and social media updates, residents' magazine stories and news releases.

The creation of a single point of contact, via a dedicated email address and phone number, has ensured that queries from the public are responded to in a timely manner.

### **2.4 Human rights**

There are no human rights implications directly arising from this report.

## 2.5 Equalities and diversity

The tender documents stipulate that the Provider will not unlawfully discriminate in relation to race, gender, religion, disability and sexual orientation for both employees and service users alike. The contract also stipulates that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities under the 2010 Equality Act including promoting equality of opportunity and preventing discrimination.

## 2.6 Risk management

Undertaking this procurement exercise will enable appointment of a contractor under the NEC3 form of contract. Risk apportionment and mitigation forms part of the contractual documentation that will be administered by the NEC Project Manager for the scheme.

## 2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

## 2.8 Environment and sustainability

There are no environment and sustainability implications directly arising from this report.

As part of the Business Case Submission to the NELEP an Environmental appraisal was undertaken and there are no significant adverse environmental impacts identified.

## PART 3 - SIGN OFF

- Deputy Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy