

## Report to Chief Officer, Highways and Transportation

**Date: 10<sup>th</sup> April 2018**

**Subject: Request to waiver of Contract Procedure Rule 15.2 to reduce the price element of the evaluation for the LPTIP Delivery Partnership Contract.**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):All	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

- On the 21<sup>st</sup> April 2017 the Department for Transport (DfT) approved the funding of £173.5m for the Leeds Public Transport Programme (LPTIP). This programme is a crucial element of the Council's transport strategy, providing investment and delivering transport improvements in the short term as we move forward with our long term transport strategy. The programme comprises of a package of public transport improvements that, taken together, will deliver a major step change in the quality and effectiveness of our transport network. Headline proposals include:
  - A new Leeds High Frequency Bus Network – over 90% of core bus services will run every 10 minutes between 7am and 8pm.
  - Additional investment of £71m by First group to provide 284 brand new, comfortable, and environmentally clean buses with free wi-fi and contact-less payments which will achieve close to a 90% reduction in NOx emissions by 2020.
  - Development of three new rail stations for key development and economic hubs serving Leeds Bradford Airport, Thorpe Park and White Rose.
  - 2000 additional park and ride spaces.
  - A 1000 more bus stops with real time information.
  - Making three more rail stations accessible at Cross Gates, Morley and Horsforth.
  - Creating 21st Century interchanges around Vicar Lane, the Headrow and Infirmary Street and improved facilities in our district centres.
- The Council's Highways and Transportation service will lead delivery of the

following packages;

- Bus Priority Corridors
- Bus Park and Ride
- City Centre gateways

3. Executive Board on the 21<sup>st</sup> June 2017 approved the expenditure of £15.31m from the £173.5m Government Funding to progress LPTIP, and noted that the Chief Officer Highways and Transportation is responsible for the programme delivery.
4. The delivery of the LPTIP projects poses many challenges to deliver not least the performance of the Contractor to successfully deliver the works in very constraint timescales whilst also supporting the overall delivery of the project. It is for these reasons that it is important that the most suitable contractor is selected.
5. The tenderers on the YORCivils2 framework contract have previously had their financial submission evaluated and shown to provide best value and the framework agreement doesn't permit them to increase their fees or prices.

### **Recommendations**

6. The Chief Officer Highways and Transportation, is requested to:
  - i. Approve the waiver of Contract Procedure Rule 15.2 and reduce the price element of the evaluation of the LPTIP Delivery Partnership Contract to 30%.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to waive Contract Procedure Rule (CPRs) 15.2 and reduce the price element of the evaluation of the LPTIP Delivery Partnership Contract to 30%.

## **2 Background information**

- 2.1 Leeds is a growing and successful city. In the city centre there has been extensive development in recent years, reinforcing the city's position as a major retail and office location. In addition, outside of the city centre, key economic centres such as Thorpe Park, Leeds Bradford Airport and White Rose Centre continue to expand. The growth of Leeds' economy is crucial to helping achieve better economic outcomes across the region and the North.
- 2.2 Alongside the planned housing growth that is required in future years, it means significant investment in the transport system is needed in the short, medium and long term to support the level of growth anticipated. Our vision is for Leeds to be a compassionate, caring city with a transport system that helps all our residents benefit from the city's economic growth.
- 2.3 Accordingly, the development of the emerging Leeds Transport Strategy was built from the overarching themes as presented in the Leeds Transport Vision reported to Executive Board in October 2015. This programme will allow an early start to deliver transport improvements in Leeds.
- 2.4 Getting our transport system right is a critical element of achieving the Council's Best City ambition. Our headline aims are for a transport system to support a city which is:-
- Prosperous
  - Healthy
  - Liveable

Accordingly in December 2016 Executive Board agreed the submission of an Outline Strategic Case for the Leeds Public Transport Investment Programme to DfT for £173.5m for public transport. With anticipated local and private sector contributions the total investment package is worth c.£270m. At present the total public funding confirmed comprises the contributions from DfT (£173.5m), LCC (£8.8m) and WYCA (£0.97m) totalling £183.3m.

- 2.5 The Outline Strategic Case proposed a package of public transport improvements that, taken together, will deliver a major step change in the quality and effectiveness of our transport network. Headline proposals, include:
- A new Leeds High Frequency Bus Network – over 90% of core bus services will run every 10 minutes between 7am and 8pm.
  - Development of three new rail stations for key development and economic hubs serving Leeds Bradford Airport, Thorpe Park and White Rose.

- 2,000 additional park and ride spaces.
- 1,000 more bus stops with real time information.
- Making three more rail stations accessible at Cross Gates, Morley and Horsforth.
- Creating 21<sup>st</sup> Century interchanges around Vicar Lane, the Headrow and Infirmary Street and improved facilities in our district centres.
- Providing improved connectivity across areas, for example between communities along the outer ring road.

2.6 In addition investment by bus companies to provide new, comfortable, and more environmentally clean buses with free wi-fi and contact-less payments which will achieve close to a 90% reduction in NOx emissions by 2020.

2.7 As a consequence of these measures, we aim to:

- Move on the trajectory towards doubling bus patronage from 2016 levels in 10 years.
- Significantly improve air quality and reduce carbon emissions.
- Support economic growth and job creation
- Reduce congestion.
- Work towards all stations in Leeds being accessible.

2.8 This package supports our overarching objectives:

- **Prosperous Leeds** – more people using a modern and attractive bus service and greater access to the rail network will enable the city to better accommodate growth. Improving the city centre environment will help attract new businesses and improve the city's readiness for future opportunities such as HS2 and the European Capital of Culture.
- **Liveable Leeds** – the improvements to the city centre and district centres will make them more people friendly. People will have access to a wider labour market. The significant programme of projects will support new opportunities for skills development and new and better local jobs. People of all abilities will have more opportunities to connect to the rail network.
- **Healthy Leeds** – people friendly streets encourage more walking and cycling whilst improvements to our bus fleet and more people travelling by public transport will improve air quality and reduce carbon emissions.

2.9 These proposals will build on recent successes such as the Park and Ride site at Elland Road, the opening of Leeds Southern Station Entrance and Kirkstall Forge Railway Station, quality bus corridors and significant junction improvements. More is planned over the coming years through the West Yorkshire Transport Fund programme, including the recent opening of the new Temple Green Park and Ride site.

2.10 The interventions proposed have been informed by the outcomes of the Leeds Transport Conversation.

- 2.11 Our ambition remains to have a transport system that can move large numbers of people through the city. We will be reviewing the options for mass-transit solutions – be that light rail, tram-train or tram. However, developing and implementing such an option will take a number of years. As transport improvements are needed now the recommendation is for a Leeds Public Transport Investment Programme that will help deliver the proposals in paragraph 4 in the shorter term. This programme consists of transforming the bus network, developing new and existing rail stations and world class city centre gateways and high quality transport hubs across the District.
- 2.12 The schemes to be included within the Leeds Public Transport Investment Programme has been selected to deliver the following aspirations:
- Support economic growth by unlocking transport constraints in key growth areas and across the city.
  - Align with the emerging Leeds Transport Strategy, West Yorkshire Transport and Bus Strategies, as well as the national/pan northern growth strategies including HS2 and Northern Powerhouse Rail.
  - Improve health outcomes especially air quality by reducing transport emissions and making a significant contribution towards compliance with DEFRA's legal requirement of the city.
  - Complement the existing schemes being delivered through the WYTF such as Leeds City Centre Package and the Corridor Improvement Programme.
  - Reflect the key messages from the Transport Conversation in terms of improving public transport operation and quality.
  - Are deliverable within the short to medium term (DfT completion date 2021) taking into consideration land requirements and public acceptability
  - To leverage match funding from the private sector, both public transport providers and developments / businesses who will benefit from the public investment.
  - Cognisance of and adaptability for the delivery of the longer term strategy.
- 2.13 One of the key constraints of the £173.5m funding from Government is that the monies have to be spent on schemes that will be substantially complete by the end of the 2020/21 financial year.

### **3 Main issues**

#### **3.1 Reason for contracts procedure rules waiver**

- 3.1.1 The delivery of the LPTIP projects poses many challenges to deliver not least the performance of the Contractor to successfully deliver the works in very constraint timescales whilst also supporting the overall delivery of the project and maintaining and building upon strong public support for the programme. It is for these reasons that it is important that the most suitable contractor is selected.
- 3.1.2 Increasing the Quality weighting of the tender evaluation from 60% to 70% and reducing the Price weighting from 40% to 30% will improve the chances of the most suitable contractor to be selected as the preferred tenderer. It will also deliver the

message to all the tenderers that having the appropriate level and quality of resources to successfully deliver the project is most important to the council.

- 3.1.3 The tenderers on the YORCivils2 framework contract have previously had their financial submission evaluated and shown to provide best value and the framework agreement doesn't permit them to increase their fees or prices.

### **3.2 Consequences if the proposed action is not approved**

- 3.2.1 The contractor best suited to deliver the project is not selected.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

Consultation has taken place with officers in Highways & Transportation.

### **4.2 Equality and diversity/cohesion and integration**

- 4.2.1 An Equality, Diversity Cohesion and Integration Screening (EDCI) was undertaken and attached to the report presented to Executive Board at the December 2016 meeting. The screening highlighted that the proposed predominately public transport based bus programme has the potential for a positive impact on all equality characteristics. The interim conversation feedback, which includes consultation with all equality groups has informed the development of this programme. The Transport Conversation and our dialogue with equality groups will continue as we develop our longer term Leeds Transport Strategy. Individual schemes within this programme will also have their quality impacts assessed when they are taken through the stage approval process, where the appropriate EDCI assessment procedure will be undertaken. As individual schemes are progressed this document will be reviewed and updated as required.

### **4.3 Council policies and best council plan**

- 4.3.1 The anticipated benefits of improvements to the Leeds transport network has the potential to contribute to the vision for Leeds 2030 to be the best city in the UK, and the following best Council objectives; promoting sustainable and inclusive economic growth, supporting communities and tackling poverty, building a child-friendly city and contributes to the Council's cross cutting '*World-class events and a vibrant city centre that all can benefit from*' Breakthrough Project'.
- 4.3.2 The strategy also contributes to the objectives of the Local Development Framework, Leeds Core Strategy, Local Transport Plan 3, emerging WYCA Transport Strategy, and Strategic Economic Plan.

### **4.4 Resources and value for money**

- 4.4.1 The Executive Board approved the funding for the project on dated 21st June 2017 2017, capital scheme nos; 32673, 32771, 32772, 32773, 32774 & 32775

### **4.5 Legal implications, access to information and call-in**

- 4.5.1 The report is a Significant Operational Decision which is not subject to call in.

- 4.5.2 There is no overriding legal obstacle preventing the waiver of CPR 15.2. In making the final decision, the Chief Officer (Highways and Transportation) should be satisfied that the course of action chosen represents best value for money.

#### **4.6 Risk management**

- 4.6.1 The tenderers on the YORCivils2 framework contract have previously had their financial submission evaluated and shown to provide best value and the framework agreement doesn't permit tenderers to increase their fees or prices. Therefore the risk of reducing the price element of the evaluation is considered low.

### **5 Conclusions**

- 5.1 The delivery of the LPTIP project poses many challenges, not least the performance of the Contractor to successfully deliver the works in very constraint timescales whilst also supporting the overall delivery of the project. It is for these reasons that it is important that the most suitable contractor is selected.

### **6 Recommendations**

- 6.1 The Chief Officer Highways and Transportation, is requested to:
- i Approve the waiver of Contract Procedure Rule 15.2 and reduce the price element of the evaluation of the LPTIP Delivery Partnership Contract to 30%.

### **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.