

Report to: Chief Officer Highways and Transportation

Date: 13 August 2018

Subject: Leeds Public Transport Investment Programme – Approval to Award the Delivery Partnership Contracts

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" 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: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. On the 21st April 2017 the DfT approved the funding of £173.5m for the Leeds Public Transport Investment Programme (LPTIP). This funding was offered to Leeds subject to the submission of an acceptable Statement of Case setting out proposals for expenditure to deliver public transport improvements in Leeds. One of the conditions from the DfT is that improvement schemes funded by the £173.5m must be substantially complete by 2020/21.
2. A Development Partner (WSP) has subsequently been appointed to progress the feasibility design options and to develop the outline business cases for the schemes in the Project.
3. On 11 May 2018 the Chief Officer Highways and Transportation gave authority for a tender to be issued for the procurement of two Delivery Partners to develop the detailed designs and construct the works whilst also having a strategic involvement in the Programme.
4. A tender process has been undertaken and this report seeks to gain approval to award the contracts to the two preferred tenderers.

Recommendations

5. The Chief Officer Highways and Transportation is asked to approve the recommendation to award the LPTIP Delivery Partners Contracts to: Contract 1 Bus Corridors and Bus Park and Ride Sites to Bam Nuttall Ltd and Contract 2 City Centre Gateways to John Sisk and Sons (Holdings) Ltd. Work will be issued in phases, however, an estimated total value is Contract 1 £90M and Contract 2 £30M.

1. Purpose of this report

1.1 This report seeks approval to award the Delivery Partner contracts which will enable schemes currently at feasibility stage to be progressed and constructed and the resulting public transport improvements to be delivered by the Dft deadline of 2021.

2. Background information

2.1 On 21st April 2017 the Dft approved the funding of £173.5M for the Leeds Public Transport Investment Programme. This funding is subject to Leeds delivering the proposed public transport improvements by the deadline of 2020/21.

2.2 A Development Partner (WSP) was appointed on 14 August 2017 to develop the feasibility design options and progress to outline business case.

2.3 A tender to procure Delivery Partners was issued to companies on the Yorcvils Framework and tenders were duly returned on 30th May 2018.

2.4 Work will be issued in Stages using the schedule of rates submitted with the tender and by Target Prices to be agreed as projects are further developed.

3. Main issues

3.1 Seven companies were invited to tender and all seven returned compliant bids.

3.2 The quality submissions were assessed by a panel of Highways and Transportation officers and this was chaired by the Civil Engineering Manager (Major Schemes and Procurement).

3.3 The consensus quality scores of the tenderers were inserted into the model and the weighting specified in the tender documentation was duly applied. The tender was based on a split of 70/30 Quality/Price.

3.4 The Quality weighting of the tender evaluation was increased from the usual 60% to 70% and the Price weighting reduced from 40% to 30% to maximise the most advantageous selection criteria. A waiver of Contract Procedures Rules was granted on 11th April 2018 to permit this ratio.

3.5 The maximum Initial Quality Score following the application of the weighting was 10. The following initial weighted scores for quality were obtained:

Tenderer	Total Weighted Initial Quality Score Contract 1	Total Weighted Initial Quality Score Contract 2
A	6.8	6.8
B	7.4	7.3

C	6.75	
D	5.75	5.75
E	6.95	6.95
F	7.1	7.15
G	6.55	

3.6 Tenderers C and G declined to tender for Contract 2.

3.7 The Information for Tenderers Part C Tender Assessment Clause C4.1 (b) stated “that any tenderer that had an Initial Total Quality Score of less than 7 (after applying the criteria weightings but before adjustment pro rata to a highest score of 100) will have its quality submission rejected and will be disqualified from further consideration”. Tenderers A, C, D, E and G were therefore rejected and their financial submissions were consequently not assessed.

3.8 Tenderers B and F had their financial submissions assessed and following the application of the agreed ratio of 70% Quality and 30% Price the following final weighted results were obtained.

Contract 1

Tenderer	Quality Score 70%	Financial Score 30%	Combined Score (70% Quality 30% Price)
B	70.0	26.94	96.94
F	67.16	24.19	91.35

Contract 2

Tenderer	Quality Score 70%	Financial Score 30%	Combined Score (70% Quality 30% Price)
B	70.0	26.94	96.94
F	68.56	25.02	93.58

3.9 Tenderer B scored highest on both contracts and therefore in accordance with Clause C1.4 of the Information for Tenderers, is allowed to select its preferred Contract as indicated on the Contract Preference Form received as part of the tender submission.

3.10 Tenderer B’s preference was for Contract 1 and therefore as only one tenderer then remains, Tenderer F will be the preferred bidder for Contract 2.

3.11 Tenderer B is Bam Nuttall Ltd and Tenderer F is John Sisk and Sons (Holdings) Ltd

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 Consultation is ongoing as part of the Leeds Transport Conversation including meetings with Area Committees and Ward Members.

4.1.2 Engagement with local communities is also ongoing and will be an integral part of the Delivery Partner contracts.

4.2 Equality and diversity / cohesion and integration

4.2.1 An Equality, Diversity Cohesion and Integration Screening (EDCI) was undertaken for the Executive Board report in December 2016 on the Transport Conversation. 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 using the LPTIP funding to create improvements to the Leeds transport network has the potential to contribute to the Vision for Leeds 2030 to be Best City in the UK and will also contribute to the Council's objectives of promoting sustainable and inclusive economic growth, supporting communities and tackling poverty and building a child-friendly city.

4.4 Resources and value for money

4.4.1 The contracts represent good value for money as by using the Yorcivils Framework the seven tenderers have previously had their financial submissions evaluated and they were shown to provide best value. The Yorcivils Framework Agreement does not allow them to subsequently increase their fees or prices for subsequent call off tenders.

4.4.2 A tender exercise involving seven major contractors has ensured competitive tender submissions were received.

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

4.5.1 There are no specific legal implications arising for this report. All activities relating to this procurement are being executed in accordance with the Public Contracts Regulations 2015 and the LCC Contract Procedure Rules. The Key Decision was published 16 April 2018 and was therefore subject to call-in.

4.6 Risk management

4.6.1 Robust governance is in place with the Project Manager reporting into a Project Board which in turn reports into a Programme Board which ensures appropriate risk management procedures are maintained.

- 4.6.2 Due Diligence Reports have been prepared on the preferred bidders and they have not raised any immediate concerns.
- 4.6.3 The contract allows for Insolvency Bonds to be provided by the Contractors as and when deemed necessary.
- 4.6.4 The Contract will be a three stage award. If a target cost and programme for an individual scheme is not agreed for either stage or the Employer believes the Contractor is unlikely to deliver all the schemes within the project overall timescales, the Council retains the right to deliver the scheme through an alternative procurement route.
- 4.6.5 Letting the contract to two partners ensures that should any future problem result with either of the partners, LCC has a remaining partner to instruct works through.

5. Conclusions

- 5.1 The preferred Partners have been procured through a rigorous tender exercise and are considered to be suitably competent companies for LCC to enter into contract with and help deliver the LPTIP programme of works by the deadline of 2021.

6. Recommendations

6.1 The Chief Officer Highways and Transportation is asked to approve the recommendation to award the LPTIP Delivery Partners Contracts to: Contract 1 Bus Corridors and Bus Park and Ride Sites to Bam Nuttall Ltd and Contract 2 City Centre Gateways to John Sisk and Sons (Holdings) Ltd. Work will be issued in phases, however, an estimated total value is Contract 1 £90M and Contract 2 £30M.

7. Background documents¹

- 7.1 None

¹ 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.