

Procurement Strategy

Project title: Leeds (River Aire) Flood Alleviation Scheme – Upstream of City Centre

Project reference: 32500 / 000 / 000

Directorate or service: City Development

Project sponsor: Martin Farrington

Parent programme:

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Summary of Main Issues:

During the last two months of 2015 northern Britain received some of the highest recorded rainfall on record, culminating with Storm Eva which, during the Christmas period, led to major urban and rural flooding across Yorkshire, Cumbria and southern Scotland resulting in devastating physical and economic damage.

In the aftermath of this, and following extensive lobbying by the City Council, the government have made monies available to progress a flood alleviation scheme in Leeds, upstream of the current city centre project.

The expectation is that available funds will be used to develop a solution which defines the extent, standard of protection and subsequently engineer suitable solutions to this complex problem at a rapid pace which satisfies intense political pressures and public scrutiny. There is a significant risk that unless momentum is maintained, the funding package for the actual works will be withdrawn.

Reviewing the model utilised for the ongoing city centre flood alleviation scheme and taking into consideration lessons learnt during this, the contents of this report set out the identified options for the procurement strategy of the upstream project.

Background Information

- 1.1 The ongoing River Aire Flood Alleviation Scheme (FAS) is a crucial project for Leeds, which aims to defend the City Centre against the significant physical and economic damage that results from flooding. Since becoming the Lead Local Flood Authority in Autumn 2010, the Council has continued to work with partners to develop proposals, secure external funding, drive down costs and improve the standard of protection offered by the ongoing works.
- 1.2 Recent events triggered by the extended period of rainfall during November and December 2015, culminating with Storm Eva and the Boxing Day floods, has led to the government announcement of monies available to the city through the Environment Agency's (EA) Flood Defence Grant in Aid (FDGiA) to swiftly progress with an investigation into a potential extension of ongoing flood protection measures, upstream of Leeds city centre.
- 1.3 There is significant risk that if the progression of this complex large scale scheme is delayed, difficulties will be encountered in achieving the deadlines and funding could be withdrawn.

2. Overview of Main Issues

- 2.1 A chart showing the model for the ongoing FAS and the organisations involved to date is attached as Appendix A. A key area of success within this includes the involvement of the same single organisation throughout the project which offered specialist resource. However, even if this model was used again, once more it would be dependent on the same organisation being successful on several procurements.

Some of the lessons which have been experienced from this model include that having such a single organisation can sometimes lead to later conflict when innovations are introduced as part of the design and build stage. A further lesson experienced is that the relatively low value Technical Audit and the Cost Management roles undertaken at the Specimen Design stage are services which could be resourced through the EA and the City Council.

- 2.2 Some of the routes to procurement previously used including the EA's NEECA (National Engineering and Environmental Consultancy Agreement) and the City Council's Technical Advisor framework are no longer available. The frameworks which have been identified as providing possible routes to procurements are The Water and Environment Management (WEM), the Homes and Communities Agency (HCA) and YorConsult. Information regarding these is contained within Appendix B.
- 2.3 The alternative models which have been considered for the upstream project are shown within Appendix C and summarised below:
 - 2.3.1 Option 1 replicates the model used for the ongoing scheme, commencing with an initial procurement for Feasibility and Business case work, followed

by several more procurements further along the programme. Some of the identified strengths and weaknesses of this include:

- + identical model to ongoing scheme meaning a familiar approach;
- higher number of procurements than other options;
- more time consuming than some of the other options; &
- no direct relationship with a contractor until latter stages unless Lot 4 of WEM is used.

2.3.2 Option 2 utilises Lot 4 of the WEM framework twice, by combining all of the pre design and build work packages together as a single procurement and then procuring again within the same Lot once a design and build tender has been formulated. With this approach, the aim is to reduce the overall programme and provide the same team throughout, comprising of consultants and contractors, with the team either later taking on the role of technical advisor under a project support role, or continuing as a contractor subject to successfully winning a design and build tender. Some of the identified strengths and weaknesses of this include:

- + low number of procurements;
- + utilises the EA led WEM framework which aims to provide access to the best suppliers in Flood and Coastal Erosion Risk Management;
- + early contractor involvement, at the earliest possible opportunity;
- +/- joint venture between contractor and consultant (contractor led as opposed to consultant led); &
- no independent 'LCC' appointed consultant until latter stages (procurement 3 - *however the relatively low value early technical audit and cost management roles provided by option 1 could be resourced separately by the EA & the City Council*).

2.3.3 Option 3 replicates Option 2 but uses the HCA framework from the beginning as opposed to the WEM framework. By doing so, the number of procurements may be reduced as the design and build tender would be procured through WEM, eliminating the potential for a later conflict of interest. Rather than a contractor led joint venture with a consultant described in Option 2, Option 3 would be led by a consultant with an expectation that a contractor would form part of the team. Some of the additional identified strengths and weaknesses of this include:

- + lowest number of procurements; &
- procurement through HCA as opposed to the EA led WEM framework.

2.3.4 Option 4 replicates Option 3 but uses the YorConsult framework. This offers no additional advantages above Option 3.

2.3.5 Option 5 replicates Options 2, 3 and 4 on the basis of offering a reduced procurement programme, but additionally it procures a design and build package from the outset, with the Technical Advisor role also kept separate and procured either through a different Lot within WEM or through either the

HCA or YorConsult frameworks. However feedback from the EA's procurement team has indicated that this approach would not be supported when the procurement plan is later considered for further FDGiA financial support on the grounds that there are too many unknowns at this stage in order to set a benchmark for any Design & Build costs. For this reason, it is not proposed to evaluate this Option any further.

- 2.4 It is anticipated that all of the above procurement options would be tendered with the highest possible emphasis placed on quality, using NEC (New Engineering Contract) conditions of contract with a target cost and pain/gain share allowance (capped to limit exposure to the City Council). Where work packages are combined, advancement would be subject to good performance and agreement of an acceptable target for that package. For example on Option 2, an award would be made setting a target for the Feasibility and Business Case. Advancement to the Specimen Design package would be subject to the successful approval of the Business Case and also the agreement of a target cost for the Specimen Design, using staff rates submitted from the outset.

3. Conclusions

- 3.1 The success experienced through the model of the ongoing project, replicated by Option 1 is partially reliant on a single organisation being successful in multiple procurements which brings risk and a prolonged programme in comparison to the other options considered. Unless tendered through WEM, the procurement vehicle used may not be supported by the EA. Furthermore, this Option does not provide an Early Contractor Involvement (ECI) relationship with the City Council.
- 3.2 Option 2 would be supported by the EA and it provides the City Council with an ECI arrangement from the outset. However, this would be a contractor led joint venture as opposed to consultant led.
- 3.3 Due to the use of the HCA framework, Option 3 may not be supported by the EA. It would be led by a consultant as opposed to a contractor, although there would be an expectation that a contractor would be engaged by the consultant to provide ECI assistance.
- 3.4 Option 4 does not appear to offer any additional benefits over Option 3. Option 5 has already been somewhat discarded by the EA's procurement team.
- 3.5 If the options considered are not deemed to be satisfactory, a further alternative avenue would be to procure under an Open Tender. However, this would be reliant on a justification that no available framework is appropriate and due to the value of the contract, it would trigger more lengthy lead in times associated with an OJEU (Official Journal for the European Community) notice.

4. Decisions Required

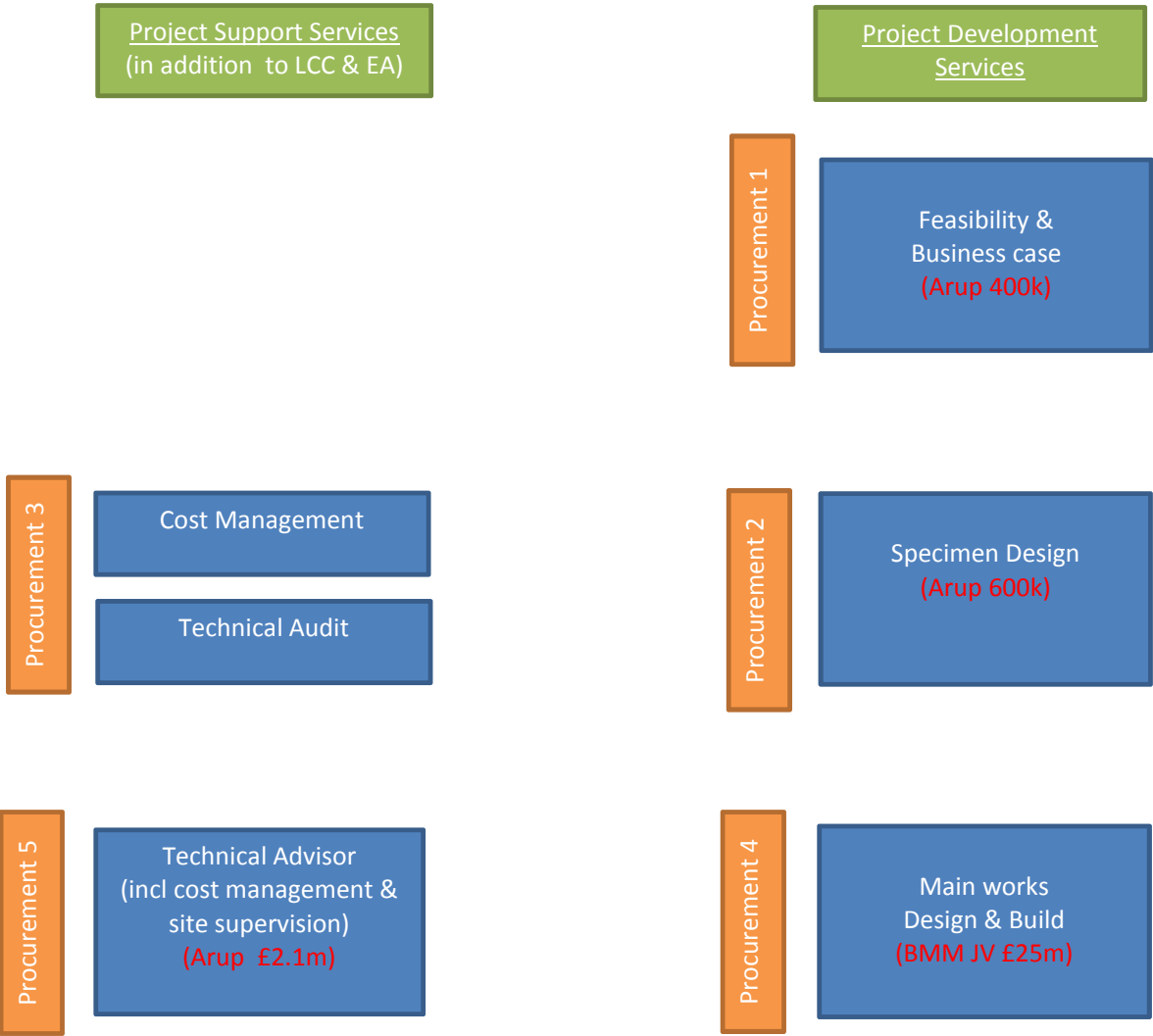
- 4.1 The Project Sponsor is requested to confirm if any of the identified procurement options contained within this report are satisfactory. Subject to this, a Procurement Plan will then be compiled.

5. Appendices

- Appendix A Procurement Model of Ongoing Project
- Appendix B Identified Procurement Avenues (WEM/HCA/YorTender)
- Appendix C Procurement Model Options 1 to 5

Appendix A

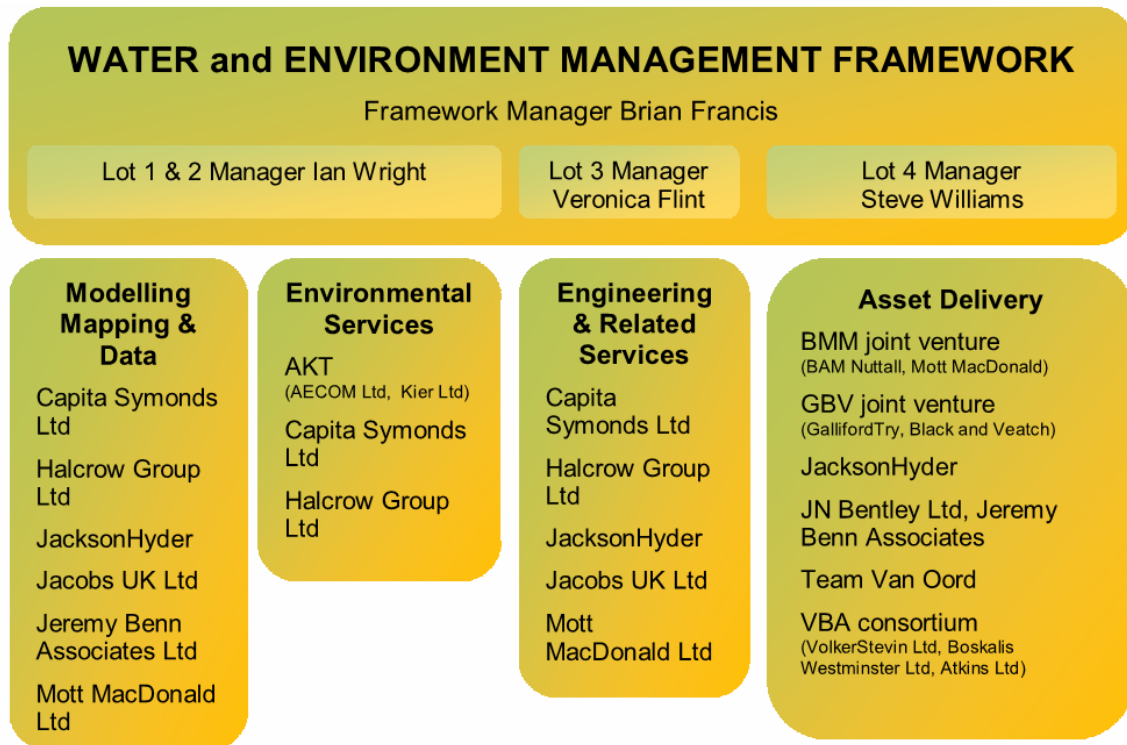
Procurement Model of Ongoing Project



Appendix B

Identified Procurement Routes

WEM



YorConsult

Lot 1 - Civil Engineering Services	Lot 2 - Transportation Services	Lot 3 - Signals & lighting Services	Lot 4 - Multidisciplinary Building Services	Lot 5 - Architectural Services	Lot 6 - Quantity Surveying Services	Lot 7 - Structural Engineering Services
Amey O W Ltd	Amey O W Ltd	Amey O W Ltd	Aedas Architects Ltd	Capita Symonds Ltd	Aecom Ltd	Alan Wood Partnership Ltd
Atkins Ltd	Capita Symonds Ltd	Atkins Ltd	Atkins Ltd	Langtry-Langton Architects	Capita Symonds Ltd	Mason Clark Associated Ltd
Capita Symonds Ltd	Grontmij Ltd	Capita Symonds Ltd	Capita Symonds Ltd	NPS Property Consultants Ltd	FaithFul & Gould Ltd	Mott Mcdonald Ltd
Grontmij Ltd	Local Transport Projects Ltd	Pell Frishmann Consultants Ltd	Mason Clark Associates Ltd	Salt Architects Ltd	Mott Mcdonald Ltd	Water Transport & Development Ltd
Mason Clark Associates Ltd	Pell Frishmann Consultants Ltd		Mott Mcdonald Ltd	Michael Self Partnership Ltd	RPP Ltd	William Saunders Partnership LLP
Pell Frishmann Consultants Ltd			NPS Property Consultants Ltd	W R Dunn & Co Ltd	WT Partnership Ltd	

Lot 8 - Mechanical Engineering Services	Lot 9 - Electrical Engineering Services	Lot 10 - Landscape Architecture Services	Lot 11 - Building Surveying Services	Lot 12 - CDM Co-ordinator Services	Lot 13 - Project Management, Contract Admin & Site Supervision Services	Lot 14 - Clerk of Work Services
Atkins Ltd	Atkins Ltd	Atkins Ltd	Aedas Architects Ltd	Atkins Ltd	Aecom Ltd	Hickton Consultants Ltd
Capita Symonds Ltd	Capita Symonds Ltd	Capita Symonds Ltd	Capita Symonds Ltd	Capita Symonds Ltd	Atkins Ltd	NPS Property Consultants Ltd
Leeds Environmental Design Associates Ltd	Halcrow Group Ltd	Gillespies LLP	LHL Group Ltd	DKP Consulting Ltd	Capita Symonds Ltd	Ross Quality Control Ltd
Mott Mcdonald Ltd	Leeds Environmental Design Associates Ltd	Gronmij Ltd	Mason Clark Associates Ltd	Halcrow Group Ltd	LHL Group Ltd	
NPS Property Consultants Ltd	Mott Mcdonald Ltd	NPS Property Consultants Ltd	NPS Property Consultants Ltd	Mason Clark Associates Ltd	Mott Mcdonald Ltd	
		The Environmental Partnership LLP	W R Dunn & Co Ltd	Mott Mcdonald Ltd	NPS Property Consultants Ltd	
		W R Dunn & Co Ltd		NPS Property Consultants Ltd	RPP Ltd	
				Opus International Consultants (UK) Ltd	Rider Levett Bucknall UK Ltd	
				Rider Levett Bucknall UK Ltd	Turner & Townsend Project Management	
				Turner & Townsend Project Management	WYG Management Services Ltd	

Lot 15 - Specialist Energy Assessment Services	Lot 16 - Renewable Energies Services	Lot 17 - Asbestos Survey Services	Lot 18 - Environmental Services	Lot 19 - Estates Professional Services	Lot 20 - LA Forward Planning Services & Development Management Services	Lot 21 - Coastal Services
Aecom Ltd	Aecom Ltd	LHL Group Ltd	Aecom Ltd	Capita Symonds Ltd	Aecom Ltd	Capita Symonds Ltd
Capita Symonds Ltd	Halcrow Group Ltd	Merebrook Consulting Ltd	Capita Symonds Ltd	E C Harris LLP	Capita Symonds Ltd	Halcrow Group Ltd
Halcrow Group Ltd	Haskoning UK Ltd	NPS Property Consultants Ltd	Gronmij Ltd	Jacobs Engineering UK Ltd	Halcrow Group Ltd	Haskoning UK Ltd
Ove Arup & Partners Internation Ltd	Jacobs Engineering UK Ltd	Watt Group plc	Halcrow Group Ltd	NPS Property Consultants Ltd	Jacobs Engineering UK Ltd	Jacobs Engineering UK Ltd
S L R Consulting Ltd	Ove Arup & Partners Internation Ltd	WYG Management Services Ltd	Jacobs Engineering UK Ltd	Rider Levett Bucknall UT Ltd	Mott Mcdonald Ltd	Mott Mcdonald Ltd
WYG Management Services Ltd	WYG Management Services Ltd		Jeremy Ben Associates Ltd	Sanderson Weatherall LLP	Ove Arup & Partners Internation Ltd	URS Infrastructure and Environment UK Ltd
			Mott Mcdonald Ltd		URS Infrastructure and Environment UK Ltd	
			Ove Arup & Partners Internation Ltd			
			URS Infrastructure and Environment UK Ltd			
			The Environmental Partnership LLP			

HCA

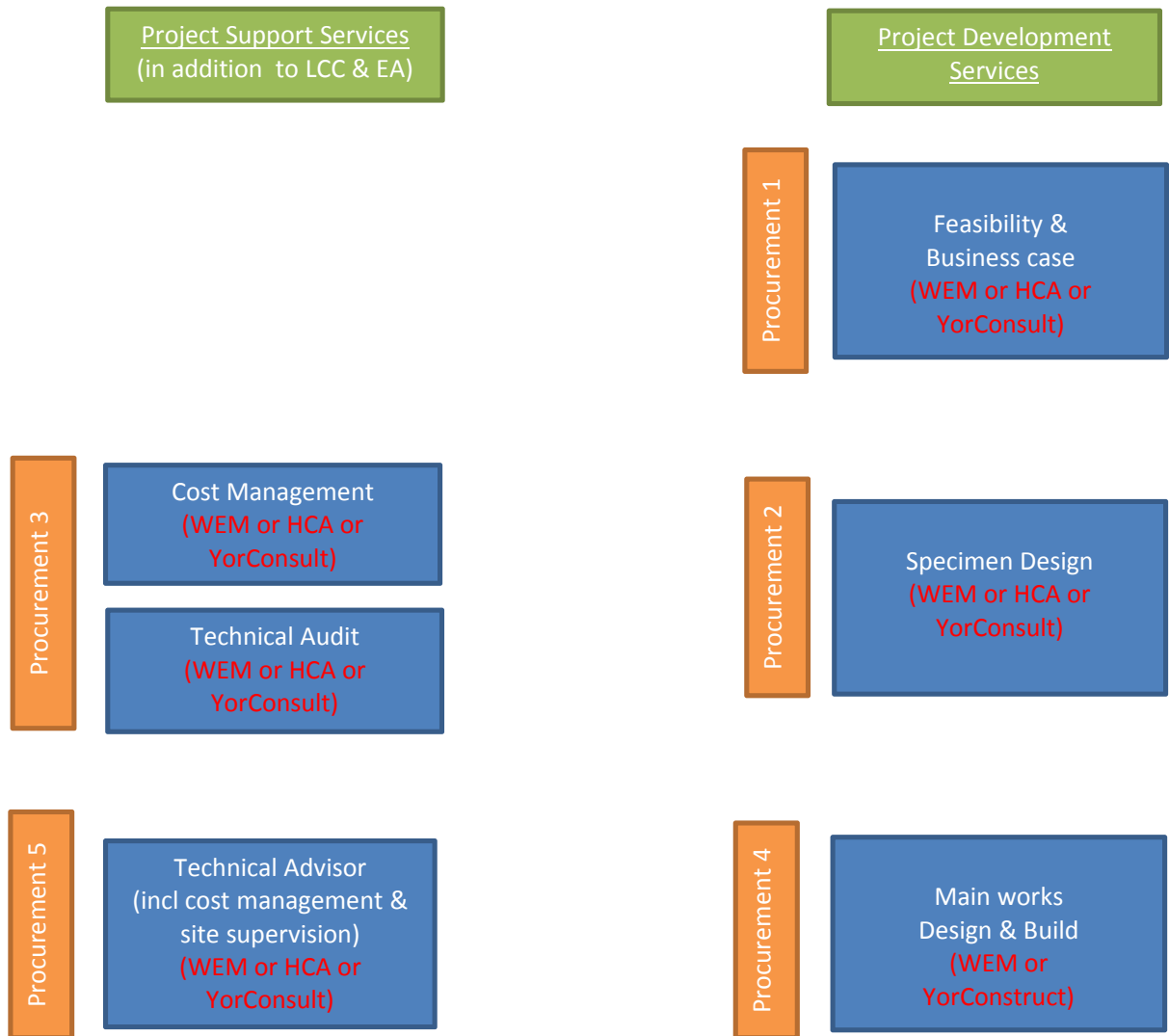
**Multidisciplinary Panel
2014 - 2018**

List of Panel Members

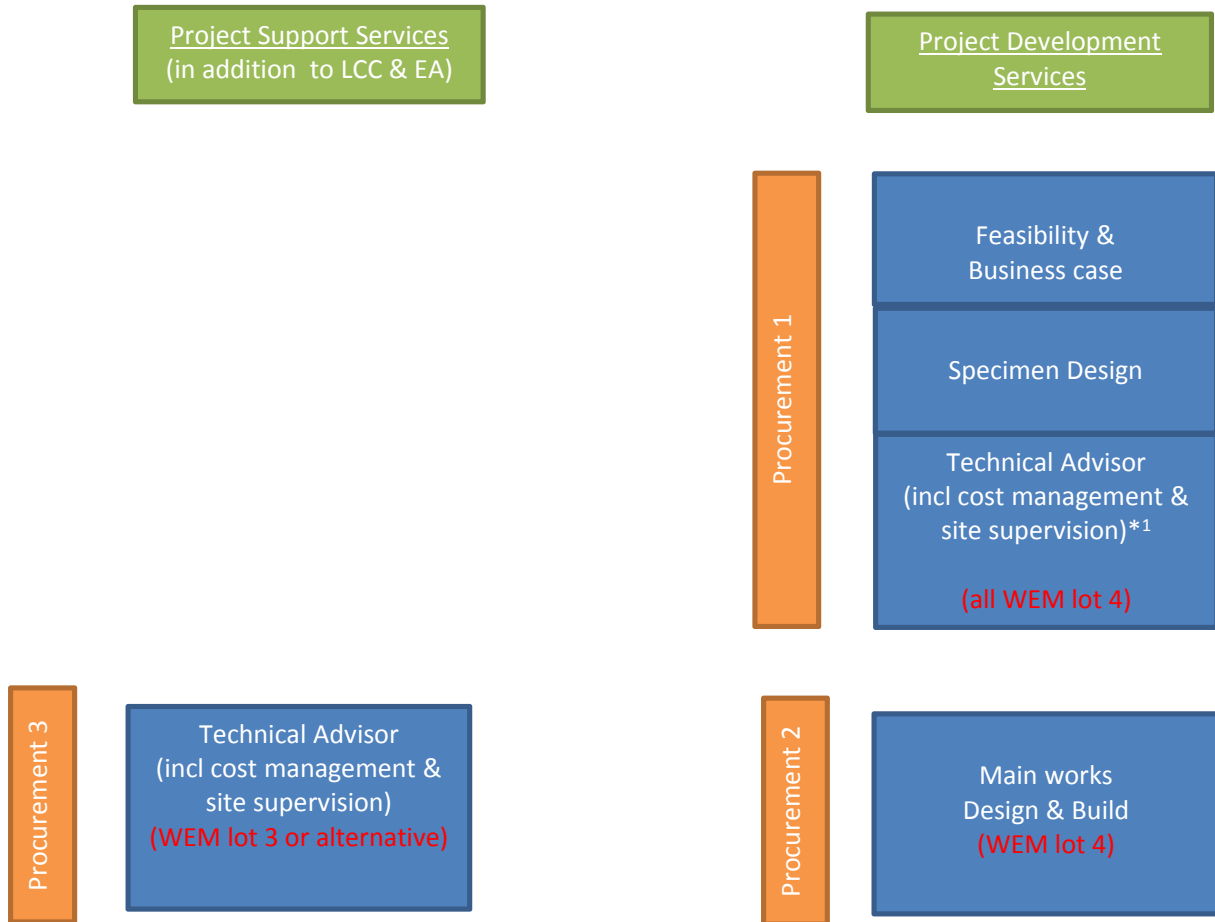
- AECOM Ltd
- Amec Foster Wheeler Environment & Infrastructure UK Limited
- Arcadis Consulting (UK) Limited
- Atkins Limited
- BDP
- CH2M HILL UNITED KINGDOM (CHUK)
- Mott MacDonald Limited
- Mouchel Limited
- NPS Property Consultants Limited
- Ove Arup & Partners International Ltd
- Pell Frischmann Consultants Ltd
- Peter Brett Associates LLP
- Savills (UK) Ltd
- Tibbalds Campbell Reith JV
- WSP UK Limited
- WYG Engineering Limited

Appendix C

Procurement Model Option 1

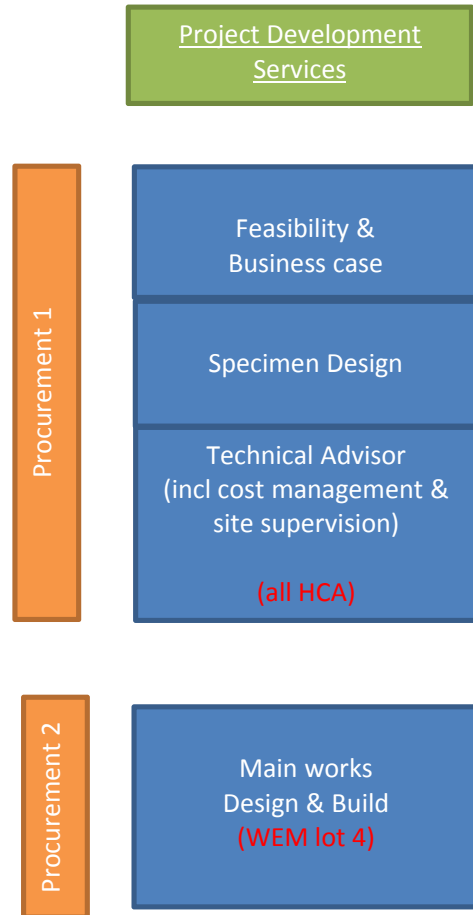


Procurement Model Option 2

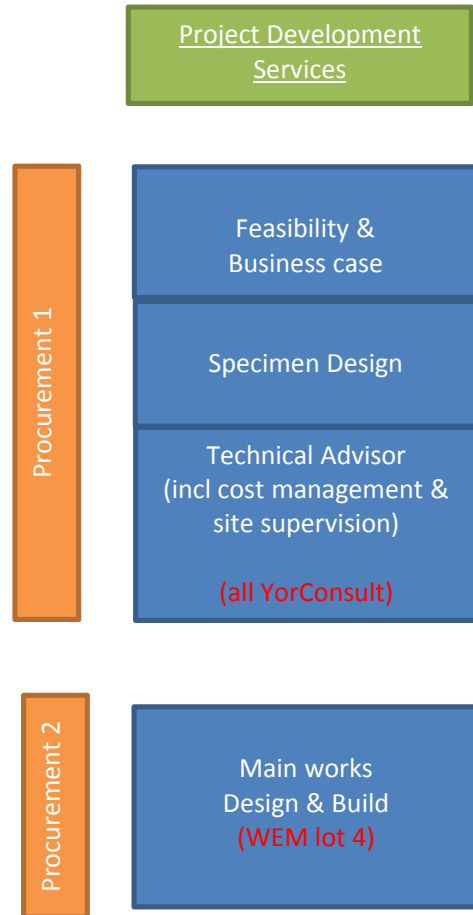


*¹ The advancement of the Technical Advisor role as part of Procurement 1 is dependant on a different organisation being successful in Procurement part 2. Otherwise, procurement part 3 would proceed so that appropriate independence is maintained.

Procurement Model Option 3



Procurement Model Option 4



Procurement Model Option 5

