

**Report of Civil Engineering Manager – Flood Programme**

**Report to Director of City Development**

**Date: 17 July 2019**

**Subject: Technical Advisor Services LFAS2 Tender Appraisal Report**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Hunslet & Riverside, Little London & Woodhouse, Kirkstall, Armley, Bramley & Stanningley, Horsforth, Calverley & Farsley	
Has consultation been carried out?	<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
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

**Summary**

**1. Main issues**

- Following approval of the procurement strategy for the second phase of the Leeds Flood Alleviation scheme (LFAS2), a tender exercise using the West Yorkshire Combined Authority (WYCA) Specialist Professional Services Dynamic Purchasing System (DPS) has been undertaken to appoint a technical advisor to support the City Council during detailed design and construction of the scheme.
- A full evaluation of the four tender returns has been undertaken and is summarised within this report. Aecom Ltd achieved the highest combined score and are therefore the preferred bidder.
- The construction contract for the LFAS2 works has now been awarded and as such technical support services are now required. The tender return is £1.9M.
- On 13 February 2019, subject to the affordability of tendered prices, the Executive Board delegated the authority to spend for LFAS2 to the Director of City Development in consultation with the Executive Member and the Leader of the Council.
- The Director of City Development is requested to approve the recommendation to award the Technical Advisor Services contract for Leeds (River Aire) Flood Alleviation Scheme Phase 2 to Aecom Ltd.

## **2. Best Council Plan Implications**

- The Best Council Plan 2019/20 – 2020/21 outlines how Leeds City will achieve its ambition to become the Best City in the UK and Leeds City Council the best local authority. In line with the Council's Best Council Plan, the LFAS2 will make communities more resilient, support the further growth and regeneration of the Leeds economy, and protect key transportation infrastructure and the high quality public services it supports.

## **3. Resource Implications**

- This report seeks approval to award the Technical Advisor Services contract for LFAS2 which will provide the necessary resources to successfully supervise and support the delivery of the design and build contract. Without the appointment of a Technical Advisor, the current LFAS2 team does not have the resource or capability to provide the required services.

## **Recommendations**

The Director of City Development is requested to:

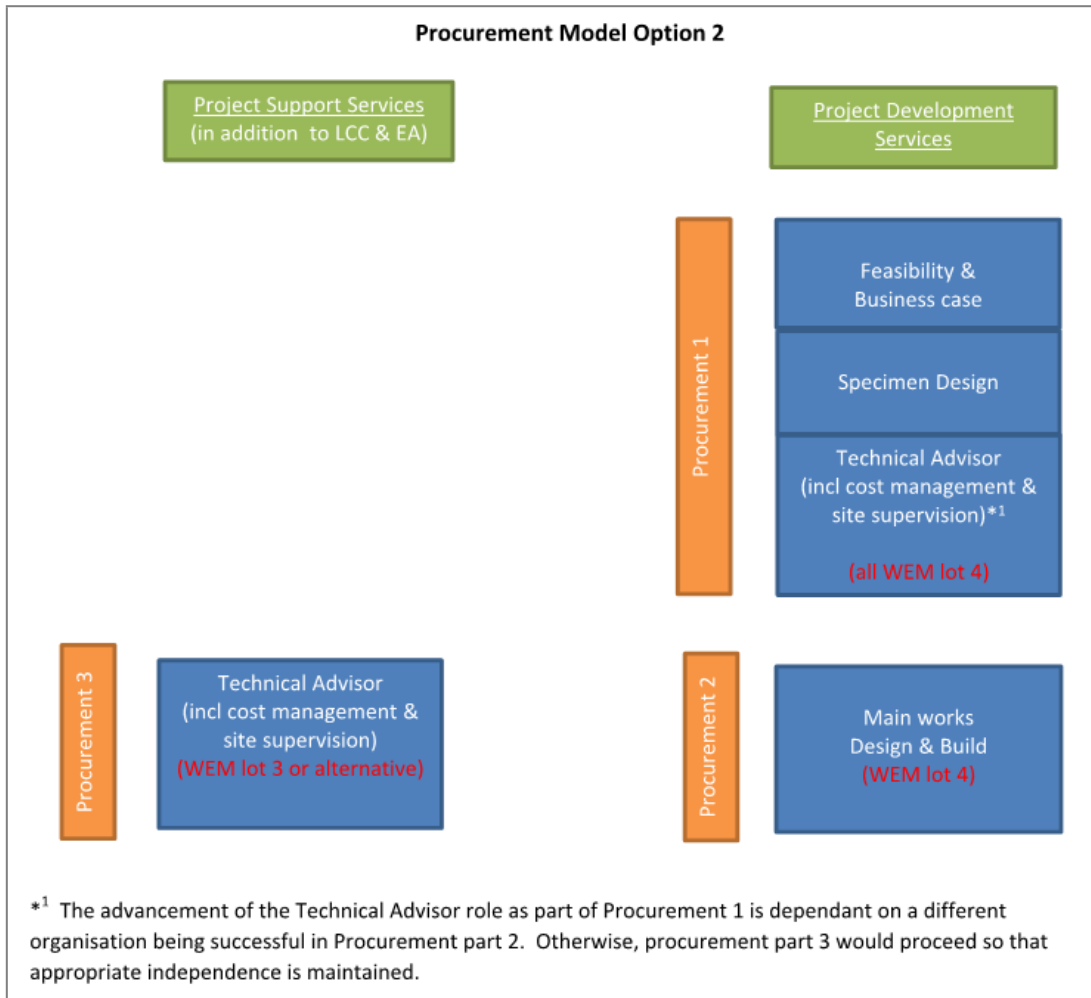
- i) approve the recommendation to award the Technical Advisor Services contract for Leeds (River Aire) Flood Alleviation Scheme Phase 2 to Aecom Ltd.

## 1. Purpose of this report

- 1.1 This report seeks approval to award Technical Advisor Services contract for LFAS2 to Aecom Ltd.

## 2. Background information

- 2.1 The procurement strategy for LFAS2 was approved by the Programme Board in April 2016. A summary of the procurements included are shown in Figure 1 below.



**Figure 1 - Procurement Strategy LFAS2**

Procurement 1 for feasibility and preliminary design was successfully tendered in 2016 and is now complete.

Following planning approval for Step 1 of LFAS2 and authority to spend £75.981m in respect of the Flood Alleviation Works Programme, Procurement 2 for the main works design and build contract has now been awarded (June 2019).

Approval to tender Technical Advisor Services (Procurement 3) to support the design and construction contract, was obtained from Highways & Transportation Board in February 2019 where the use of the WYCA Specialist Professional Services DPS was endorsed.

- 2.2 Tenders were issued for the Technical Advisor contract on 8 April 2019.

Advanced notice of this was provided in February 2019 to organisations within Lots 1 (Environmental & Ecology), 6 (Project Management) and 9 (Technical Support) of the WYCA Specialist Professional Services DPS. Of these organisations, nine accepted the invitation to tender. These are listed below:

- Aecom Ltd
- Arup
- Atkins Ltd
- BWB Consulting
- Jacobs UK Ltd
- Mason Clark Associates
- Royal Haskoning
- Systra Ltd
- WSP UK Ltd

2.3 The form of contract used for this tender is the New Engineering Contract 3 (NEC3) Professional Services Contract using Main Option E; Cost Reimbursable Contract.

2.4 Tenderers were requested to provide a response to the quality and price information identified in the tender documents.

If a tenderer scored less than 4 for any quality question this would render their financial submission inadmissible and would subsequently lead to them being excluded from further consideration.

The quality scores were then totalled and weighted for all tenderers that scored 4 or more for each question. The highest scoring tenderer was then awarded 100% with the remaining tenderers' scores adjusted pro-rata. There was a minimum overall quality score threshold of 70% i.e. any Tenderer who was awarded a pro-rata score of less than 70% had their financial tender rendered inadmissible and was excluded from further consideration.

All tenders that complied with the quality threshold requirements as stated above were then financially assessed. Tenderers were asked to provide rates for individual roles based and an assessment was undertaken based on the hours estimated to deliver the services required for the duration of the contract.

The Tenderers financial submission were then scored with the lowest tenderer being awarded 100% of the marks with all others scored pro-rata.

The quality and financial scores were then weighted 60% Quality and 40% Price before being combined.

### **3. Main issues**

#### **3.1 Tender Returns:**

3.1.1 Of the nine organisations that accepted the invitation to tender, four bids were returned on 8 May 2019, all of which were compliant.

3.1.2 During the tender period one tender amendment was issued to correct a typing mistake.

A small number of tender queries were submitted during the tender period, all of which required only straightforward clarifications.

3.1.3 A brief summary of the quality and cost elements of each submission is outlined in the confidential appendix.

### 3.2 Conclusions:

3.2.1 All of the tender submissions met the quality criteria set out in the contract documents. An arithmetical check has been undertaken on all of the responses and no errors were found.

3.2.2 The preferred bidder is Aecom Ltd who ranked first following the combined Quality and Financial assessments.

3.2.3 The award of the contract is at the value of £1.9m. This is based on the rates provided within the financial submission and the estimated hours required for each role.

## 4. **Corporate considerations**

### 4.1 **Consultation and engagement**

4.1.1 The Director of City Development has consulted with the Executive Member for Environment and Active Lifestyles and the Leader who are in agreement of the recommendation to award the Technical Advisor Services contract for LFAS2 to Aecom Ltd.

4.1.2 In relation to the contents of this report, this tender exercise and evaluation has been undertaken with support from colleagues in Procurement.

4.1.3 The February 2019 Executive Board outlines the consultation and engagement undertaken to date on the scheme in general.

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

4.2.1 Equality and diversity issues relating to the scheme were addressed in the Executive Board report approved February 2019.

### 4.3 **Council policies and the Best Council Plan**

4.3.1 The Leeds Flood Alleviation Scheme embodies many of the priorities and outcomes sought in the Best Council Plan (BCP) as outlined below:

- i) Good Growth – the scheme will seek to support the sustainable growth of the Leeds economy through safeguarding jobs in the area protected by flood defences. The progression of measures to reduce flood risk with regard to opportunities presented by the South Bank Master Plan (Europe's largest regeneration area with the potential to create 35,000 new jobs and 4000 new homes), HS2, the A65 Kirkstall corridor and its interface with wider existing Network Rail infrastructure will directly support the BCP ambition for a strong economy.
- ii) Resilient Communities – adopting a catchment based approach to flood defence offers a high level of community confidence against future flood events, enhances public citizen and stewardship involvement, and helps with

the moving toward a more holistic solution to a flood defence initiative to vanguard community ownership and their association to local flood protection measures. This will support the BCP outcome for people to be safe and feel safe. It will also directly support the BCP ambition for a more engaged public.

- iii) Transport and Infrastructure; Low Carbon – the scheme seeks to enable the growth of the city whilst protecting its distinctive green character; it will enhance the waterfront areas through new or improved public spaces to support leisure and amenity uses, in keeping with the urban context, sense of place and identity. This will support the BCP outcome for people to live in clean and well cared for places and for people to enjoy greater access to green spaces, leisure and the arts.
- iv) The scheme will better protect road, rail and pedestrian/cycle accessibility to the city centre from the west, safeguarding local multi-modal commuting routes and city regional transport links and through the protection afforded to the South Bank and Leeds Station area, it helps the city become ready for HS2, Northern Powerhouse Rail and the interchange facilities to be provided at the remodelled 'Yorkshire Hub'. This will support the BCP outcome of moving around a well-planned city easily.

#### 4.3.2 Climate Emergency

4.3.3 The LFAS2 has sustainability at its core. The scheme is being delivered to address the issues currently being experienced as a result of climate change by way of slowing flows into the River Aire through one of the largest Natural Flood Management (NFM) programmes in the country. This programme includes up to 2 million new trees being planted catchment wide as well as other interventions such as building leaky dams and re-meandering the river. The residual defences required are being constructed to maximise flood reduction benefits whilst minimising environmental impact.

4.3.4 The design and build contract for the scheme will include carbon assessments throughout with the aim of reducing carbon output, the use of low carbon concrete, digital construction methods such as 3D modelling to help identify opportunities to reduce CO2 ahead of construction to reduce material consumption and review suitable alternatives, the use of new to market hybrid excavators to reduce fuel usage, local resources and suppliers will be prioritised to reduce emission and furthermore, redundant timber from packaging for example, will be donated to local groups for environmental works such as beehives and insect hotels.

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

4.4.1 This report seeks approval to award the Technical Advisor Services contract for LFAS2 which will provide the necessary resources to successfully supervise and support the delivery of the design and build contract. Without the appointment of a Technical Advisor, the current LFAS2 team does not have the resource or capability to provide the services required.

4.4.2 The payment mechanism of the contract (Option E; cost reimbursable) allows a flexible approach which will enable the appropriate level of resource to be allocated to the project at all times and monitored through monthly cost forecasts.

4.5 The award of the contract is at the value of £1.9m. This is based on the rates provided within the financial submission and the estimated hours required for each role.

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

4.6.1 There are no specific legal implications arising from this report. All activities relating to this procurement are being executed in accordance with the Public Procurement Regulations 2015 and the LCC Contract Procedure Rules.

4.6.2 A 10 day standstill period will be implemented following notification of the award decision to provide unsuccessful bidders the opportunity to challenge the decision.

#### **4.7 Risk management**

4.7.1 There is a risk that if the progression of this procurement is delayed, there will not be sufficient support in place to deliver the main works design and build contract which would subsequently result in significant delays to the scheme and the provision of flood protection for the city.

### **5. Conclusions**

5.1 Planning approval has been granted for Step 1 of the LFAS2 and the design and build contract has now been awarded. It is important that there is sufficient support in place to deliver the main works contract and as such, the technical advisor contract should be awarded at the earliest opportunity.

5.2 Subject to a satisfactory outcome of the pre-contract meeting and following endorsement of the approach set out in this report, standstill letters will be issued to the unsuccessful tenderers. Further to no challenges being received during the 10 day standstill period, the contract will then be awarded.

### **6. Recommendations**

6.1 The Director of City Development is requested to:

- i) approve the recommendation to award the Technical Advisor Services contract for Leeds (River Aire) Flood Alleviation Scheme Phase 2 to Aecom Ltd.

### **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.