

## Approval to Award – East of Otley Relief Road (Stage 1)

Date: 2<sup>nd</sup> August 2021

Report to: Chief Officer (Highways and Transportation)

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- The East of Otley site was first identified as a development opportunity in 1995, and became allocated for mixed uses (residential and employment development) in the adoption of the 2006 Unitary Development Plan. The development site is saved and identified in the adopted Site Allocation Plan (SAP) as contributing to the important role in delivering new homes and jobs for this part of the district. It is the largest single allocation within the Outer North West Housing Market Characteristic Area (HMCA).
- The site presents a significant opportunity to deliver a high quality mixed use and sustainable extension of Otley and in so doing make a major contribution to the delivery of the city's Core Strategy objectives and the Leeds Inclusive Growth Strategy.
- The development of the site requires a new East of Otley Relief Road (EORR) to service the development and for the wider benefit of relieving traffic congestion, improving the environment of Otley town centre and helping to grow the local economy as a whole.
- In November 2020, the Chief Officer Highways and Transportation gave approval to tender the East of Otley Relief Road Contract through the YorCivils Major Schemes lot.
- Following a successful tendering exercise approval is now required to award the contract.
- The East of Otley Relief Road (EORR) Contract is a 2 stage contract to deliver a new road to the east of Otley. Stage 1 involves Early Contractor Involvement (ECI), to advise on the detailed design through an NEC professional services contract, with stage 2 being construction through an NEC engineering and construction contract.
- This report seeks the approval of the Chief Officer (Highways and Transportation) to award the East of Otley Relief Road Contract (Stage 1).

### Recommendations

- a) The Chief Officer (Highways and Transportation) is asked to approve the award of the East of Otley Relief Road (Stage 1) Contract to John Sisk & Son (Holdings) Ltd. Stage 1 of the contract will start 9<sup>th</sup> August 2021 and end 31<sup>st</sup> March 2022. The estimated contract value for stage 1 is £250,000.00

### Why is the proposal being put forward?

- 1 The East of Otley Development Site was successful in securing a significant allocation of £6.3m through the government's Housing Infrastructure Fund (HIF) to contribute to a large part of the costs for the design, planning and delivery of the EORR. In May 2019, the Director of City Development approved injection of the £6.3m sum into the Capital Programme.

- 2 The Council entered into a conditional contract with Homes England (HE) for this funding in October 2019 with a number of milestones to be achieved.
- 3 In January 2020, the Executive Board gave approval to spend £2.245m to develop the EORR to a point where an implementable scheme was in place.
- 4 The Chief Officer Highways and Transportation gave approval to tender the East of Otley Relief Road contract and the evaluation process used in November 2020.
- 5 Approval was given to tender the contract through the YorCivils Major Schemes lot.
- 6 A pre-qualification exercise was carried out through YorCivils and a tender list of seven companies was approved.
- 7 Tenders were invited on the 18<sup>th</sup> February 2021 and were returned on 31<sup>st</sup> March 2021.
- 8 seven companies were invited to tender for the works and all seven submitted compliant tenders.
- 9 The seven tenderers Quality Submissions were assessed by a panel of officers and this was chaired by an officer from the H&T Procurement Section.
- 10 The quality scores of the tenderers were inserted into the Evaluation model and the weighting specified in the tender documentation was applied to obtain a Quality Score.
- 11 The tenderers' financial submissions were entered into the Financial Evaluation model to obtain a Financial Score.
- 12 The Tender was then evaluated on the 60/40 Quality/Price split which was specified in the tender documents and gave a total available score of 100.
- 13 Following the tender evaluation, John Sisk & Son (Holdings) Ltd has the highest Combined Score of 100 and are the preferred tenderer.
- 14 To satisfy the HIF milestones, approval is now sought to appoint John Sisk & Son (Holdings) Ltd for Stage 1 of the East of Otley Relief Road Contract.
- 15 The procurement strategy for EORR will be 2-stage approach. Stage 1 being ECI and an optional stage 2 being construction.
- 16 Stage 1 of the contract can be delivered within the current funding envelope and will start 9<sup>th</sup> August 2021 and end 31<sup>st</sup> March 2022.
- 17 Further Executive approvals will be required prior to the award of Stage 2.

### What impact will this proposal have?

#### Wards Affected:

Have ward members been consulted?       Yes       No

- 18 The proposals requested in this report have no direct impact on any of the equality characteristics as it is purely an administrative function and therefore it is not applicable to carry out an equality, diversity, cohesion and integration screening at this time.

### What consultation and engagement has taken place?

- 19 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidders or not as this is determined by the evaluation of the tender received. However, consultation with key stakeholders was undertaken when the particular procurement route was chosen.

### What are the resource implications?

- 20 The East of Otley Relief Road (Stage 1) will involve ECI whereby the contractor will work closely with the designer to advise on all aspects of construction including buildability, health and safety, cost and programme, supply chain and social value.
- 21 ECI should also enable quicker mobilisation and more efficient delivery of the EORR following completion of the necessary statutory processes.
- 22 Delivery of the EORR can be managed existing resource within H&T.
- 23 The estimated contract value for stage 1 is £250,000 with stage 2 being circa £10m.

### **What are the legal implications?**

- 24 There are no specific legal implications arising from this report. All activities relating to the award of this contract are being executed in accordance with the Council's Contract Procedure Rules.

### **What are the key risks and how are they being managed?**

- 25 The £6.3m HIF allocation is conditional on Leeds City Council achieving a number of key milestones.
- 26 In order to satisfy these milestones, and not risk the funding being withdrawn, an implementable scheme needs to be developed which includes the appointment of John Sisk & Son (Holdings) Ltd for stage 1 of the EORR contract.

### **Does this proposal support the council's 3 Key Pillars?**

- Inclusive Growth                     
  Health and Wellbeing                     
  Climate Emergency

- 27 The contract includes social value, which incorporates Themes, Outcomes and Measures around climate change risks and air quality. It also addresses health and wellbeing, supporting active lifestyles and especially the recovery from the Covid-19 pandemic. Inclusive growth will also feature heavily in the provision of future infrastructure and again will be targeted and monitored within the contract conditions including the use of the Social Value Portal.
- 28 The Council's social value policy also covers areas such as corporate social responsibility, foundation living wage, modern slavery Act 2015, and the climate emergency. Under corporate social responsibility tenderers are encouraged to use local firms, local SME's, local supply chains and employ local people in order to support the local economy.

### **Options, timescales and measuring success**

#### **a) What other options were considered?**

- 29 The award of this Contract is an efficient use of Council resources and is judged to be value for money in comparison to issuing tenders for each individual scheme.

#### **b) How will success be measured?**

- 30 Success will be measured by the delivery of the East of Otley residential development site which is a significant part of the city's Core Strategy objectives and the Leeds Inclusive Growth Strategy.

#### **c) What is the timetable for implementation?**

- 31 Stage 1 of the contract needs to be awarded as soon as possible to assist with the HIF programme milestones.

## **Appendices**

32 n/a

## **Background papers**

33 n/a