

Report of the Strategic Director of Place to the Meeting of Regeneration & Environment Overview & Scrutiny Committee to be held on 14 July 2020

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Subject:

South East Bradford Link Road: Seeking endorsement to follow the procurement route recommended

Summary Statement:

The purpose of this report is to seek Regeneration and Environment Overview and Scrutiny Committee approval to the procurement strategy for the development of the Outline and Full Business Cases for the proposed South East Bradford Link Road which is to be delivered as part of the West Yorkshire+ Transport Fund portfolio.

Development of the necessary business case assessments for the project will support its progression through the West Yorkshire Combined Authority's Assurance process ensuring that all statutory processes, stakeholder engagement and design development are completed.

A review of the proposed procurement strategy has been undertaken by Scheme Project Team along with, Legal, Finance and Procurement. This report sets out the proposed recommendations for the next steps of development in accordance with Contract Standing Order 4.7.1.

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Portfolio:
Regeneration, Planning and Transport

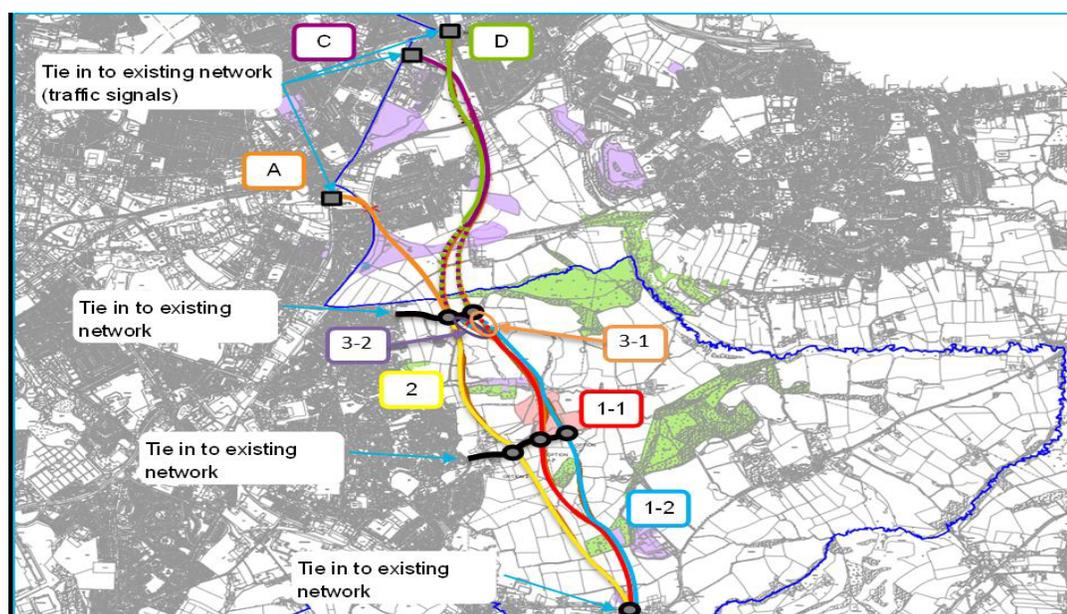
Overview & Scrutiny Area:
Environment and Waste Management

1. SUMMARY

- 1.1 The South East Bradford Link Road (SEBLR) is one of the key schemes of the £1bn+ West Yorkshire+ Transport Fund (WY+TF) portfolio for Bradford. The Combined Authority has already approved Strategic Outline Case (SOC) and allocated funding of £1,154,250 for the development of the Outline Business Case (OBC) for the SEBLR scheme which is the next stage of the Combined Authority's Assurance process.
- 1.2 In order that this scheme can be progressed effectively the Council is seeking to appoint a Consultant to undertake the development of the Outline Business Case, development of design options, stakeholder management / engagement and potentially support the project through the development of its Full Business Case subject to satisfactory approval being obtained for further progression.
- 1.3 A review of the procurement strategy for this support has been undertaken by Project Team, Finance, Legal and Procurement teams. This report sets out the proposed recommendations for the next steps of development in accordance with Contract Standing Order 4.7.1.

2. BACKGROUND

- 2.1 The South East Bradford Link Road is a new link road which will provide additional improved transport corridor route options in South East of Bradford, potentially providing a strategic transport corridor connecting Bradford and Leeds districts. Preliminary optioneering for SOC has been completed, which has identified a number of potential alignment options, as illustrated below in Figure 1. The preliminary options comprise three alignments to the south, which all tie into the roundabout at A650/B6135 (Westgate Hill). To the north, three cross-boundary alignment options have been developed comprising of alternative northern tie-ins at: Dick Lane (A); Dick Lane / Gipsy Lane Gyratory (C); and Leeds Road (D).



- 2.2 Following approval of the SOC the Combined Authority approved the allocation of £1,154,250 for the development of the Outline Business Case (the next stage of the project Assurance pathway). Development of this case will require more detailed work on each of the potential options proposed to identify constraints to delivery, impact of each on the local economy (GVA uplift), funding requirement and relative benefit cost ratio (BCR) assessment. The OBC will also seek to engage with local stakeholders and residents to gauge the level of support for each option as proposed. The aim of the OBC is to identify the preferred solution which will then be taken through to detailed development and consideration at the Full Business Case stage.
- 2.3 The scope of the works required for the development of the OBC is significant and currently beyond the Council's own internal resources to deliver. The Council is therefore proposing to appoint a consultant to undertake the development of the OBC (and potentially support the on-going development through the Full Business Case subject to approval being obtained to the OBC findings). Appropriate break clauses have been considered in the procurement strategy to allow termination of support if required where approval to proceed to the next stage is not forthcoming.

3. OTHER CONSIDERATIONS

- 3.1 The Scheme Objectives have been developed to align with the priorities of the Strategic Economic Plan (SEP), wider priorities of the Council, the West Yorkshire Combined Authority (WYCA), Department for Transport (DfT) and key stakeholders.

The SEBLR will support the long term and sustainable growth ambitions of the SEP and wider priorities of the stakeholders.

- 3.2 Following are the **key objectives** for this Scheme:

- Enable land to be unlocked to permit additional housing and employment sites and to support wider economic development;
- Provide enhanced reliability and predictability for journeys on the transport network;
- Provide improved journey times at key pinch points (including junction of A647 Leeds Road and Dick Lane, and junction of Tong Street and A651 Bradford Road);
- Provide additional route options and network resilience in South East Bradford; and
- Support improvements to quality of life factors in South East Bradford e.g. air quality.

- 3.3 The SEBLR scheme will bring significant housing and regeneration benefits to the immediate area. The scheme will have potential transport and connectivity benefits without creating adverse environmental issues associated with congestion on local and strategic routes.

Route to Market

- 3.4 Development of the SOC proposals for this project has already been undertaken by external consultants and has demonstrated that the appropriate skills and market interest for this type of work exists.
- 3.5 The value of this work is in excess of the EU threshold for Services and must therefore comply with the EU procurement timescales which includes publication of an EU Contract Notice at least 3 days prior to tender publication, a minimum tender period of 30 days, allowance for an evaluation period, 10-day standstill period between the issue of the Intent to Award Letters and the Award Letters, publication of Contract Award Notices and an implementation period. The estimated time period from the start of the process to appointment of a contract would be 3 months.
- 3.6 Tendering via Framework (e.g. SCAPE, PAGABO or CCS) removes the requirement for the publication of the Contract Notice, offers the option of either mini competition or direct award, but does still include the requirement for the publication of Contract Award notice and, in the case of mini competition, the 10-day standstill period. The timescales are therefore shorter and if direct award is chosen could be as little as 1 week. The proposed contractual approach, NEC form of contract with break points at each of the stages, will be the same regardless of procurement approach and so it is unlikely that the chosen approach will result in any change in the requirement for legal support.
- 3.7 A detailed assessment of each approach is set out in Appendix A of this report.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 Currently funding for the project is solely provided by the West Yorkshire+ Transport Fund which has allocated £1,154,250 for the development of the Outline Business Case in addition to the £151,444 which was provided for the development of the SOC.
- 4.2 Delivery of the Outline Business Case for this project using the Council's own resources would significantly delay delivery of this project within the overall Transport Fund portfolio due to other schemes currently in the delivery pipeline requiring resources to progress. Therefore to ensure that the development of this project can continue to align with the wider WY+TF programme of the Combined Authority it is considered expedient that the development work be externalised and managed through a dedicated Bradford Project Manager.
- 4.3 Although the initial OBC development allocation to Bradford is less than the £2m threshold which would ordinarily require a report to be prepared to REO&SC the potential extension of this work into the FBC stage when considered in terms of aggregation could potentially easily exceed this threshold (subject to further funding approval from the Combined Authority) and hence the requirement to seek approval to this procurement strategy was identified as a key activity.
- 4.3 An appropriately qualified Project Manager has been identified for this project and has been involved in the development of the proposed procurement strategy outlined in this report.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 Responsibility for the governance of this project is the responsibility of the West Yorkshire Combined Authority (WYCA) and is controlled under their Assurance Framework. A rigorous project management system is in place for all West Yorkshire + Transport Fund projects based around the OGC (Office of Government Commerce) PRINCE2 (Projects in Controlled Environments) and MSP (Managing Successful Programmes) methodologies.
- 5.2 A risk log has been developed as part of the SOC (EOI and Case Paper) and will continue to be updated as the project proceeds through its various stages. The successful Consultant will further develop the risk log into a Quantified Risk Assessment (QRA). This QRA will be an integral part of the Outline Business Case, FBC submission.

6. LEGAL APPRAISAL

- 6.1 All procurement activity will be carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders. All social value activity shall be carried out in accordance with the requirements set out in the Public Services (Social Value) Act 2012.

7. OTHER IMPLICATIONS

7.1 Equality & Diversity

Due consideration has been given in writing this report to the Council's duties under Section 149 of the Equalities Act 2011. There are no issues at this stage for discussion.

7.2 Sustainability Implications

Introduction of cycle facilities will assist in encouraging greater use of cycling by providing a safe route for cyclists. In addition, as part of the Core Strategy, there are long term growth aspirations for housing development in the area.

7.3 Greenhouse Gas Emissions Impacts

Improvements to the traffic flows at junction of A647 Leeds Road and Dick Lane, and junction of Tong Street and A651 Bradford Road will assist in reducing the level of harmful pollutant emissions on this key strategic corridor. The quantification of these benefits will be undertaken as part of the development of the outline business case.

7.4 Community Safety Implications

The scheme will facilitate the introduction of safe pedestrian and cycling facilities on this corridor, which can complement existing routes including the Leeds-Bradford Cycle Superhighway. This will support the safety for the cyclists and pedestrians.

7.5 Human Rights Act

There are no Human Rights Act implications arising as a consequence of this report.

7.6 Trade Union

There are no trade union implications associated with the contents of this report.

7.7 Ward Implications

Local Ward members will be engaged in the development of proposals for the Outline Business Case as key stakeholders and representatives of the wider community. As the scheme potentially impacts on neighbouring authorities of Kirklees and Leeds members from the respective adjacent wards will similarly be engaged throughout the development process. A stakeholder management plan has been developed for this project which will be used throughout the development stages to ensure effective engagement and consultation is maintained.

7.8 Area Committee Action Plan Implications (for reports to Area Committees only)

Not applicable.

7.9 Implications For Corporate Parenting

There are no implications for corporate parenting associated with the contents of this report.

7.10 Issues Arising From Privacy Impact Assessment

An Initial Privacy Impact assessment has been undertaken on the proposals relating to the SEBLR. No issues of any Data Protection or information security were identified.

8. **NOT FOR PUBLICATION DOCUMENTS**

None.

9. **OPTIONS**

9.1 There are three potential options for consideration by Members arising from this report, namely:

- **Option 1 – Delay delivery until internal resources become available:** Significant reputational damage for Bradford Council would accrue from selection of this option and the potential for progressing this scheme within the allocated funding could be lost should the Combined Authority consider there is little potential for this scheme to be delivered within the timescales of the wider WY+TF programme. Failure to deliver this scheme may also impact on a key growth area of the emerging Local Plan allocation work as sites which could be serviced using this new road could

become undeliverable.

- **Option 2 – Procure Development Sequentially:** This option would see the level of procurement activity significantly increase with associated delays to delivery being imparted to the programme. Procurement of works to develop the Outline Business Case and the subsequent Full Business Case could also see further delay being imparted were different consultants appointed for each element. This option is therefore considered inherently risky to efficient delivery.
- **Option 3 – Procure Development through an appropriate Framework with break clauses at key decision points:** This is the preferred approach as set out in this report. Certainty about delivery timescales for the project are increased through the use of a single procurement exercise for the appointment of an appropriately qualified and competent Consultant.

10. RECOMMENDATIONS

- 10.1 That the Regeneration and Environment Overview and Scrutiny Committee approve the procurement strategy for the appointment of a suitably qualified consultant to develop the required business cases (OBC and FBC) to support the delivery of the South East Bradford Link Road project through an appropriate Framework as described in this report.

11. BACKGROUND DOCUMENTS

- 11.1 Link to scheme File : [SEBLR_Scheme Folder](#)
(address : [\\bradford.gov.uk\datavault\TDP\\$\Schemes\Highway Design\103646//](\\bradford.gov.uk\datavault\TDP$\Schemes\Highway Design\103646//))
- 11.2 EOI (Expression of Interest) submission for the South East Bradford Link Road proposal to the Combined Authority.

12. APPENDIX

- 12.1 Appendix A - Procurement Options Table,

APPENDIX A – PROCUREMENT OPTIONS ASSESSMENT

Procurement Options						
Title	Option 1: Do Nothing	Weightage Score (0- 3:where 3 is max.)	Option 2: Traditional approach using a separate OBC Contract i.e; each business case/ Stage has a separate tender	Weightage Score (0- 3:where 3 is max.)	Option 3: Alternative approach using one contract with various stages to complete all business cases and support during construction (Overall incentive for saving on scheme budget and time)	Weightage Score (0- 3:where 3 is max.)
CBMDC Procurement Costs	to manage communications with WYCA	0.5	This will involve more costs, due to various ITTs and resource requirements.	1.5	This will require less ITTs and hence less resource to complete this commission.	2.5
CBMDC Procurement Time	It will involve reosurces to report back to WYCA	0.75	will involve more time to multiple ITTs.	1	Will require less time for ITT and assessment.	3
Management of Statutory Bodies	Will be difficult to satisfy statutory bodies due to stop of the work.	0.25	We are already using although due to the complexity of this Scheme, it would be difficult to manage.	2	Consultant will use their processes and take the responsibility for all the stages of the business case development. This will make easy for the Council for managing the statutory bodies.	2.5
Reputation	High risk of losing reputation, bad publicity in the media	0.1	It will help to maintain our reputation but will be challenges during transition into different stages.	1.75	This will provide greater source of strength to build the reputation, due to the single partner for all stages.	3
Customer Contract Administration	difficult to manage	0.5	difficult to manage during all stages, due to different partners	1.5	It will be easy to manage, due to single partner for all stages	2.75
Cost Certainty	no idea, as Council to pay penalty to WYCA	0	less certainty	1.25	it will provide a good cost estimate due to break points	2.5
Consistency during all stages of the Business Case/s as per WYCA Assurance Process	we might need to invole in some stages, as to report back to WYCA	0.25	This will provide less flexibility and consistency due to multiple stage contracts.	1.5	This will provide greater consistency due to single contract and single partner for all stages.	2.75
Risk Mgm and transfer	V difficult to manage the penalty, if cscheme is cancelled.	0.5	The risk of suitability of Design for the Construction phase is owned by the Council	1.25	The risk of a technical solution is transferred to the Contractor (& Designer) Depending on the procurement approach the risks for cost/ time overrun is largely	3
Total Scoring		2.85		11.75		22
Recommendation	It is recommended that the Option 3 shall be best viable for commissioning the SEBLR procurement					

Appraisal Summary

The value of this work means that it is well above the EU threshold for Services and consequently tendering must be carried out in line with the Procurement Regulations of 2015. This means that our options are either some form of open tender, including options with negotiation, or the use of existing frameworks. The option of breaking the work down into phases was considered but rejected partly because the OBC stage itself is expected to be above EU threshold and partly because the project requires a single consultant to see the work through the various stages. Tendering at each stage would run the risk of

different organisations being successful at the various stages which would delay the project as a new parties come up to speed with the scheme proposals, objectives and development background and the lack of continuity could cause conflicts between approaches.

Tendering to the open market would require compliance with the EU timescales which includes publication of an EU Contract Notice at least 3 days prior to tender publication, a minimum tender period of 30 days, allowance for an evaluation period, 10-day standstill period between the issue of the Intent to Award Letters and the Award Letters, publication of Contract Award Notices and an implementation period. The estimated time period from the start of the process to appointment of a contract would be 3 months.

Tendering via Framework removes the requirement for the publication of the Contract Notice, offers the option of either mini competition or direct award, but does still include the requirement for the publication of Contract Award notice and, in the case of mini competition, the 10-day standstill period. The timescales are therefore shorter and if direct award is chosen could be as little as 1 week.

The proposed contractual approach, NEC form of contract with break points at each of the stages, will be the same regardless of procurement approach and so it is unlikely that the chosen approach will result in any change in the requirement for legal support.

Recommendation:

That the Procurement be carried out using a recognised and compliant Framework.