

SURREY COUNTY COUNCIL**CABINET****DATE: 27 NOVEMBER 2012**

JOINT REPORT OF: **MR JOHN FUREY, CABINET MEMBER FOR TRANSPORT AND ENVIRONMENT**
MS DENISE LE GAL, CABINET MEMBER FOR CHANGE AND EFFICIENCY

LEAD OFFICER: **TREVOR PUGH STRATEGIC DIRECTOR, ENVIRONMENT AND INFRASTRUCTURE**

ANDREW FORZANI, HEAD OF PROCUREMENT & COMMISSIONING.

SUBJECT: ONSLOW PARK AND RIDE CONTRACT**SUMMARY OF ISSUE:**

The Department for Transport (Dft) awarded Surrey County Council a grant of £14.3 million through the Local Sustainable Transport Fund in July 2012, known as Surrey TravelSMART. This bid included capital funding to construct a new park & ride car park at Onslow, west of the A3.

The report seeks approval from Cabinet to award a contract to the recommended tenderer for the Onslow Park and Ride contract. The contract will commence on 18 December 2012. The report provides details of the procurement process, including the results of the evaluation process, and demonstrates why the recommended tenderer offers best value for money.

Due to the commercial sensitivity involved in the contract award process, the names and financial details of the potential suppliers have been circulated as a Part 2 Annex for Members.

RECOMMENDATIONS:

It is recommended that:

Following consideration of the results of the procurement process in Part 2 of the meeting (as required), the award of a contract be agreed on the basis set out in the Part 2 Annex (circulated to Members) to design and construct a 550 space park and ride site at Onslow, west of the A3 and adjacent to the University of Surrey Sports Park. This will include for construction of the car park, access road, and associated highway works. (Map included as separate attachment)

REASON FOR RECOMMENDATIONS:

A full tender process, in compliance with the requirement of EU Procurement legislation, and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

DETAILS:

1. Cabinet on 24 July 2012 approved the Dft award and associated business case.
2. Guildford Borough Council Planning Committee on 6 November 2012 approved the planning application for the Onslow Park and Ride site. Surrey County Council Investment Panel 20 November 2012 will consider the business case for the Onslow Park and Ride scheme.
3. The extension of Guildford's park and ride system is designed to help overcome congestion and accessibility problems in the town centre and along corridors leading to the town from the west. It will also help reduce congestion on the A3 trunk road.
4. The scheme will offer drivers, particularly those using the A3 trunk road and the A31, an alternative to driving into the congested centre of Guildford. This will complement the three existing park and ride sites that operate Monday to Saturday, capturing traffic entering Guildford from the north.
5. The planned park and ride car park will be located on a 1.9 hectares site at Manor Farm Guildford, next to the A3. The site will accommodate 550 surface level parking spaces. Rail users would also be encouraged to park on site, and use the park and ride bus to Guildford rail station for rail services to London and other destinations.
6. A junction improvement scheme currently being constructed at the Hospital Roundabout/Gill Avenue/Egerton Road junction has been designed to accommodate the traffic demand for the proposed park & ride site. Further complementary traffic management measures will be carried out along the route during the life of the LSTF funding.
7. The cost of this part of the park and ride scheme was estimated at £3.25 million with significant savings realised through the procurement process detailed in Part 2 Annex.
8. Total Capital funding for the whole Park and Ride scheme is £4.0m. The grant funding sum of £4.0m will include for additional works outside of this contract. These additional works include the building of the waiting room, CCTV, design fees, and utilities works on site.

PROCUREMENT STRATEGY:

9. Surrey CC and Guildford BC have a successful track record of delivering Park and Ride schemes. These previous schemes attracted a large number of suppliers and by letting a similar contract based on a Bill of Quantities (BoQ's), it was anticipated that a large number of suppliers would be keen to tender for this scheme and therefore a Restricted OJEU Notice was placed. Twenty suppliers completed the Pre Qualification Questionnaire (PQQ) through the Councils electronic tendering system (BRAVO).
10. Following a thorough evaluation the five highest scoring suppliers were invited to tender (ITT). The ITT evaluation criteria was set at 70/30 price/quality. The quality assessment was based on six method statements and the price on a BoQ's.
11. The preferred supplier from the ITT evaluation achieved best position in terms of both Quality and Price submissions. Details of the evaluation are contained within the Part 2 Annex.
12. This scheme is to be delivered against a BoQ's and has been priced against detailed specifications and drawings, and it is expected that delivery will meet these detailed requirements. The scope of the works has not been affected by the competitive price. In the event unforeseen variances occur, these will be highlighted to the Client prior to any works commencing and any additional variances will be costed and agreed with the Client. There is a contingency sum in the Bill of Quantities to cover unforeseen variances.
13. Contract management will be provided by both the Service Provider and the Contract & Performance management team. Review of performance and costs will be monitored on a monthly basis.
14. It is expected that the commencement of this scheme will be 18th December 2012 and the duration of the works will be 23 weeks with anticipated completion on the week commencing 3 June 2013.
15. The local supply chain will be used wherever possible. An example of this would be the line marking of the car parking areas.

CONSULTATION:

16. Various members of Procurement, Guildford BC, and Surrey Highways have been involved in the procurement of this contract, feeding in their expert knowledge around the design of the specification, evaluating tenders and agreeing contract award. Guildford Local Committee (12/09/12) have previously considered reports detailing Onslow Park and Ride and the outline delivery programme. Guildford BC were members of the contact working group and provided expertise learnt from working on previous Park and Ride schemes. This enabled Guildford BC to be fully engaged with all aspects of the tender process. Legal Services were also consulted to ensure what was being proposed was legally compliant.

RISK MANAGEMENT AND IMPLICATIONS:

17. All short listed tenderers including the recommended supplier successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts at the pre-qualification stage. The table below outlines the financial, reputational and service delivery risk.

Describe the risks associated with this project	Risk Description	Mitigation Action
Financial Risks	Contract costs are greater than the DFT funding.	Tendered costs are below estimate.
Reputational Risks	Scheme not delivered on time.	Contract management directly undertaken by SCC staff.
Service delivery risks	Scheme not delivered on budget.	The materials and design are standard and proven from previous contracts.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

18. Surrey County Council Investment Panel 20th November 2012 will consider the business case for the Onslow Park and Ride scheme.
19. Full details of the contract value and financial implications are set out in the Part 2 Annex.
20. All five returned tenders were competitive and all within 10% of the lowest price.
21. The duration of the works is 23 weeks and therefore no inflationary increase is applicable.
22. The contract has been priced using a bill of quantities and no material price changes are expected. However additional costs could theoretically be incurred and a contingency of £250k has been included within the cost estimate to allow for this. Should these risks not materialise, the final cost would be lower than stated.
23. The procurement activity has delivered savings which are shown in Part 2.

SECTION 151 OFFICER COMMENTARY:

The Section 152 officer confirms that all material, financial and business issues and risks have been considered throughout the report.

LEGAL IMPLICATIONS – MONITORING OFFICER:

- 24. The Council is entering into the contract using a NEC Engineering and Construction Contract. Option B of the NEC contract has been used; this provides for a bill of quantities detailing the price of each item and offers the Council security in relation to costs. In addition, the Council has inserted additional clauses in order for Council required terms such as freedom of information to have contractual status.
- 25. All compliant tenderers supplied a written confirmation that if successful they will accept the terms of the NEC contract published as part of the agreed by Legal Services, without any material amendment.

EQUALITIES AND DIVERSITY:

- 26. The Council has been mindful of its equalities duties in carrying out the tender process and letting the contract. Under the Equality Act 2010 when considering this item, the Cabinet should have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 27. The procurement process was undertaken through an EU Procurement procedure, which was advertised to allow suppliers across the EU to express their interest. The tender was also advertised so as to attract local businesses and SMEs.
- 28. The contract which the supplier will sign stipulates that the supplier will comply with all relevant legislation which includes all equality and diversity legislation whilst performing the services.

OTHER IMPLICATIONS:

- 29. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out below.

Area assessed:	Direct Implications:
Climate change	We are looking to recycle materials, so a high percentage is to be diverted from landfill. There is a significant volume of waste being produced from this site in terms of excavation to achieve the new topography and formation. The soils report shows it is extremely suitable for soil stabilisation. This brings a significant saving in reducing the muck away from site.
Carbon emissions	Reduce congestion in Guildford town centre, adjacent roads and on the A3 trunk road, providing efficient, cost effective and environmentally sustainable transport from the edge of town into the railway station and town centre.

WHAT HAPPENS NEXT:

30. **Timetable for Implementation:**

Action	Date
Cabinet Approval	27-Nov-12
Call in period starts	28-Nov-12
Supplier notification	06-Dec-12
Mobilisation	06-Dec-12
10 day standstill & Debrief period	06-Dec-12
Contract award date	17-Dec-12
Contract start date	17-Dec-12

The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

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David Ligertwood - Transport Projects Team Manager – 020 8541 9323

Consulted:

Tim Pilsbury – Guildford BC.
Mark Borland – Group Manager, Surrey Highways
Andrew Forzani – Head of Procurement & Commissioning.
Ross Duguid – Category Manager Procurement & Commissioning.
Iain Reeve – Project Sponsor.
Paul Millin – LSTF Delivery Board Chairman.

Informed:

Julie Fisher – Strategic Director for Change & Efficiency.

Annexes:

Tender evaluation report.

Sources/background papers:

Strategic Procurement plan.
Local Sustainable Transport Fund.
