

SURREY COUNTY COUNCIL**CABINET****DATE: 24 APRIL 2018****REPORT OF: MR COLIN KEMP, CABINET MEMBER FOR HIGHWAYS****LEAD OFFICER: ROSS DUGUID, ASSISTANT DIRECTOR, ORBIS PROCUREMENT****JASON RUSSELL, DEPUTY DIRECTOR ENVIRONMENT & INFRASTRUCTURE****SUBJECT: CAMBERLEY THE MEADOWS GYRATORY MAJOR IMPROVEMENT SCHEME****SUMMARY OF ISSUE:**

The Meadows is a major gyratory providing connectivity between the M3 with the A30 and a key access route into Camberley town centre.

High levels of congestion on this strategic highway network lead to significant and regular queuing on the A30, A331 and A321 approaches. Improvements to the Meadows Gyratory aim to reduce delays and reduce congestion on this busy gyratory.

The proposed scheme addresses these constraints and capacity issues, improving access to Camberley town centre for all modes of transport. The improvements are an important component to ensure the future well-being of Camberley and resilience on the A30.

Following assessment of tenders received from contractors under the GEN3-2 Civil Engineering, Highways and Infrastructure Works Framework, a competitive tender process is complete. The project is at a stage where Cabinet's approval is sought to approve the award of the contract for the works to the recommended Tenderer.

As a result of decisions to minimise disruption on the network, namely to deliver the scheme at night and to delay implementation until completion of the M3 Smart Motorway, the final cost of the scheme exceeds the approved budget, by £646,000.

The Business Case has reported that the scheme will contribute to an increase of 1,675 jobs worth £86m Gross Value Added (GVA) to the local area. Additionally this investment in road building, new retail floorspace and housing development will generate a total of £288m of new investment for the area.

Consultation with local businesses and residents was held in 2016 and 2017 with the support of the Yorktown and Watchmoor Business Association. The public were consulted on the scheme at the A30/Camberley Town Centre Highway Improvements Public Consultation held in 2017. Surrey County Council (SCC) has demonstrated that we actively act on feedback from the public as we have introduced changes to the traffic management plans for the A331 Orange Cycle Route and Stanhope Road Junction construction to further reduce the inconvenience caused by

the construction work.

The Business Case has been produced in partnership and with the strong support of Surrey Heath Borough Council who are providing significant matched funding for the scheme.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Approves the award of contract for the works for the Meadows Gyratory Improvement Scheme to the recommended contractor as detailed in the Part 2 report.
2. Approves the allocation of up to £646,000 from the Place Development capital budget to meet the funding shortfall.

REASON FOR RECOMMENDATIONS:

The aim of this project is to improve the transport network in Surrey Heath to deliver journey time reliability, increased accessibility, reduced journey time and encourage shift in modes of transport.

The Meadows Gyratory Improvement scheme will deliver the following outcomes:

- Reduced delays and reduced congestion on this busy gyratory.
- Improved access to Camberley town centre for all modes of transport.
- Improved signal crossings and traffic islands to protect pedestrians and cyclists.
- A positive impact on employment resulting from improved accessibility to make the area more attractive for businesses to invest and help improve the attractiveness of retail and leisure in the area.
- The scheme will help to enable to generate approximately 540 full time employment (FTE) jobs by helping to fill Camberley's vacant employment space and contribute to securing around 210 Full Time Equivalent ('FTE') at the London Road Revitalisation Area site. In addition, approximately 1,000 transport and storage jobs in the area could be secured as a result of the scheme.
- The provision of improved pedestrian and cycling facilities will be of benefit to those living in areas of relative deprivation and provide good quality alternative options to the car, using walking, cycling, bus/rail to access areas of employment, retail and educational establishments.
- The reduction in travel time through Meadows will help improve business and staff productivity caused by less work commuting and driver stress. This will contribute to the increase in efficiency of logistics to local business parks.

The biggest benefits are for movements approaching the roundabout on the A30 to the West of the junction and, in particular, those turning right as those vehicles no longer need to traverse the roundabout. There is also generally benefit for traffic approaching from the A321 as these movements are no longer opposed by the large flow from West to South traversing the roundabout.

A competitive tender for the works for Meadows Gyratory Improvement Scheme is complete. The offer from the recommended Tenderer named in Annex 1 provides best value for money.

The Meadows Gyratory is a key location in the highway network and a critical concern is the impact on the local network during the construction period. As a result, a decision was taken to delay the works until the completion of the M3 Smart Motorway and to undertake the works at night. These factors have resulted in cost increases from the original estimates.

DETAILS:

Business Case

1. The Meadows Gyratory junction is acknowledged locally as a key location on both the local and strategic highway network, with capacity and congestion a regular issue. Survey data identified over 50,000 vehicles passing through the junction during an average 12-hour weekday period, and over 45,000 at the weekend, with weekday PM peak flows of 5,400 vehicles, illustrating the multifunctional role of the gyratory in accommodating commuter trips as well as leisure based trip during the weekend.
2. The transport model outputs from the Base (Do-nothing) scenarios identify a continual deterioration in the operation of the Meadow's Gyratory and its approach routes, with increased average journey time delays during the peak traffic periods. This has been assessed to amounting to a total delay of 90 hours to all vehicle movements during the AM peak hour period by 2026.
3. These additional delays are generated as a result of increased queuing and congestion in the network, which contribute to the existing conditions on the A30/A331 corridors approaching Meadows Gyratory.
4. The proposed scheme would deliver improvements to maximise junction throughput, reduce delays and provide a more stable traffic control platform from which to manage and control journey time reliability. The proposed scheme will reduce peak period journey time by up to 35% compared to the Do nothing scenario. The proposed improvements will produce a Benefit Cost Ratio (BCR) of 9:1 as reported in the Business Case, i.e. for every £1 invested, the project delivers £9.
5. If the scheme was not implemented then large queues and delays would be generated resulting in the need for significant trips potentially being forced to change time of travel, change mode or change destination. It would have a significant detrimental impact to the economy of Surrey Heath Borough, Camberley town centre and the vehicular access by adjacent residents and visitors.

6. Funding for the scheme has been allocated from LEP Capital Funding with a Local Contribution being funded by Surrey Heath Borough Council and the Section 106 funds.
7. The funding shortfall will require an additional allocation of up to £646,000 from the Place Development capital fund. Work is underway to identify alternative options to manage the overspend, including identification of developer contributions that could support the scheme.

Procurement Strategy

8. Highways Service and Procurement Service carried out a strategic analysis of the procurement options available. The process has reviewed the commercial risks and opportunities to deliver the works. Three options were considered;
 - Option 1: Tender direct to the market place through an OJEU tender procedure. This takes on average between 3 and 6 months. Tender costs are considerable in staff time, as a result it was decided not to adopt this option.
 - Option 2: Use the existing Surrey Highways Term Maintenance Contract with Kier. As the maximum cost for an individual order is below the total estimated cost of the scheme, and the Meadows Gyratory Major Improvement Scheme cannot be broken down into individual minor improvement schemes, this option was not available.
 - Option 3: Tender using the Hampshire County Council's GEN3-2 Civil Engineering, Highways and Infrastructure Works Framework. The Framework is for highway construction schemes up to £25m and uses the NEC3 form of contract. This option was preferred as using an established regional framework offers optimum competition and allows for a more efficient tender process than an OJEU tender.

Competitive Tendering Process

9. A competitive tender for the Meadows Gyratory scheme was undertaken under the GEN3-2 Civil Engineering, Highways and Infrastructure Works Framework.
10. The procurement activity included inviting all 10 suppliers on the GEN3-2 Framework, with five contractors expressing an interest. Four tenders have been returned.
11. The award criteria used to evaluate the tenders were split into Quality at 40% weighting and Price at 60%. The results of the evaluation process are in the Part 2 Report.
12. The tender process is now complete. Following a thorough assessment process the Evaluation Panel recommends that an offer from the Mildren Construction Ltd is accepted as their offer provides best value for money.
13. On 13 March 2018 the Sourcing Governance Board accepted the tender results and recommended to seek approval from Cabinet to award the contract.

14. The project is at a stage where Cabinet's approval is sought to award the contract for the works.
15. It is intended that the contractor award proceed as scheduled in May 2018 following April 2018 Cabinet approval such that works would be able to commence by June 2018

CONSULTATION:

16. Stakeholders including Surrey Heath Borough Council (Local Committee Meeting on 12/3/2015), Hampshire County Council and Bracknell Forest Council have been consulted during the design and procurement process. Local businesses were consulted through forums with businesses held in 2016 and 2017 and through the Yorktown and Watchmoor Business Association. The public were consulted on the scheme at the A30/Camberley Town Centre Highway Improvements Public Consultation held in 2017. Consensus feedback on the proposed improvements supported the scheme.
17. Surrey County Council (SCC) are also submitting a regular article providing an update on progress on the Meadows Gyratory scheme in Surrey Heath Borough Council's resident magazine 'Heathside'. In addition, SCC has a dedicated web page for major schemes, including the Meadows Gyratory Major Improvement Scheme.
18. The Surrey Heath Local Committee is being updated on progress at their committee cycle and through a Major Projects Task Group.

RISK MANAGEMENT AND IMPLICATIONS:

19. The contract is the standard form of contract NEC3 Option B with Bill of Quantities. In this form of contract, the Contractor prices its rates accordingly and bears the risk of carrying out the work at the agreed prices. The risk in producing and verifying the Bill of Quantities lies with the Employer.
20. All framework providers on the GEN3-2 Civil Engineering, Highways and Infrastructure Works Framework completed satisfactory financial checks as well as checks on competency in delivery of similar contracts. The framework providers' financial status and performance are continuously monitored by the Framework Management Team.
21. There is a contingency sum that is available within the project budget.
22. At the end of the contractual term, ownership of the contract will remain with SCC. Therefore, those conditions of the contract which survive the validity period of the contract (such as defect correction period, insurance provisions etc.) will remain binding upon parties to the contract.

Financial and Value for Money Implications

23. The proposed Meadows Gyrotory major scheme has been the subject of a business case and has passed through an independent assurance assessment carried out by the EM3 LEP's consultants and been through a cost/benefit analysis where it was highly rated.
24. Funding for the scheme will come from LEP Capital Funding with a Local Contribution being funded by Surrey Heath Borough Council and the Section 106 funds.
25. Funds are available within the Place Development capital budget to meet the remaining shortfall of £646,000.
26. There is a contingency sum that is available within the project budget.
27. The Local Growth Fund provided by the EM3 LEP is required to be spent by 31 December 2019. The recommended Tenderer for this contract indicated a programme of works, which will commence on 1 June 2018 and will last 12 months.

Section 151 Officer Commentary

28. The Section 151 Officer confirms that the additional funding of £646,000 is available within the Place Development capital budget, as set out in the MTFP 2018-21. Approving the use of this funding will enable the contract award, and the wider project, to proceed. The Council will continue to bear the risk of cost variation due to changes in the contract bill of quantities as set out in paragraph 19, as well as changes in the wider project. In recognition of those risks, officers have included a contingency allowance within the project budget. Should the project not proceed there is a risk that some of the grant claimed to meet costs to date will need to be repaid, as explained in Part 2 to this report.

Legal Implications – Monitoring Officer

29. The Council is the highway authority for its area by virtue of s1 of the Highways Act 1980 and has a general power to improve highways under s62 of that Act. Furthermore, the Council is subject to duty to achieve best value under s3(1) of the Local Government Act 1999, expressed as being to "...secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".
30. The Council has undertaken a competitive procurement exercise in accordance with the requirements of the Public Contracts Regulations 2015 and the Council's own Procurement Standing Orders. The tenders received were evaluated against set criteria and the first-placed bidder chosen because their tender was the most economically advantageous.
31. An agreement is in place between the EM3 LEP, the Council and Surrey Heath Borough Council to govern the external funding provided for this project.

<u>Equalities and Diversity</u>
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32. It is the objective of SCC to treat all users of the public highway equally. A less complex layout will make transport safer at this location and providing crossings for pedestrians and cyclists to key destinations.

<u>What Happens Next</u>

33. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	1 May 2018
Contract award letter	2 May 2018
Contract Commencement Date	1 June 2018

Contact Officers:

Paul Dalton – Procurement Specialist, Orbis Procurement Service

Lyndon Mendes – Transport Policy Team Manager

Consulted:

Surrey Heath Borough Council – Cllr Moira Graham, Karen Whelan, Jenny Rickard & SHBC Local Committee (12/3/2015)

Hampshire County Council – Cllr Adrian Collett, Cllr David Simpson, Cllr Brian Blewett, Cllr Bob Harward

Hart District Council – letter of support

Bracknell Forest Council – letter of support

Public and local businesses via a public consultation and exhibition process

Yorktown and Watchmoor Business Association

Enterprise M3 Local Enterprise Partnership (EM3 LEP)

Highways England

Annexes:

Part 2 Annex

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