Reason for Decision

To seek approval for the award of a civil engineering contract in excess of £400,000 to the contractor of choice for the construction of the Campus Oldham Highway Improvement Project following the tender selection process.

Executive Summary

This report provides information on the results of the EU compliant selection process for the construction works associated with the Campus Oldham Highway Improvement Project.

The project involves the procurement, tender evaluation and acceptance for construction of widened footways, kerb line realignment, minor drainage works and the installation and upgrade of signalised crossing points along the King Street corridor.

Recommendations

It is recommended that Members agree:

To award the contract for the civil engineering works on the Campus Oldham Highway Improvement Project to the preferred bidder following the tender and selection process.
Campus Oldham – Highway Improvement Project – Tender Acceptance Report

1. **Background**

1.1. The Campus Oldham Highway Improvement Project is an approved scheme in the transport capital programme. It is split into phase 1 and phase 2 to reflect the availability of grant funding opportunities.

1.2. The combined cost of both phases is £1.380m and this is made up of a number of different funding sources including prudent borrowing and the following government grants:
   - Cycle City Ambition Grant (Phase 2)
   - Local Sustainable Transport Fund (LSTF)
   - Greater Manchester Minor Works Programme (GMMWP)
   - Local Transport Plan Grant.

1.3. The Campus Oldham Highway Improvement Project is intended to create improved cycle infrastructure leading to the Town Centre retail, amenities and educational facilities whilst also enhancing the overall appearance of the area.

1.4. In order to achieve value for money through economies of scale e.g. by having a single procurement exercise and a single contractor, it is intended that the Campus Oldham Highway Improvement Project is let as a single contract.

1.5. The Campus Oldham Project has had significant involvement from the former Leader of the Council, the Portfolio Holder for Housing, Planning and Transport and Regeneration colleagues. A design freeze was established and detailed design developed through Unity Partnership. Councillor Moores remains a point of contact as the design develops.

1.6. As part of the value engineering exercise cost savings have been made. These savings are primarily focused on material choice.

1.7. The Campus Oldham Project will help to deliver the Council’s Corporate objective one: a productive place where business and enterprise thrive as it is part of the high level programme of activity in the outcomes framework to maintain and continue to invest in our highways and transport infrastructure to enable the movement of people and goods, in, around, and out of the borough.

1.8. Funding of £1.77m has been identified to fund the highway improvements for Campus Oldham made up from a number of different government grants. From the tenders that have been returned the project can be delivered within the available budget.

2. **Current position**

2.1. Unity Partnership has made the necessary arrangements to circulate the tender acceptance report for review and comment via the following meetings:
   - DMT (25th May)
   - EMT (31st May)
   - Leadership (13th June)
   - Cabinet (27th June)
2.2. The Contract for the Campus Oldham Highway Improvement Project has been advertised via The Chest portal with the support and involvement of Oldham Council’s Procurement Team.

2.3. The process for supply chain tender selection was via the Constructionline initiative whereby suppliers are sought based on experience and contract value.

2.4. Five contractors were selected to tender for the works.

2.5. The value of the Contract exceeds £400,000 and therefore Cabinet approval is required to award the Contract for the proposed works.

2.6. The agreed procurement route has been followed and the tender assessment has been completed.

2.7. In accordance with the Council’s Contract Procedure Rules, the evaluation of the tender submissions has sought to identify the submission offering best value, based upon a combination of economy, efficiency and effectiveness.

The weightings applied to the tender submissions have been:

- Technical Assessment – 30%
- Contract Price – 70%

Assessment is also made of the suppliers’ competence and experience including elements for delivering Social Value for the Borough and contractors included in the Council’s Early Payment initiative.

The tender evaluation was undertaken by Darren Judge (Procurement Manager) and Mark Matley (Unity Partnership Project Lead).

2.8. All contractors failed to issue a complete tender return to enable a full assessment to be made therefore to be fair and transparent to all bidding parties the tender was reissued on Friday 20th May 2016.

Clarification was provided on all mandatory documents required to be submitted by 17:00 on 24th May 2016. A final and complete evaluation was then undertaken on all documentation from all bidders.

2.9. After assessment of the quality and financial submissions the contractor of choice are recommended to be awarded the contract.

3. Options / Alternatives

3.1. Option 1 – Agree to appoint the contractor of choice and enable a purchase order for the works value to be raised for the construction of the highway works associated with the Campus Oldham Highway Improvement Project.

3.2. Option 2 – Do not agree to appoint the contractor of choice to undertake the works associated with Campus Oldham Highway Improvement Project. This would mean the funding available for the Campus Oldham scheme could not be utilised in the timescales TfGM have set out and therefore we would not be able to take up the grant. This would result in reputational damage for the Council with both TfGM and the DfT and may impact our success in future bidding opportunities.
4. **Preferred option**

4.1. Option 1 is the preferred option.

5. **Consultation**

5.1. The consultation process for the scheme has been continual due to the nature and complexity of the proposals. The former Leader of the Council and the Portfolio Holder for Housing, Planning and Transport have been consulted regularly during the design process as well as Third Party Stakeholders such as Regeneration and Transport for Greater Manchester (TfGM).

5.2. Ward Members have been consulted on the proposals.

5.3. Members of Capital Investment Programme Board (CIPB) have been consulted on the acceptance of various grants into the transport capital programme and approval to spend on the Campus Oldham Highway Improvement Project.

6. **Financial Implications**

   **Capital Implications:**

6.1 There is currently a budget available of £1,765,872 included within the Transport Capital Programme from 2014/15 to 2016/17 against M0645 & M0757 King Street Connectivity Campus Oldham scheme, which is funded by various grants and PRU Borrowing as shown within the table below.

6.2 If the proposals to award the civil engineering contract to the contractor of choice are accepted, the total cost of the King Street Connectivity Campus Oldham scheme will be reduced to £1,341,969. Therefore the scheme has excess resources of £423,903 which can be considered for reallocation.

6.3 As advised elsewhere on the agenda, the Union Street West project is expected to require additional LTP funding resources of £160,438. As can be seen, this sum can be reallocated to the Union Street West project from the £209,914 LTP resources no longer needed for this project. This will still leave GMMW grant of £158,989 and LTP grant of £49,476 which can be reallocated to other transport projects and this will be the subject of future reports. The future usage of the £55,000 of funding financed by Prudential Borrowing can also be reallocated and can be considered within the annual review of the capital programme.

   **Revenue Implications:**

6.4 There are no revenue implications from awarding the civil engineering contract, which will be funded solely from capital grant funds. However the street lighting element of this scheme will increase the street lighting annual maintenance costs, which will be funded from within existing resources on cost centre 40400 Street Lighting. (Michelle Welsh)

7. **Legal Services**

7.1. None (A Evans)
8. **Cooperative Agenda**

8.1. The delivery of the Campus Oldham Highway Improvement Project supports the Cooperative Agenda by achieving outcomes that will assist Oldham residents to access employment opportunities and amenities by sustainable modes of transport.

9. **Human Resources**

9.1. N/A

10. **Risk Assessments**

10.1. None (Mark Stenson)

11. **IT Implications**

11.1. None

12. **Property Implications**

12.1. There are no direct implications on the Council's corporate estate. (Cath Conroy)

13. **Procurement Implications**

13.1. The Procurement has been carried out in line with EU Regulations and Oldham Council's Contract Procedure Rules.

13.2. All insurance documentation, method statements and risk assessments must be requested, received and checked to be in compliance with the Council's requirements.

13.3. The contractor of choice is registered with Constructionline in accordance with the Council's requirements.

13.4. Following a financial assessment by Mint UK on [26th May 2016] company failure classification is assessed as a rare occurrence.

13.5. The contractor of choice proposed the best commercial solution and is an Oldham based supplier. Their tender contained commitments to deliver Social Value for the borough which will be monitored through the delivery of the contract. (Darren Judge)

14. **Environmental and Health & Safety Implications**

14.1. Environmental

The Campus Oldham highway improvement works will improve opportunities for cycling in the area, which will have a small effect in terms of reducing congestion and mitigating air quality concerns. The preferred contractor has been scored on environmental management as part of the procurement process, and the Constructionline approvals process also assesses contractors for compliance with environmental legislation and environmental management. (Andrew Hunt)

14.2 Health and Safety

The contractor of choice are accredited within the CHAS scheme. There have been no prosecutions or Enforcement Notices recorded on the Health and Safety Executive (HSE) enforcement website relating to the contractor of choice within the last 3
years. Safety critical documentation such as risk assessments, safe working methods etc. have not been assessed by the health and safety service and these checks must be undertaken by the relevant project manager as should relevant supervisory checks of any contractors. (Laura Smith)

15. **Equality, community cohesion and crime implications**

15.1. The scheme will have a positive impact on equality, community cohesion and crime. The scheme will provide an improved area of public realm along a key corridor in the Town Centre. The corridor links public transport nodes and places of work and education bases with the wider Town Centre. Wider footways and the inclusion of shared cycle facilities incorporated along the corridor and at all signalised crossing facilities will prioritise sustainable forms of transport. Simplifying vehicular movements and providing improved access to Oldham Way should contribute to relieving congestion on King Street. These measures in conjunction with recent streetlighting improvements will reduce the risk of crime and improve personal safety and security.

16. **Equality Impact Assessment Completed**

16.1. No. The scheme has been designed in accordance with accessible design principles and is part of the approved transport capital programme.

17. **Key Decision**

17.1. This is a key decision

18. **Forward Plan Reference**

18.1. HPT-01-16

19. **Background papers**

The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

Records held in Unity Partnership, Henshaw House, Cheapside, Oldham, OL1 1NY
Officer Name: Alex Shaw
Contact No: 0161 770 1953

20. **Appendices**

20.1 None