

North Somerset Council

Report to the Executive

Date of Meeting: 18 October 2023

Subject of Report: Bus Service Improvement Plan (BSIP) - Contract Award of Design and Build Contractor

Town or Parish: All

Officer/Member Presenting: Cllr Hannah Young, Executive Member for Highways and Transport

Key Decision: YES

Reason: The total contract value is more than £500,000.

Recommendations

1. It is recommended that the Bus Service Improvement Plan (BSIP) Design and Build contract be awarded to Alun Griffiths (Contractors) Ltd (Company No. 01493003), at an expected contract value of £15.4m. The duration is 23 months to October 2025.

Summary of Report

- 1.1 In May 2022 the Department for Transport (DfT) awarded North Somerset Council an indicative £47.8 million in capital funding, to spend entirely on bus infrastructure schemes within North Somerset by October 2025. This award will enable the council to rapidly transform the efficiency and effectiveness of bus services across the North Somerset area, by delivering:
 - Bus traffic signal priority along all the key bus routes or delay hotspots;
 - 17 bus priority schemes;
 - 3 new interchanges and one upgraded bus interchange in our key towns;
 - Investment in new modern bus shelters;
 - Integration of cycling facilities at key bus stops.
- 1.2 This funding package offers a transformational level of funding, eclipsing anything previously seen in public transport in the history of North Somerset Council. The investment enables the council to address the decline of the public transport market due to the COVID pandemic and represents a genuine opportunity to deliver on 2030 net zero carbon reduction targets, by improving the effectiveness of public transport to a level that creates a viable alternative to the use of private vehicles.
- 1.3 The grant will enable the council to rapidly transform the efficiency and effectiveness of bus services across the North Somerset area, by delivering on a range of integrated work across network and services, fares and ticketing, passenger experience and the Enhanced Partnership.

- 1.4 The North Somerset Council-only capital grant will be focussed on delivery of reliably faster buses, which are cheaper to operate, meaning fewer resources (drivers and vehicles) are required to operate the same service. This results in either the possibility of enhancing service frequency or lowering the cost requirements to run a service, resulting in more sustainable and reliable bus services (essential to grow passenger confidence and patronage levels).
- 1.5 Our Bus Service Improvement Plan document, which is our local delivery plan, sets out our ambitious targets. This has recently been updated to reflect the grant and Enhanced Partnership. This includes targets to:
- reduce bus journey times by 10%;
 - ensure 95% of services run on time;
 - return to pre-pandemic patronage by 2025 and continuing to grow beyond that;
 - increase passenger satisfaction;
 - aim for all buses to be zero emission by 2030.
- 1.6 The capially funded elements of BSIP are intended to work in conjunction with initiatives using the funding aspect of the BSIP grant - £57M awarded to North Somerset Council and the West of England Combined Authority who are working together on this initiative. BSIP is governed by an Enhanced Partnership between North Somerset, the Combined Authority, the other Highway Authorities in the West of England area, the bus operators, and other key stakeholders. It is intended that through the EP process, capital and revenue investment from NSC and WECA is reciprocated by commensurate improvements to services through investment from the operators.
- 1.7 The indicative funding was subject to a final DfT outline review of the proposed schemes which concluded in June 2022 and resulted in the confirmation of funding in November 2022. Due to the later anticipated confirmation of funding, a change request has been submitted and accepted by the DfT to extend the deadline for delivery of investment to October 2025.
- 1.8 In order to deliver North Somerset's Bus Service Improvement Plan (BSIP) capital funded schemes, a variety of contractual arrangements are required. 7 of the 17 agreed bus priority schemes outlined in paragraph 1.1 are being delivered by the existing highways term maintenance contractor. This is defined as phase 1. The 10 remaining bus priority schemes, listed in paragraph 3.3, required a commissioning plan, which was approved by Full Council in July 2022.
- 1.9 A full procurement process has taken place as defined in the agreed commissioning and procurement plans. Details of this process and the outcome are outlined in paragraphs 3.9 to 3.23. This report seeks approval to award the contract for a Design and Build contractor to deliver 10 bus priority schemes as recommended by the procurement process outcome.

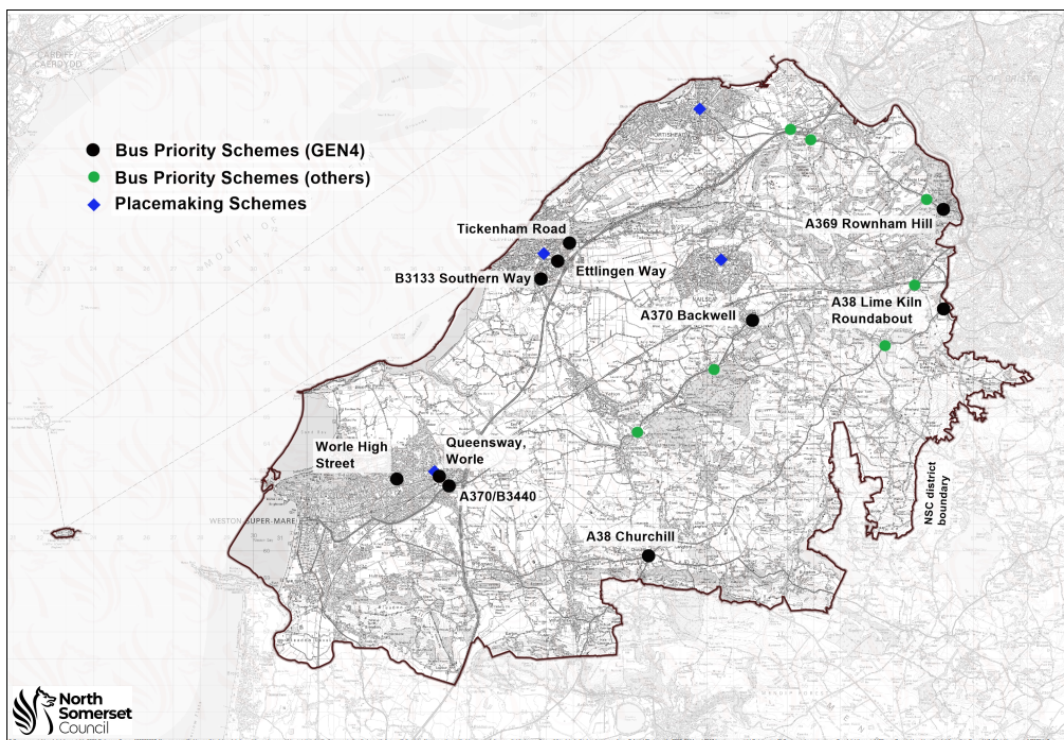
Policy

- 2.1 The provision of key enabling infrastructure and improvements to the transport network widely supports the Corporate Plan objectives and priorities, most specifically within the priority of a Thriving and Sustainable Place.
- 2.2 The BSIP programme also supports the following Core Strategies:
 - To be a carbon neutral council and area by 2030
 - A transport network which promotes active, accessible, and low carbon travel
- 2.3 The BSIP plan and funding will enable the council to expand its public transport network with efficient, cost-effective mass transit options benefiting all areas of North Somerset and its residents, by providing sustainable alternatives to the use of private vehicles to access education, health, employment, and socially necessary trips.

Details

Introduction

- 3.1 The BSIP capital schemes are focused on providing bus priority schemes on three key corridors in North Somerset, consisting of the A38, A369 and A370, as well as Weston-super-Mare and Clevedon towns. There are 17 bus priority schemes in total, with an initial 7 schemes being delivered by the council's Highways Term Maintenance and Schemes Contractor.
- 3.2 The location of all bus priority schemes are shown in the map below:



- 3.3 This contract award relates to a second phase of 10 bus priority schemes to be delivered by an appointed design and build contractor (labelled GEN4 on the map above) at the following locations:

- Queensway, Worle
- A370/B3440 junction;
- A370 Backwell signals;
- Worle High Street;
- A369 Rownham Hill;
- B3133 / Southern Way / Central Way roundabout;
- Ettlingen Way roundabout;
- Tickenham Road;
- A38 Churchill junction;
- A38 Lime Kiln Roundabout.

3.4 The appointed contractor will be responsible for the preliminary design, detailed design and construction of the above bus priority schemes, including where necessary but not limited to, the design and construction of all temporary works, road space and traffic management activities.

3.5 The duration of this contract is approximately 23 months, to the end of October 2025.

3.6 The total contract value is approximately £15.4 million.

Governance

3.7 A Commissioning Plan was approved by Full Council on 12 July 2022.

3.8 A Procurement Plan was approved by the Executive Member for Transport and Highways, advised by the Assistant Director Neighbourhoods and Transport and the Head of Strategic Procurement on 12 September 2022.

Market Engagement

3.9 The Hampshire Generation 4 – Civil Engineering, Highways and Transportation Collaborative Framework (Lot 3) has the following 4 contractors:

- Hochtief
- Milestone Infrastructure
- Volker Fitzpatrick
- Tarmac / Alun Griffiths

3.10 An engagement session was held with framework suppliers from the GEN4 framework on 12 October 2022. Following this session, a questionnaire was sent to all suppliers to gauge interest in the opportunity and seek opinions on aspects of the tender, for example tender periods and price/quality weightings. A further engagement session was held on 8 December 2022 to share more information about the tender opportunity, such as concept designs, ahead of the mini competition.

3.11 During the tender period, two more focused presentations were held with framework contractors in response to tender clarifications. A presentation with more detail about a specific contract clause (X22) was held on 25 May 2023 and a presentation around stakeholder management plans was held on 5th July.

Award Criteria

3.12 The following weightings were applied to the evaluation:

- 30% Price
- 60% Quality
- 10% Social Value

3.13 Price had a weighted score of 30%, which was broken down into the design stage (60%) and construction stage (40%). Furthermore, each of the stages was calculated as a combination of the activity schedules, fee percentages and preliminary discounts.

3.14 Quality had a weighted score of 60% and the following scoring matrix was used for the quality evaluation of bids:

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the Council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the Council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the Council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

3.15 Bidders were required to answer five quality questions which were scored against the above matrix. The quality assessment covered the following topics:

Quality Sub-Criteria	Weighting
Project Delivery Approach and Management	30%
Programme and Phasing	20%
Risk Management Approach	15%
Sustainability, Carbon Reduction and Biodiversity including Traffic Management	20%
Stakeholder Management	15%
	100%

Procurement Procedure and Publishing Information

- 3.16 A mini competition on the GEN4 Framework was published on the council's e-procurement system ProContract on 11 April 2023. The submission deadline was 14 July 2023, extended from 16 June 2023 following requests from bidders.
- 3.17 Of the four Lot 3 suppliers on the GEN4 Framework, one supplier opted out prior to the publication of the mini competition. The remaining three suppliers were invited to bid for the BSIP design and build opportunity. Two suppliers submitted a bid.

Evaluation Panel Members

- 3.18 The evaluation panel was as follows:
- Head of Infrastructure (BSIP)
 - Infrastructure Delivery Manager – BSIP Bus Priority Schemes
 - BSIP NEC Project Manager
 - Procurement Support Consultant (AECOM)
 - Climate Emergency Project Manager (climate emergency question only)
- 3.19 The moderation was facilitated by the Procurement Officer (BSIP).

Evaluation Outcome

3.20 The submissions received were evaluated as follows:

	Alun Griffiths	Supplier 2
Quality Score	46.20%	49.80%
Price Score	30.00%	24.70%
Social Value Score	7.05%	7.50%
Total Score	83.25%	82.00%

3.21 It is therefore proposed that the contract is awarded to Alun Griffiths (Contractors) Ltd.

Social Value

3.22 Social Value was evaluated by the Social Value Portal and included the submission of commitments against the Themes, Outcomes and Measures (TOMs model) as well as submission of a Delivery Plan.

3.23 Alun Griffiths (Contractors) Ltd have submitted the following Social Value commitments, which will form part of the contract and will be monitored throughout the delivery of the design and build contract:

Measure	Unit	Target Number
No. of direct local employees (FTE) hired or retained on the contract	no. people FTE	1.25
No. of local people (FTE) on contract employed through your supply chain	no. people FTE	26.06
No. of employees (FTE) hired on contract who are long term unemployed (1+ yrs)	no. people FTE	2
No. of mothers returning to work (FTE) hired on the contract	no. people FTE	1
No. of employees (FTE) hired on the contract who are NEETs	no. people FTE	2
No. of staff hours spent on local school and college visits (inc. prep. Time)	no. staff hours	152
No. of hrs supporting unemployed people into work	no. hrs (total session duration)	108
No. of weeks spent on meaningful work placements (unpaid)	no. weeks	24
Total amount (£) spent in local supply chain through the contract	£	3730000
No. of hours volunteering time provided to support local community projects	no. staff volunteering hours	480
Savings in CO2e emissions on contract achieved through de-carbonisation	tCO2e	100

Contract Management

- 3.24 Day to day contract management will be undertaken by the Head of Infrastructure, the Infrastructure Delivery Manager and the NEC Project Manager for the BSIP bus priority schemes. An Employer's Agent will be appointed to work with NSC to oversee the delivery of the bus priority schemes by the appointed Design and Build contractor.
- 3.25 The use of Key Performance Indicators (KPIs) will be used as a tool to measure performance of the contractor. These will be based around the core principles of time, cost and quality but will also link back to the quality element of the original submission.
- 3.26 Monthly bespoke reports will be produced by the contractor to monitor their progress against the key criteria in addition to the measurement requirements that form part of the NEC contract. The monthly highlight report will detail various areas including the following:
- Progress against Programme
 - Change (Cost, Time and Scope)
 - Forecast (Cost and Programme/Time)
 - Risks and Issues
 - Performance – Social Value and KPIs
 - Stakeholder
 - Opportunities and Decisions Required
 - Social Value commitments
- 3.27 Formal monthly meetings will be held to monitor progress and review risks and issues to the project. The progress of the project will be summarised in a highlight report and presented to the Project Board. The project and contract management approach will be formalised through the project delivery manual and the governance model used on other major projects for reliability and consistency in approach.
- 3.28 The Project Board structure will be undertaken in accordance with the agreed BSIP project management and board protocols and processes.

Consultation

- 4.1 NSC stakeholders who have been consulted to date include:
- Leader of the Council
 - Executive Member for Transport and Highways
 - Place Director and Directorate senior colleagues
 - Internal Place Directorate teams
- 4.2 There has also been ongoing engagement with Department for Transport to determine the requirements of the schemes and funding.
- 4.3 Early engagement with the Gen4.3 Framework suppliers took place on 12 October to ascertain suppliers' capacity and appetite to bid for this contract. A further supplier engagement session will be held in December 2022, prior to publishing the opportunity in January 2023.

- 4.4 An engagement session was held with the Transport, Climate and Communities Policy and Scrutiny Panel on 26 July 2023.
- 4.5 A detailed communications and engagement plan is being developed to support the delivery of the projects through the D&B contract.

Financial Implications

Costs

- 5.1 The contract is to include Early Contractor Involvement (ECI) and be phased. The tendered Phase 1 value is £2,664,611, this is a set Target Price.
- 5.2 The Phase 2 tendered estimate value is £10,861,401 including 5% tendered discount to prelims and 6.25% reduction in programme. The total for both phases is £13,526,012.
- 5.3 A 14% contingency of £1,893,642 has been applied to these tendered prices. The 14% figure was reached by using the Government guidance on Optimism Bias 2004 as updated in 2021. This was then calculated as a percentage of the total allowing 20% on material elements and 5% on prelim elements.
- 5.4 The total expected value of the contract is therefore £15,419,654. A breakdown of the costs associated with each project is shown below:

Scheme	Phase 1 £	Phase 2 £	Contingency £	Total £
Queensway Worle / A370 B3440	365,693	2,449,636	394,146	3,209,475
B3440 / Junction 21	44,432	291,077	46,971	382,480
A370 Backwell Signals	239,223	747,611	138,157	1,124,991
Worle High Street Bus Gate	168,942	485,682	91,647	746,271
A369 Rownham Hill	299,708	1,539,828	257,535	2,097,071
B3133 Southern Way / Central Way Roundabout	327,840	1,405,983	242,735	1,976,558
Ettlingen Way Roundabout / M5 Junction 20	156,744	312,738	65,728	535,210
Tickenham Road / Northern Way / All Saints Lane	327,546	925,129	175,374	1,428,049
A38 Churchill Signals	382,103	1,340,579	241,176	1,963,858
A38 Lime Kiln Roundabout	352,380	1,363,138	240,173	1,955,691
	2,664,611	10,861,401	1,893,642	15,419,654

Funding

- 5.5 The Department for Transport awarded North Somerset Council £47,983,000 in November 2022 to fund the BSIP capital programme of works including the BSIP Bus Priority Schemes which this contract will deliver.
- 5.6 The budgets within cost centre KDT150 allocated to the 10 projects to be delivered by the D&B contract total £25,195,000.

Scheme	Budget £
Queensway Worle / A370 B3440	£6,650,000
B3440 / Junction 21	Included above
A370 Backwell Signals	£1,030,000
Worle High Street Bus Gate	£1,650,000
A369 Rownham Hill	£2,050,000
B3133 Southern Way / Central Way Roundabout	£2,050,000
Ettlingen Way Roundabout / M5 Junction 20	£1,300,000
Tickenham Road / Northern Way / All Saints Lane	£4,150,000
A38 Churchill Signals	£4,900,000
A38 Lime Kiln Roundabout	£1,415,000
Total budget	£25,195,000

- 5.7 Overall, the D&B contract is within the available budget for this aspect of the BSIP programme. The allocated budgets on some individual schemes currently exceed the estimated costs, however these are offset by lower costs than forecast elsewhere. Project budgets will be adjusted across the whole of the BSIP programme to reflect the outcomes of the tender.
- 5.8 These revised scheme budgets will be subject to review and approval by the BSIP Governance Board prior to a Project Change Request being submitted to the Department for Transport.
- 5.9 A full schedule of changes will also be reported to Capital Programme, Planning and Delivery Board with a full outline of risks, contingency and mitigation measures available on the programme of works.

Legal Powers and Implications

- 6.1 The Gen4 Framework was compliantly procured in accordance with the Public Contracts Regulations 2015 and NSC was eligible to access this framework.
- 6.2 The appointed contractor will sign the NEC4 Engineering Construction Contract (ECC) Option C for the Design and Build contract.
- 6.3 The procurement process was compliant with the Public Services (Social Value Act) 2012 by ensuring it seeks additional social value during the tender process.

Climate Change and Environmental Implications

7.1 The wider BSIP programme, including the bus priority schemes identified above, will contribute to the reliability and attractiveness of the public transport network, with the aim of reducing car journeys within North Somerset and beyond. The BSIP has ambitious targets to:

- Reduce bus journey times by 2% by 2025 and by 10% by 2030;
- Achieve 95% of services running on time, defined as being no more than 1 minute early or 5 minutes late, by 2030;
- Return to pre-pandemic patronage levels by 2025 and grow patronage by at least 24% from that level by 2030;
- Increase passenger satisfaction to 89% for 2025 and 95% for 2030;
- Aim for all buses to be zero emission by 2030.

7.2 Bidders were asked a quality question around sustainability, carbon reduction and biodiversity including traffic management, which was worth 15% of the quality score. The proposed contractor provided good evidence of delivering carbon reduction and Biodiversity Net Gain for similar projects and also provided good solutions for climate change adaptation, which gives the council a good level of confidence in their ability in this area.

Risk Management

8.1 The key risks to project delivery are identified below:

Risk	Mitigation
Inflation is a significant area of risk and uncertainty for contractors at the moment, who could price higher than inflation to reflect this.	NSC will take on the inflation risk, which has been factored into the scheme budgets. This mitigates against paying higher than inflation due to uncertainty.
Design and build costs are higher than anticipated because only concept designs were provided in tender pack.	The contract contains a mechanism to control cost increases.
A single stage design and build contract does not have a break clause between the design and build stages.	Phasing is an important factor for this contract and a break clause would have made the contract less flexible. Sectional completion was utilised in the contract instead. Costs will be managed through a clear activity schedule and change control approach in the Scope.
Contractor Underperformance	Employers Agent and additional NSC staff employed to manage Contractor and ensure adequate performance
Programme Extension moving the works outside the agreed funding window	Contract is explicit in stating the funding window.

Equality Implications

Have you undertaken an Equality Impact Assessment? Yes

- 9.1 An initial Equality Impact Assessment for the BSIP Programme has been completed. A full Equality Impact Assessment is being developed for the various schemes which will be delivered through the Design & Build contract.

Corporate Implications

10.1 The NSC Corporate Plan 2020-24 sets out to achieve 'A transport network that promotes active, accessible and low carbon travel' and by 2023, to see 'More people using the bus network, and improvements in reliability and passenger satisfaction'. Through delivering showcase bus corridors, as well as other measures that are detailed in the BSIP and proposed EP schemes, the Corporate Plan aims to see:

- An increase in bus patronage
- An increased range of effective and frequent services.
- The delivery of at least three new showcase corridors by 2025, and.
- Measures to enable the unhampered movement of buses.

Options Considered

11.1 Prior to procurement, the following routes to market were considered:

1. **Open Procedure** – This was not considered a suitable option for the project, due to the time constraints and a large supplier base, which could have generated a large number of submissions and would have been time consuming to administer and evaluate the tender. Also, suppliers may have been discouraged from bidding if the likelihood of success did not justify the costs associated with preparing and submitting a bid.
2. **Restricted Procedure** – Shortlisting suppliers after an initial selection process would have enabled the project team to focus on the evaluation of a more limited number of suppliers. As the chances of success are increased for those shortlisted suppliers, there may have been more interest in the opportunity from the market as suppliers would have had more confidence in their chances of success. However, it would have been a more time-intensive procurement route and unfortunately there was insufficient time in the programme to undertake a restricted tender.
3. **Single-Supplier Framework** – Whilst single-supplier frameworks have previously been used for this type of project and it can be a time-efficient process, it was not the preferred route to market, due to a lack of competition between suppliers and concerns about achieving value for money.
4. **Multi-Supplier Framework** – This provided the benefits of a quicker route to market with pre-qualified suppliers while still ensuring competition between suppliers to achieve better value for money for the council.

11.2 Option 4 was therefore the preferred option and six multi-supplier frameworks were considered for the Design and Build tender. Following a workshop facilitated by the Procurement Team, the Hampshire County Council Generation 4 Civil Engineering, Highways and Transportation Collaborative Framework (Lot 3) was chosen as the preferred route to market.

11.3 There were several benefits to the GEN4 Framework, including known contractors, some of whom have contracts in the South West, and a lower contractor levy fee. It was hoped that contractors with a presence in the South West would find the opportunity attractive as it would not be prohibitively expensive for them to mobilise in our area, and that mobilisation costs should not be so high as to make their bid uncompetitive.

Authors:

Alice Griffin – Procurement Officer
Miranda Huntley – Procurement Manager
Maria Davidson – Project Accountant
Rob Thomson – Head of Infrastructure (BSIP)
James Padgham – Infrastructure Delivery Manager
Aidan O’Leary – BSIP NEC Project Manager

Appendices:

None

Background Papers:

- [Commissioning Plan for BSIP Project](#)
- [Procurement Plan for the Design and Build of BSIP Bus Priority Schemes](#)
- West of England Bus Service Improvement Plan
- DfT Confirmation of funding for North Somerset and WECA