

North Somerset Council

Report to the Executive

Date of Meeting: 24 April 2024

Subject of Report: Delegation of authority to the Executive Member for Major Projects to award the Winterstoke Road Bridge detailed design and construction contract

Town or Parish: WsM South Ward and WsM Winterstoke

Officer/Member Presenting: Councillor Mike Bell, Executive Member for Major Projects

Key Decision: Yes

Reason:

The value of the contract is above £500k and the construction will be significant in terms of its effects on communities living and working in two wards.

Recommendations

For the Executive to approve the delegation of authority to the Executive Member for Major Projects (the Leader) to award the contract for detailed design and construction services for Winterstoke Road Bridge

1. Summary of Report

Winterstoke Road Bridge (WRB) was built in Weston-super-Mare in 1943 to service an aeroplane factory during the Second World War and is currently the responsibility of the Ministry of Defence (MoD). The bridge is life expired and it is no longer economic to repair the bridge with replacement being the necessary course of action if the route is to be maintained. The bridge provides vital access and is in an industrial and urban area where many heavy goods vehicles as well as communities rely on the route to access their premises and homes.

Without replacement of the bridge, further weight restrictions and full closure will be a likely outcome within the next 10 years.

As highway authority, the council is better placed than the MoD to manage the reconstruction of the bridge and its long-term management in the interest of highway users, and therefore has been leading on the delivery of the replacement bridge. The project is being funded solely by the MoD and a Memorandum of Understanding (MoU) has been established to outline the relationship between the two parties, providing a framework for funding and decision making. Following completion of the project, the council will adopt the new bridge and be responsible for future maintenance. A commuted sum paid by the MoD to cover 120 years of ongoing inspection and maintenance has been secured.

In January 2022 the council secured additional funding from the MoD. A value engineering exercise as well as the preliminary design has since been completed. This design has been approved by North Somerset Council's Technical Approval Authority as well as receiving a letter of no objection from Network Rail.

A procurement strategy was carried out late 2023 / early 2024 which identified the best route to market and procurement approach. A range of routes to market (i.e. open tender or framework) and a variety of different procurement phasing for different packages of work (i.e. traditional procurement or Design and Build) were considered. It concluded that a Design and Build contract directly awarded through the Pagabo Civil Engineering and Infrastructure framework offered best value for money given the project constraints and requirements, primarily around engagement with key stakeholders such as Network Rail and increased cost certainty upfront. The contract will be an NEC4 Option C.

The procurement for the detailed design and construction services is to be carried out from April to May 2024, and is subject to its own approval process outside of this delegation of authority decision.

The award of contract for the detailed design and construction services is forecast to be in the region of £15m and was initially programmed for Executive approval in June 2024. The Executive meeting is now proposed to be moved from June to the 17 July. The delivery of the bridge replacement is subject to extensive Network Rail approval processes and restricted possessions dates that require to be booked 12 to 18 months in advance. Delaying the contract approval until this revised Executive meeting date would put significant risk on achieving the programme. There are only a handful of opportunities to book daytime possessions within a 12-month period. If the agreed possession dates are consequently not met there is potential that the scheme will become unaffordable due to delays.

Therefore, it is requested that the Executive approve delegated authority to the Executive Member for Major Projects to award the contract in order to achieve the original programme date of June 2024.

2. Policy

The existing provision for pedestrian and cycling is significantly constrained and below current standards. There is only pedestrian access over the bridge on the west side of the road, which is the opposite side of the road to Haywood Village. Cyclists are restricted to a mix of no or narrow on-carriageway cycle lanes.

There is currently a weight limit on the bridge of 7.5 tonnes, restricting access to HGV's. It therefore is no longer the division route for the motorway.

The project will create wider pedestrian paths on both sides of the road, an off-carriageway cycle lane and remove the weight restriction.

It will also improve the slope geometry of the approach ramps.

Through these changes, the project outputs strongly link to the priorities in the Corporate Plan in particular "a thriving and sustainable place" as well as "a council which empowers

and cares about people". The project supports policies outlined in the Core Strategy such as;

- CS10 Transportation and movement
 - Improved access to pedestrians
 - Improved access to cyclists
 - Mitigate traffic congestion
 - Improve connectivity between south and north of the railway
- CS15 Mixed and balanced communities
 - Improved access to those with reduced mobility
- CS20 Supporting a successful economy
 - Re-introduction of HGV's over the bridge improving access to the industrial areas of Winterstoke, removing them from going through residential areas / town centre.

3. Details

Background

Winterstoke Road Bridge carries Winterstoke Road over the railway mainline. Winterstoke Road is adopted highway and a significant local route within Weston-super-Mare managed by the council. The bridge is built on land owned by Network Rail and Network Rail is also the operator of the railway infrastructure beneath the bridge. The MoD own the bridge and is responsible for its maintenance and repair. Network Rail acts as agent of the MoD to maintain the bridge in a good state of repair and when necessary, repair the structure of the bridge, at the cost of the MoD.

The bridge has been the subject of regular inspection and assessment by Network Rail on behalf of the MoD and has been found to have significant structural problems. Because of these assessments and the Highway Authority's duty of care the bridge had a weight restriction of 7.5 tonnes implemented in 2018.

The bridge is coming towards the end of its life and without replacement, further weight restrictions and full closure will be a likely outcome in the next 10 years. Winterstoke Road is a vital route within Weston-super-Mare with many local businesses and communities relying on the routes to access their premises and homes, as well as previously being the emergency diversion route for the M5.

Following disposal of local estate assets, the MoD has proposed to transfer ownership and maintenance liability of the structure to the local highway authority North Somerset Council, who are currently responsible for maintenance of the carriageway surfacing. This will ensure a transfer of the asset to an authority better placed to manage and maintain the overall asset in the interest of the highway user and local community. Network Rail are clear that as the bridge does not support their asset, they are not in position to adopt the structure upon completion of the bridge replacement.

Due to the council's statutory function as highway authority, its capacity and capability in delivering, managing and maintaining complex civil highway projects and a wide highway asset base together with its corporate priorities on localism, environment, and carbon management, the council has accepted liability of the new bridge once built to adoptable standards, in return for receiving a commuted sum to maintain the bridge for the next 120 years.

The council has been asked to adopt the replacement bridge but only following its construction to an adoptable standard, which in the case of Winterstoke Road bridge would

mean full replacement. The council's management of this project would ensure the bridge meets the council's legal and statutory requirements.

The MoD transferred £10.8m (excl. VAT) to the council in 2018/19 and further funds of £9.46m (excl. VAT) transferred to the council in January 2022, which is held in a specific project account, within NSC's core bank account. Project spend is funded from this account.

Benefits of replacing Winterstoke Road Bridge

The maintenance of the bridge and highways is critical to allow the route to remain open as a key piece of infrastructure to facilitate current and future residential and commercial access and development in the surrounding locality. The scheme will also provide a far safer, high quality, consistent pedestrian route along the length of Winterstoke Road by providing off road facilities to replace the existing substandard on road facilities. These will link with existing facilities in the town to provide an enhanced sustainable travel network.

The major benefits of implementing the proposal as detailed:

- The new bridge and highways will be fit for purpose and safe for all road users.
- Cost effective, strategic solution to several existing maintenance and network resilience issues
- Greater accessibility and economic activity for local communities and businesses.
- Application of Whole Life Costing and Asset Management principles.
- Improved sustainable links.
- Enhanced access for tourists helping to drive tourism economy and further increase attractiveness of Weston-super-Mare as a key tourist destination in the area.

These benefits will impact not only the immediate locality of the proposed scheme, but also the entire town of Weston-super-Mare as the scheme will deliver a new structure and highways that are fit for purpose and safe for all road users. It will also provide the foundation for preventative long-term asset management for the highways and minimise costly short-term reactive repairs.

Procurement

An assessment of different types of procurement were assessed which included open tender and the use of frameworks. It was concluded that frameworks provided benefits that outweighed the use of an open tender. A variety of frameworks were assessed with Pagabo the preferred option, one reason being the specific rail specialism option with the Pagabo Civil Engineering and Infrastructure Framework

The Direct Award procurement route has many benefits.

1. Fully collaborative approach – delivery can be discussed / agreed with contractor.
2. Ability to take full advantage of liaising and discussing construction approach with Network Rail during the pricing stage and incorporate costs within the Target Cost in advance of signing the contract.
3. Ability to take full advantage of liaising and discussing construction approach with the Statutory Utilities and better understanding their requirements and co-ordination during the pricing stage and incorporate costs within the Target Cost in advance of signing the contract.
4. Value for Money demonstrated on an Open- Book, package by package basis.
5. Pre-tendered Overhead and Profit fee competitively market tested and set during the procurement of the framework

Given the projects need for collaboration with key stakeholders that will influence the programme and methodology of the scheme, and the need for greater cost certainty before the award of contract, a direct award benefits align with these needs of the project. The requirements of the stakeholders can be considered and reflected in the Target Cost exercise prior to signing the contract.

There are opportunities to have open dialogue with the contractor to discuss and negotiate risk allocation which can drive value for money, which would not be feasible in an open tender.

There are various aspects to a contractor's proposal that would need to be evaluated and tested to ensure that value for money is achieved, which would normally be substantiated through a multi-supplier tender. The 4 key elements include;

1. Fee / Overhead and profits
2. Construction & materials
3. Prelims / resource allocation
4. Programme

To demonstrate value for money, each element of the contractor's proposal will be scrutinised and compared to market data.

1. Evaluation criteria for contractors to win the contract and be a named supplier on the Pagabo Framework included the OHP fee cap. Therefore, this element has already been market tested to ensure competitive rates.
2. Construction and materials will be market tested by obtaining 3 quotes through an open book process for subcontract packages. By obtaining 3 quotes, it can be demonstrated that the contractor is delivering the works at market rates and value for money. Further comparison can be undertaken by reviewing previously received quotes (adjusted for inflation) as appropriate.
3. The contractors proposed prelim costs and resource allocation will be reviewed against previously received submissions for these works, as well as AECOM's market database of rates, specifically targeting geographically local projects of a similar value to maximise a like for like comparison. The result of this analysis empowers the council to challenge costs to ensure that the contractor robustly substantiates or reduces the costs / allocation.
4. The programme will be reviewed and compared against previous programmes received by the project team. Stakeholders will feed into the programme during the tender stage including Network Rail and utility companies to ensure that constraints and opportunities are captured and reflected in the final programme for acceptance as part of the contractors Target Cost submission.

In December 2023 an Expression of Interest with Lot 3 was launched on NSC's behalf by Pagabo to understand which contractors would be interested in tendering. 4 suppliers expressed an initial interest. A presentation with the 4 interested suppliers was held in January 2024 to provide more detail about the scheme and offer the opportunity for a question and answer session. Following this exercise 3 of the 4 suppliers withdrew their interest. Key concerns were around allocation of risk, the ground conditions, programme constraints and the desire for an ECI stage. Following an assessment of the market feedback, concessions were made and the suppliers were re-engaged with 1 supplier declaring an interest (Octavius).

Given the expertise of the contractor on the Pagabo railway specialism lot, as well as being on the Network Rail CP7 framework, Octavius were the preferred contractor and invited to price the works, which they accepted.

Programme requirements and the need for delegated approval

The programme for delivery is challenging, with a possession date for the bridge demolition in October 2025. The project is subject to 3rd party approval timescales and has limited control over these aspects. Network Rail are heavily regulated and the detailed design for both the new and temporary bridge, as well as all of the different construction works packages that are happening on or close to the railway, will need to be formally approved. Given the duration the temporary bridge will be in place, Network Rail will consider this as a permanent structure and therefore will be subject to more detailed submissions and greater scrutiny.

The temporary bridge will need to be designed, approved by Network Rail as well as North Somerset Council's Technical Approval Authority, manufactured and installed so the 5 utilities can be diverted off the main bridge. These Utility companies have lead in times to notify their customers before starting the diversions, as well as require co-ordination given the limited working space. The costs for booking a daytime possession are in the region of £200k a day and opportunities to access the railway during the day are highly restricted during the year. It is vital that this possession date is met to support delivery of an affordable scheme, as well maintaining reputational integrity. Given the significant impacts on the scheme if the possession date is missed, it is important that delay is not caused by the rescheduling of the Executive meeting to an already challenging programme.

4. Consultation

The Project Board (of which the MoD has a seat) have been advised of the procurement approach and the importance of meeting the contract award programme in February 2024. Since then, the Project Board has been kept informed and additional ad hoc meetings with the MoD have been held to ensure they are kept up to date with the cost profile and budget pressures.

There have been briefings to the Executive Member for Major Projects and the Executive Member for Highways and Transport re the Winterstoke Road Bridge scheme. These are programmed to continue on a monthly basis.

The Transport, Climate and Communities Policy and Scrutiny Panel chair was briefed in March 2024 re the need for delegated authority to mitigate the risk around programme delivery.

A community drop-in session is planned for the detailed design stage where we will be able to showcase the scheme to local residents and businesses and answer any questions they may have.

It is well understood that the closure of the bridge will have significant impact on the highway network. A working group has been set up to co-ordinate with key internal stakeholders including the events team, highway maintenance and Major Projects happening in the local area at similar times to that of Winterstoke Road Bridge. Although these projects will have their own programmes and funding conditions to meet which will limit the possibility of staggering out the works mitigation measures will be taken forward. Traffic modelling will be carried out to understand the impact of the closure. Mitigation measures can then be proposed to target hotspots / bottlenecks and a public engagement

strategy will be implemented to ensure that the public are clear and understand the need for deliver and the potential impact it will have. The impact on traffic will be continuously monitored throughout the construction period and mitigation measures reviewed to ensure that changes can be quickly put into action to reduce disruption.

5. Financial Implications

Costs

The estimated value for this contract, which includes detailed design and construction, is £15m. Costs will be charged to cost code KDH407 Winterstoke Road Bridge Replacement.

The Target Cost for the contract will be fully scrutinised and assessed throughout and on completion of the costing exercise, by the Projects Employers Agent ensuring the offer is value for money. The Target Cost will also be scrutinised by the Project Board / the MoD.

Through the MOU, the MoD are liable fully for the costs of replacement.

Funding

A total of £17.8m of capital funding (exc VAT) has been secured from the MoD for the bridge replacement and added to the capital programme. A contribution of £450k from NSC has also been secured towards enhanced pedestrian and cycling provision.

Currently a total of £2.5m has been identified to be funded by the MoD for maintenance of the new bridge. This is revenue funding and not subject to VAT. The actual level of funding for ongoing maintenance will be assessed once detail design is completed in line with national and industry standards. If the revised calculation following detailed design is different to the £2.5m currently estimated, then the MoD will be liable to fund the increase. The sum is to fund maintenance for the next 120 years.

MoD Funding	Capital	Revenue
Sum	£17,793,333	£2,500,000
VAT	£3,558,667	£0
Sum + VAT	£21,352,000	£2,500,000
Total incl. VAT	£23,852,000	
Total excl. VAT	£20,293,333	

Table 1: MoD funding

Funding excl. VAT	Value
MOD	£20,293,333
NSC	£450,000
Total	£20,743,333

Table 1: Total funding

6. Legal Powers and Implications

Governance

The Executive is able to delegate approval to the Executive Member for Major Projects.

Responsibility and funds

The MoD is responsible for the repair and maintenance of Winterstoke Road Bridge. The highway crossing the bridge, however, is the responsibility of the Highway Authority. The

council needs to ensure the highway is safe for highway users and could if necessary, serve notice on the MoD to improve their asset. Once the bridge is replaced to an adoptable standard and through a commuted sum it will form part of the public highway maintained at the public expense and be part of the council's highway asset.

The Memorandum of Understanding states that if the total cost of the works is greater than the current money provided, the MoD will contribute further amounts required to complete the works and pay all sums under the works.

Procurement

The Pagabo Framework was set up in full compliance with the Public Contract Regulations. In 2021 the Pagabo Civils and Infrastructure Framework was advertised on the Government Find a Tender Service and in 2022 an award notice published. As a public body NSC were referenced in the organisations that can use the Framework. The contracting authority is Queen Elizabeth Hospital, Gateshead.

Under the Civils and Infrastructure Framework user agreement, schedule 5 states that a Client Organisations can directly appoint a Contractor through the Framework Agreement from all framework positions including reserves.

The contract form will be the NEC4 ECC contract, which has been used by NSC on previous projects and will include bespoke clauses to ensure that NSC is sufficiently protected.

7. Climate Change and Environmental Implications

NSC declared a Climate Emergency in February 2019 and an Ecological Emergency in November 2020, pledging to provide the leadership to enable North Somerset to become carbon neutral by 2030. The resulting Climate Emergency Strategy identifies seven key principles to be considered by the work of the Council going forward to support the achievement of this commitment.

This project will impact upon these principles through choices made in the design stage, construction and maintenance of the bridge. Through the tender mechanism the contractor will state how they will approach carbon managements and innovation to demonstrate key understanding, commitment and tangible deliverables to reduce and offset carbon both during construction and to help deliver carbon reduction targets during operation. Once in contract, the contractor will report on the progress of their carbon commitments alongside all other KPIs.

As a general approach, the project will look to deliver a minimum of 10% Biodiversity Net Gain as well as aiming to reduce carbon through its delivery across the supply chain, following the principles of the PAS 2080 framework. The project will also deliver the scope in line with the principles of a bespoke assessment similar to CEEQUAL, proportionate to project cost / time constraints, ensuring that the project is delivered sustainably across all areas and aspects, not just carbon mitigation.

8. Risk Management

The following key procurement risk have been identified and mitigating actions proposed, as summarised below:

Risk	Inherent risk score	Residual likelihood	Residual impact	Residual risk score	Comments
Network Rail requirements and constraints – There is a risk that the scheme programme does not align with the fixed possession dates specified by Network Rail. If not brought back into alignment then there will be significant delay and increase to costs.	HIGH	3	5	HIGH	Early engagement and continuing relationship with Network Rail. Ensure that agreed NSC governance timescales are met.
Overall project costs exceed budget – There is a risk that final costs exceed budget and additional funds are required, delaying project.	HIGH	3	1	Low	Key risk items include possession availability, piling works package and temporary bridge specification. Mitigation measures include carrying out a value engineering exercise and return to market to achieve a competitive price. Carry out collaborative pricing exercise to achieve greater confidence in the target cost. The financial impact to North Somerset Council is low as the funds are from the MoD.
Statutory Utility requirements and constraints – There is a risk that the individual diversions for each of the 5 authorities don't align with programme due to conflict with site space. The consequence of this is a missed possession date	HIGH	3	5	HIGH	Mitigation measures include early engagement and co-ordination with stat companies and integrate requirements into detailed design and construction contract to ensure that the risk liability sits with the contractor, who are best placed to implement mitigation measures.

causing delays to the project				
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9. Equality Implications

Have you undertaken an Equality Impact Assessment? Yes

An initial EIA was undertaken in May 2022. An assessment has been undertaken as part of scheme development however a full EIA for the project will be undertaken as part of the project detailed design and development phase. The scheme proposed enhanced pedestrian and cycle facilities and linkages across and adjacent to the new bridge.

10. Corporate Implications

The provision of key enabling infrastructure and the improvement of the transport network widely support the Corporate Plan priorities in all areas of a thriving and sustainable place, by improving opportunities for sustainable and active travel whilst replacing a key piece of locally strategic infrastructure.

11. Options Considered

By not approving this decision note, it would prevent the use of additional MoD funding by the council and an opportunity to progress the bridge replacement would be lost for a considerable time as there is no other funding opportunity currently available.

The MoD would be left to consider its approach to this ongoing bridge risk which will take time to develop and may include further restrictions and / or closure of the highway and could involve impact on the council's relationship with the MOD which are currently collaborating on the bridge work, as well as reputation damage.

Author:

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Appendices:

None

Background Papers:

Wider Project Documents:

[Initial Equality Impact Assessment](#)

[22/23 DP 525 MoD Memorandum of Understanding](#)

[20/21 DE 117 Basic Asset Protection Agreement](#)

Previous Procurement Process:

Commissioning Plan & acceptance of MOD funding: COU 104 dated 12 November 2019

[19/20 DE 257 - Procurement Plan: D&B of WRB and adjacent highway in WsM](#)

[20/21 DP 257 - Procurement Plan 19/20 DE 257: D&B of WRB and adjacent highway in WsM - AMENDMENT](#)

[20/21 DP 262 - Contract Award for Stage 1 of the D&B services of WRB and adjacent highway in WsM](#)

[21/22 DP 371 - Contract Value increase approval for Stage 1 of the D&B services of WRB in WsM](#)

[22/23 DP 83 - Contract Value increase approval for Stage 1 of the D&B services of WRB in WsM](#)