

<p>COUNCILLOR ELIZABETH GREY</p> <p>CABINET MEMBER FOR ENVIRONMENT AND CLIMATE CHANGE</p>	<p>CABINET MEMBER REPORT 2 AUGUST 2019</p> <p>ACCEPTANCE OF TENDER AND AWARD OF CONTRACT KRN A41 CORRIDOR IMPROVEMENT WORKS</p>
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REPORT SUMMARY

This report recommends acceptance of a tender from A E Yates Ltd and award of a contract for the construction of transport infrastructure improvement works on the Liverpool City Region (LCR) Key Route Network (KRN), A41 Corridor, between Port Sunlight and Birkenhead.

This work primarily involves road resurfacing, street lighting improvements, bridge deck waterproofing/jointing and safety fencing upgrades. The work includes future-proofing provision for smart cities infrastructure (cabling and ducting) and the deliverable metrics comprise of: 9.4Km newly-resurfaced road; 198 new lighting columns; 4.3Km safety fencing and 7km cabling.

This work supports delivery of the Wirral Plan 2020, pledge 13, Transport and Technology infrastructure fit for the future, Priority 01, Keep traffic moving safely and efficiently, action ref. 1.5.

The work will take place within Bromborough, Rock Ferry and Birkenhead & Tranmere Wards.

The recommendation requested is a key decision.

RECOMMENDATIONS

The Cabinet Member is requested to:

- 1) Accept the tender for the KRN A41 Corridor Improvements, submitted by A E Yates Ltd to Wirral Council on 15 July 2019;
- 2) Approve the award of contract to A E Yates Ltd, in the sum of £2,620,864.47, subject to contract.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATIONS

- 1.1 The tender from A E Yates Ltd represents the most economically advantageous tender received, is fully compliant, and is within allocated budgetary provision.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Tenders for the construction works were invited on 18 June 2019 from nine suppliers, selected from the appropriate categories within Constructionline, all of whom had indicated a willingness to tender. Tender return date was 15 July 2019.

Two tenders were received by the due date and have been evaluated, with moderation of the process by the Council's Procurement service, as follows:

<u>Tenderer</u>	<u>Price</u> (65%)	<u>Quality</u> (20%)	<u>Social Value</u> (15%)	<u>Total Score</u>
A E Yates Ltd	£2,620,864.47	81%	27.74%	89.16%
Tenderer 2	£3,112,384.08	74.5%	87.98%	86.13%

- 2.2 The other seven tenderers responded as follows when asked why they failed to submit a tender:

Tenderer 3 – *“We thank you for your Invitation to Tender for this scheme, however we have now reviewed the documents in detail and confirm that we are unable to offer a competitive tender and wish to decline on this occasion. Apologies for any inconvenience this may cause and trust this does not preclude us from future opportunities.”*

Tenderer 4 – *“Insufficient resources at this time”*

Tenderer 5 – *“Cannot supply in this location”*

Tenderer 6 – *“Having now fully reviewed the tender documents we have taken the decision to opt out of this opportunity due to the inclusion of various other elements of work including Contractor Design. We thank you for this tender opportunity and apologise for any inconvenience we may have caused.”*

Tenderer 7 – *“Unable to meet timescales”*

Tenderer 8 – no response

Tenderer 9 – no response

- 2.3 Consequently the tender from A E Yates Ltd is the most economically advantageous and is recommended for acceptance.

3.0 BACKGROUND INFORMATION

- 3.1 Wirral Council made a successful application for single investment funding (SIF) grant to support an upgrade to the LCR KRN in Wirral in 2018, including this project.
- 3.2 The A41 corridor (north) connects Wirral's highway infrastructure on route to and from Birkenhead road tunnel and adjacent routes to and from the Wirral Waters development site. The project supports highway infrastructure on route to and from the M53 corridor and new local housing developments; improved flow on the highway network with more reliable journey times and reduced carbon emissions, including for buses; improved road safety measures, and will reduce long term maintenance costs associated with a 40 year old highway asset.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The tender from A E Yates Ltd is below the estimated value and, allowing for risk and contingency, the works can comfortably be delivered within the overall project budget available, with a current project contingency of £248,629 (allocated budget less cost estimate) as indicated below:

Estimated Project Costs

Tender total	£2,620,865
Contract Risk allowance (20%)	£514,173
Consultant (design/contract management)	£166,333
Council client costs (staff time and suppliers)	£100,000
Total project cost estimate	<u>£3,401,371</u>

Budget allocated (Highways Capital Programme)

LCR CA Grant	£2,400,000
Transport for Growth (TfG)	£220,000
Council Capital (Town Link)	£330,000
LED Phase 2 Lighting	£600,000
TfG Bridges	£100,000
Total available budget	<u>£3,650,000</u>

5.0 LEGAL IMPLICATIONS

- 5.1 Wirral Council is legally obliged to deliver this work before 31 March 2020, under a grant funding agreement (GFA) dated 14 March 2018 with the LCR Combined Authority (CA).

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are no additional resource implications. The contract will be managed by existing Council managers, supported by consultants, Amey Consulting Ltd, under a pre-existing contract arrangement.

7.0 RELEVANT RISKS

- 7.1 As with any major civil engineering construction project, construction risks will exist, such as unidentified ground conditions or obstructions and inclement weather, particularly in this case, since much of the work is on old structures and during the winter months. Risks that are realised will potentially have time and cost effects. However, a project risk register will be maintained in accordance with good project management practice and time and cost will be actively monitored and managed within the budget and contingency identified in section 5 above.

- 7.2 There is a risk that if the scheme does not commence in August 2019, which is the latest date it may start with a realistic prospect of completion on time, not be completed by 31 March 2020, or fail to deliver the metrics agreed, there is a risk the CA will 'claw-back' some or all of the grant funding allocated.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Council's Project Manager meets regularly with the CA programme management office (PMO) who are overseeing KRN programme delivery on behalf of the CA, and provides monthly dashboard reports to the PMO and to the Council's Lead Commissioner for Transport and Technology.

- 8.2 Post contract, the Council's Project Manager and Contractor will engage with stakeholders and the public affected by the works and provide information and updates on progress as appropriate.

9.0 EQUALITY IMPLICATIONS

There are no implications with regard to equality.

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APPENDICES

None

BACKGROUND PAPERS

Commercial tender information

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	