

Part A Report

REPORT TO:	Cabinet Member for Economic Development Cabinet Member for Transport and Environment
AGENDA ITEM:	Not Applicable
SUBJECT:	Connected Croydon - West Croydon Interchange Public Realm Improvement Works
LEAD OFFICER:	Jo Negrini, Executive Director Development and Environment
CABINET MEMBER:	Cllr Toni Letts, Cabinet Member for Economic Development And Cllr Simon Hall, Cabinet Member for Finance and Treasury
WARDS:	Fairfield & Broad Green
<p>CORPORATE PRIORITY/POLICY CONTEXT/ OUTCOMES FOR RESIDENTS OF THE BOROUGH:</p> <p>The West Croydon Interchange Public Realm Improvement project forms part of the overall Connected Croydon programme. The projects within the programme have been approved individually as they have become ready for implementation.</p> <p>Connected Croydon is a £52m programme of coordinated public realm projects and transport improvements that will transform Croydon Metropolitan Centre into a more easily accessible and liveable place.</p>	
<p>FINANCIAL IMPACT</p> <p>Approval of the recommendation is to enter into contract to deliver construction works services for the West Croydon Interchange Public Realm Improvement.</p> <p>The West Croydon Interchange Public Realm Improvements project is externally funded from Greater London Authority (GLA) Mayor’s Regeneration Fund (MRF) and Croydon Council capital. All funding has been secured.</p>	
<p>KEY DECISION REFERENCE NUMBER: 28/14/EC The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.</p>	

1. RECOMMENDATIONS

- 1.1. The Cabinet Member for Economic Development in consultation with the Cabinet Member for Finance and Treasury is recommended to approve the award of a construction contract for the West Croydon Interchange Public Realm Improvements project to the contractor and for the price detailed in the associated Part B report.
- 1.2. The Cabinet Member for Economic Development is asked to note that the name of the successful contractor and price will be published once the contract award is agreed and implemented.

2. EXECUTIVE SUMMARY

- 2.1 This report advises the Cabinet Member of the tenders received and the evaluation undertaken further to which a recommendation is made for award of a contract for the construction works of the West Croydon Interchange Public Realm Improvement Project (the Project).

3. DETAIL

- 3.1 The project forms part of the Council's Connected Croydon programme and has the following objectives:
 - Provide an arrival space that reveals and celebrates the best of West Croydon
 - Reflect the progressive character of Croydon and its objectives of Connected and Creative City (Core Strategy 2012)
 - Improve the quality of surfacing in terms of levels, materials, accessibility and appearance
 - Reduce street clutter and improve aesthetic compatibility of street furniture and surfaces
 - Accommodate heavy pedestrian flows between the train station, tram stop and bus station
 - Provide an 'Interchange Spine' integrating tram stop infrastructure and related facilities to act as a prominent wayfinding feature
 - Increase the width of the pavement next to West Croydon Tram Stop to allow easier pedestrian flow by incorporating unused land between the tram stop and Platform 1 of the station
 - Improve wayfinding and orientation
 - Provide a safer crossing point for pedestrians in Station Road next to West Croydon Tram Stop
- 3.2 The construction works, to be let under the New Engineering Contract model (NEC3) form of contract, are scheduled to commence in March 2015 and be completed in February 2016. Critically, this will enable the works to be carried out during a planned two-week period over Easter 2015 when trams will not be running on the town centre loop.

Procurement Approach

- 3.3 The procurement strategy to invite tenders using the Council approved list for construction companies 'Constructionline' was agreed by the Gateway Review Panel on 20 November 2014 and by the Contracts and Commissioning Board in December 2014. Following an assessment of capabilities and confirmation of interest in the project being received, six contractors were invited to tender against a detailed specification. Four tenderers opted out during the tender process but two were received by the 24 September 2014 deadline. The reasons given by those who declined to tender included the commercial risk of not completing sufficient works during the tramtrack possession; the detailed scope of the works not aligning with the company's current supply chain; and a fuller order book than anticipated when the offer to tender was accepted
- 3.4 At the meeting of the Cabinet on 15 December 2014 the Cabinet Member for Economic Development was given delegated authority to award the contract outside of the Cabinet meeting. This urgency is necessary because the amended tender returns were only received on Friday 12 December and an award cannot be delayed until the January 2015 meeting of the Cabinet. This is because the successful contractor would have insufficient time to procure materials and obtain the necessary key stakeholder approvals prior to the scheduled town-centre tram shutdown over Easter 2015. Failure to adhere to this timescale would result in the Council having to meet Tramlink's very significant costs in scheduling a second extended tram possession later in the year.
- 3.5 The tenderers' proposals, including their responses to qualitative and commercial questions, comprise their Response Documents. These have been assessed by the project evaluation team to ensure compliance with all relevant standards and regulations and to assess which was the most economically advantageous tender.
- 3.6 The tender evaluation used an evaluation matrix that weighted quality at 40% and price at 60%.

Evaluation

3.7 Quality

Quality represents 40% of the overall marks and was evaluated by the officers who together formed the evaluation panel. Each member of the panel independently assessed the tenderers' responses to four qualitative questions, the average score for each question being taken forward to calculate the tenderer's quality score.

3.8 Price

The price of the tender is the arithmetic sum of the bills of quantity and represents 60% of the overall marks. The tender with the lowest price was

awarded 100 points; other totals had one mark deducted for each percentage point by which their total exceeded that of the lowest. For example a total of 10% above the lowest would receive 100 minus 10 (90 points). The price of the most competitive tender was within budget.

3.9 Evaluation result

The scores for quality and price are added together to calculate the tenderer's total score. The tenderer with the highest combined score is the contractor recommended for award of contract. The identity of the tenderers and their corresponding evaluation scores are presented in Part B, the details of the successful tenderer bid will be disclosed subsequent to approval of this report.

4. CONSULTATION

4.1 Various stakeholder groups have been consulted as part of the West Croydon Interchange Public Realm Improvements project. Most have been fully supportive of the proposals:

- Six-week formal public consultation during July and August 2013, including drop-in sessions to discuss the proposals. This included a briefing for local Members.
- GLA and TfL have representatives at the Project Board meetings and on the evaluation panel.
- Technical and design approval of proposals by GLA / TfL Mayors Design Advisory panel.
- Stage sign-off by key transport stakeholders such as Tramlink, TfL Buses and LBC Highways.
- Formal sign off of proposed structure by both Network Rail and LBC Structures Team.
- Further stakeholder and public engagement will take place during the construction phase of the project.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Budgetary provision and financial effects of the decision are considered in detail in Part B of this report.

5.2 Risks: .

5.2.1 The NEC conditions of contract have been chosen for these works because they require the contractor to rigorously plan and implement the works using robust project management. Particular benefits to the Council are that work is better planned, with a contractual requirement for the contractor to notify the Council of any risks and issues as soon as he becomes aware of them. This gives both parties more time to deal with issues and mitigate risks, one of the reasons that the Office for Budget Responsibility recommends the NEC conditions of contract for construction works. Because these conditions of contract places each risk with the party best placed to quantify and mitigate it at award of contract, the Council will, nonetheless, carry significant risks throughout construction. The two most significant are (a) that the design proves not to be buildable in the form that was tendered (leading to delay and additional cost while the design is adapted), and (b) that incomplete design,

unforeseen ground conditions or severe weather necessitate the closure of the central tram loop longer than the two weeks at Easter agreed with Tramlink. The financial provision recommended to cover these risks is described in Part B of this Report.

5.2.2 Although the project is funded by the Mayor's Regeneration Fund, it is a condition of funding that all risks after the award of construction contract are carried by the Council. Any overspend, therefore, would have to be met by the Council

5.3 **Options:** No other options are being considered in the award of this contract

5.5 **Future savings/efficiencies:** No future savings or efficiencies have been identified associated with the undertaking of the works.

To be approved by: Dianne Ellender, Head of Finance and Deputy Section 151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and the statutory duty to demonstrate best value under the Local Government Act 1999.

To be approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer

7. HUMAN RESOURCES IMPACT

7.1 Project management and contract administration will be undertaken by temporary staff yet to be appointed.

Approved by: Adrian Prescod on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

8.1 The West Croydon Masterplan underwent a detailed Equality Impact Assessment (EQIA).

9. ENVIRONMENTAL IMPACT

9.1 The proposals for the West Croydon Interchange Public Realm Improvement project have been carefully developed to ensure a positive environmental and design impact.

9.2 The main environmental impacts / benefits of the wider project include:

- Improved accessibility for all people

- Increased public transport use by improving interchange between the different public transport modes.
- Enhanced biodiversity through additional planting.

9.3 This specific contract will promote:

- the sustainable management of construction waste re-use of materials on site.
- the use of sustainable / recycled material.
- The reduction of waste generated and reuse of materials.
- low water demand plants to minimise irrigation costs.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no immediate Crime and Disorder consequences of this proposal.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

11.1 Following analysis of the commercial and qualitative aspects of the tenders received, it is recommended that the contract for the provision of works for West Croydon Interchange Public Realm Improvements contract be awarded to the company whose tender will be most advantageous to the Council taking account of quality and price.

11.2 Provision is made in the budget for a contingency sum which would only be used if there were any unforeseen events during the construction works that would lead to an increase in price in accordance with the conditions of contract. Having a contingency sum on the original purchase order can minimise any delays in the contractor's response to mitigate these unforeseen events. Control of the contingency sum would be managed through the usual tier approval.

12. OPTIONS CONSIDERED AND REJECTED

12.1 No appropriate alternative delivery options were identified. Since the recommendation was compliant, reliably and professionally quantified, no further options were considered.

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BACKGROUND PAPERS

None