

REPORT OF
The Strategic Director for Place
TO
Procurement Board
ON
7th October 2020

TITLE: Approval to Award the Contract for the Site Supervision Team for the A5063 Trafford Road Improvements Scheme

RECOMMENDATION:

That Procurement Board approves the award of the Contract to AECOM Limited, at a cost of £264,265.00 to provide professional services for the site supervision of the A5063 Trafford Road Improvements Scheme main works contract and project management of the scheme through to its completion, as detailed in this report.

Delegates authority to the Strategic Director of Place to approve further payments to AECOM Limited, not exceeding £66,066.25 (25% of the tender amount) for additional work and work within the Defects Period, not included in the tender sum.

Further details are included in the table below:

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Site Supervision Team for the A5063 Trafford Road Improvements Scheme
Name of Successful Contractor	AECOM Limited
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	01846493
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME
Contract Value	£330,331.25
Contract Duration	Full Project 26 months

Detail required	Answers						
Contract Start Date	01/11/2020						
Contract End Date	31/12/2022						
Optional Extension Period 1	12 months						
Optional Extension Period 2	months						
Who will approve each Extension Period?	Strategic Director (extension < £150k)						
Contact Officer (Name & number)	Richard Tindall (779 4866)						
Lead Service Group	Place						
How the contract was procured? (to be supplied by procurement)	Mini-competition tender						
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	AGMA STAR Framework						
Funding Source	Combination of Above (please detail below)						
Ethical Contractor	<table border="1"> <tr> <td>Mayor's Employment Charter</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Committed to sign up to charter</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Accredited Living Wage Employer</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Mayor's Employment Charter	<input type="checkbox"/>	Committed to sign up to charter	<input type="checkbox"/>	Accredited Living Wage Employer	<input checked="" type="checkbox"/>
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Accredited Living Wage Employer	<input checked="" type="checkbox"/>						

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above mentioned contract.

The Trafford Road Corridor Project is a Growth Deal 3 Major Project with additional funding from the Mayor's Challenge Fund for Cycling and Walking and local match funding.

Full grant funding approval was approved at Chief Executive's Investment Group and the Greater Manchester Cycling and Walking Board, both on 15th May 2020 and endorsed by the Greater Manchester Combined Authority on 26th June 2020.

A report was approved by the City Mayor on 25th May 2018 outlining the project proposals and detailing the necessary local funding requirements to deliver the project.

On 19th February 2020 the City Mayor approved the appointment of contractors for the enabling works and main works packages. Approval was also given for payments to be made to TfGM for traffic signal works, VMS, SMART technology and bus stop relocations, and for a risk allocation derived from the Quantitative Risk Assessment to be made available for draw down by the project team.

On 5th August 2020 the City Mayor gave approval for a site supervision and project management contract to be tendered through the AGMA STAR Framework.

The Trafford Road corridor is a key transport artery which runs from the M602 to the bridge over the Manchester Ship Canal to the Borough of Trafford and provides a vital highway connection to MediaCityUK.

The project aims to improve the infrastructure to deliver:

- Improved capacity for vehicles and reduced congestion
- Improved pedestrian and cycle connectivity
- Support for continued growth and better neighbourhood connections

The scheme will achieve this by introducing new layouts at key junctions and enhancing facilities for pedestrians and cyclists' movements both along and across Trafford Road.

The overall project is valued at £19.835m comprising: £10.5m of Growth Deal 3 funding, £4.835m of Mayor's Challenge Fund (MCF) and £4.5m of local match funding by SCC. The Growth Deal 3 funds must be spent by the end of March 2021. The MCF funding must be spent by the end of March 2022.

Vegetation clearance works were carried out from the start of 2020. The enabling works package, to divert statutory undertakers' equipment and install temporary CCTV for traffic monitoring, commenced on site on 6th July 2020 and will run ahead of the main works package. The main works are due to commence on site in November 2020, with completion due in December 2021.

BACKGROUND DOCUMENTS:

Report to Procurement Board on 19th February 2020
Notice of Decisions Agreed at the GMCA held on 26th June 2020
Report to Procurement Board on 5th August 2020

KEY DECISION:

No

DETAILS:

1. Background

The Trafford Road project aligns with the key strategic aims from "Salford 2025: A Modern Global City" by:

- Encouraging growth by supporting new businesses in a high-priority regeneration area;
- Providing additional highway capacity that will enable more ambitious development proposals to be accommodated;
- Improving existing transport links and supporting access to additional new homes, culture and sport;
- Supporting the development of the area by enhancing and accelerating opportunities for growth.

Salford City Council and, formerly, Urban Vision officers worked closely with TfGM and the Greater Manchester Cycling Officers to develop a detailed design layout which delivers enhanced, innovative cycling and walking facilities whilst delivering vehicular capacity improvements at junctions and reducing overall travel time along the corridor.

2. Detail:

This project is designed to support the continued growth of the Quays and MCUK area through the delivery of improvements on the A5063 Trafford Road corridor.

The project has been split into two main phases of work;

Enabling Works Package – This package of work allows for statutory undertakers' diversions to be undertaken that are required prior to the main works commencing. These works are currently ongoing with completion due by the end of October 2020.

Main Works Contract – The main works contract will see major network improvements across the corridor, providing additional capacity at each of the junctions along Trafford Road and also The Quays / Waterfront Quay & Furness Quay. Cycle-Optimised Protected Signal (Cyclops) junctions will replace the existing layouts, providing fully signalised circuits for pedestrians and cyclists around the junctions. The Cyclops layout separates phases for vehicles, pedestrian and cycle users, eliminating the need for an all-red phase.

A mixture of low-level planting, rain gardens and tree planting will accompany additional seating and new paving to enhance the public realm, improve air quality and create a gateway into Salford Quays that is attractive for visitors, commuters and residents alike.

The main works are planned to start in November 2020.

3. Funding:

The scheme is being funded through Growth Deal 3, Mayors Challenge Fund and Salford City Council capital expenditure.

The Full Business Case (FBC) for the project was submitted to TfGM on 31st January 2020. Following Gateway Review of the FBC, final approval of the grant funding for

the scheme was given by the Chief Executive's Investment Board (for Growth Deal 3 funding) on 15th May 2020 and by the GM Cycling and Walking Board (for MCF funding), also on 15th May 2020. The funding was then endorsed by the Greater Manchester Combined Authority on 26th June 2020.

4. Brief Description of the Works:

The Trafford Road Improvement works are comprised of the measures to upgrade the five junctions along Trafford Road to improve vehicular capacity, by realigning traffic lanes and optimising traffic signal phasing and timings, and provide improved and segregated facilities for cyclists and pedestrians including Cyclops junction layouts. The works will also include SMART technology to monitor and control traffic and variable message signing, to advise users of upcoming events that may affect their journey and any ongoing problems. In addition, there will be works to the public realm to improve the connectivity between residential areas of Ordsall and the businesses and recreational facilities within Salford Quays.

The public realm works will include soft and hard landscaped areas, rain gardens and sustainable drainage features, low level planting and trees, new street lighting, wayfinding signage and gateway features enhance public awareness of the area and give a sense of welcome.

5. Contractual Requirements:

The main works will be constructed by John Sisk and Sons Ltd, following approval of their appointment at Procurement Board on 19th February 2020. The appointment of the contractor has been made under the NEC3 – Engineering and Construction Contract, a standard form of contract.

NEC3 contracts consist of a set of core clauses, main and secondary option clauses, a schedule of cost components and defined contract data. The core clauses define actions that shall be carried out by named parties and individuals, these being the Employer (Salford City Council), the Contractor (John Sisk and Sons Ltd.), the Project Manager and the Supervisor. The Project Manager and Supervisor need to be appointed by SCC and notified to the Contractor in the contract data.

The duties of the Project Manager and of the Supervisor are defined in the contract and include: -

Project Manager:

- To formally respond to communications from the Contractor;
- Issue certificates for the works to the Employer and Contractor;
- Give instructions to the Contractor which change the works information or key dates;
- Assess amounts due to the Contractor and where necessary costs due from the Contractor to the Employer;
- Issue payment certificates to the Contractor;

- Notify the Contractor or receive notification from the Contractor of changes or compensation events in the contract, discuss these with the Contractor and decide on the validity and cost of these events.

Supervisor:

- Respond to communications from the Contractor;
- Inspect ongoing works and prepare a list of defects;
- Issue the Defects Certificate;
- Carry out testing of the works and notify the Contractor of results from these tests;
- Be a witness to testing carried out by the Contractor;
- Issue certificates for the works to the Employer and Project Manager;
- Give instructions to the Contractor.

6. The Procurement Process

Salford City Council must appoint the contractual Project Manager and Supervisor under the terms of the construction contract for the works.

A review of the City Council's own capacity to supervise the contract was undertaken by the Engineering Design team to assist with determining the best approach for this project. However, the team are working on a substantial programme of grant funded work and following the loss of resources at the end of the Urban Vision partnership the team does not have the capacity to undertake this role.

Alongside the formal roles required under the contract Salford also wishes to appoint additional personnel to assist with the delivery of the project as part of a single site team working closely with the delivery contractor for the project. This will include a project manager dedicated to deliver governance requirements for the project and reporting requirements with TfGM for the delivery of the scheme. This will also include co-ordinating input from specialist staff within the City Council, for example for Street Lighting and Landscape supervision work, where there is capacity to support this activity.

Approval was sought to tender a contract for an external consultant team to supervise the works on site and provide project management services. This approval was granted by The City Mayor on 5th August 2020.

Invitations to tender by conducting a mini competition were issued to Consultants under the AGMA STaR Framework. Only one tender was received, from AECOM Limited. AECOM's tender was compliant and met the requirements stipulated in the tender brief.

AECOM's tender was evaluated and deemed to be acceptable economically and to offer a favourable balance of quality, pricing and social value. Based on the tender assessment criteria detailed in the tender instructions, AECOM's tender was evaluated with an overall score of 91.5%. A breakdown of the tender score is given below.

AECOM TENDER	SCORE
Cost (max. 40%)	40.0%
Quality (max. 40%)	32.5%
Social Value (max.20%)	17.3%
TOTAL SCORE	89.8%

6.1. Cost:

AECOM tendered a fixed price of £264,265.00 (excl. VAT) for the site supervision and project management services. AECOM also advised staff rates for any additional work not included in the scope defined in the tender documents, and for work within the Defects Period of the main works contract.

The level of detail in AECOM's price met the minimum detail requested from tenderers. Staff rates were taken directly from the Framework offer, with no mark-up.

Allowing for an estimated 25% above the tender sum for additional work and work in the Defects Period, the adjusted total of AECOM tender would be £330,331.25. This figure compares well with the pre-tender estimate of £350,000.00 for the contract.

6.2. Quality:

AECOM scored consistently highly on quality in the tender questionnaire. AECOM is proposing to allocate staff to the project who hold the specified qualifications and experience. Key team members are familiar to Salford City Council and have worked capably of previous SCC projects.

AECOM's delivery approach shows a clear methodology and a good understanding of the project requirements. Project management methods used successfully on the recent Junction 13 project will be adopted and enhanced for Trafford Road.

6.3. Social Value

Social Value is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what is the collective benefit to a community when a public body chooses to award a contract. SCC wants to achieve a consistent approach to the application of social value across the city in the way that third party contracts for goods, services and works are procured. The three priority Social Value outcomes for Salford are:

- Social – increased community strength and resilience;
- Environmental – improved impact of the local environment on people's wellbeing; and
- Economic – increased number of quality employment opportunities and reduced poverty for local citizens.

20% of the tender evaluation score was assessed on how the Consultant will deliver Social Value across the duration of the project.

AECOM's Commitment to Social Value:

AECOM has a strong commitment to adding Social Value including volunteering and working with local community organisations, offering apprenticeships and traineeships, supporting local charities and environmental initiatives.

For this contract, AECOM is offering apprentice swaps and opportunities for Salford staff to gain experience shadowing the site team. This demonstrates AECOM's long-term approach to working with Salford. Commitment to locally based staff has also been demonstrated on other commissions.

AECOM is committing to a total of 4 CSR days to be allocated to local communities in Salford, with targets to be agreed with SCC. This could, for example, include working with local schools and colleges providing career guidance and insights to encourage students to consider a future in engineering.

It is to be noted that a similar procurement process has been undertaken by the City Council for a Project Manager and Supervision role for another highway project in the vicinity. While these returned tenders are still being assessed, should AECOM be the preferred consultant, the resource will be shared across both schemes.

KEY COUNCIL POLICIES:

Salford 2025, a Modern Global City.
Transport in Salford 2025.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The project team is satisfied the proposals comply with the Equality Act 2010 and the Highway Safety Standards.

All elements of the scheme are being procured in accordance with public procurement principles and in accordance with the City Council's Contractual Standing Orders.

The tender returns have an element worth 20% of the award criteria which requires the consultant to propose how they intend to maximise social benefits to Salford residents and businesses.

Engagement is also taking place with the University of Salford and Salford City College in connection with recruitment, analysing data and the marketplace with regard to construction projects in Salford.

ASSESSMENT OF RISK:

Medium. Delay in awarding this contract may adversely affect progress on the main construction works contract. Slippage on the main works programme could result in an overrun of the funding deadline, putting unspent grant funding at risk of being withdrawn.

SOURCE OF FUNDING:

The overall scheme budget is £19,832,000, comprised of £10,500,000 Growth Deal 3 grant funding, £4,832,000 Mayor's Challenge Fund grant funding and £4,500,000 local match funding.

LEGAL IMPLICATIONS: Supplied by: The Shared Legal Service

When commissioning contracts for the procurement of goods, services or the execution of works, the Council must comply with the public procurement regulations and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. CSO's apply to every contract, including temporary ones, for the procurement of supplies, services and the execution of works undertaken by or on behalf of the Council, subject to certain exceptions listed in the Orders. CSO's stipulate that where a suitable framework agreement exists, this must be used unless there is an auditable reason not to.

The purpose of a framework agreement is to select through a procurement/ evaluation process a number of providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council will undertake an exercise to call off the services from one or more of the providers who have been selected to be on the framework and this may be through any number of ways such as mini-competition as in this instance, or direct allocation, depending on the circumstances. A contract will then be formed between the Council and the chosen provider/s. The Council will need to follow the procedure set out in the framework agreement to ensure the procurement process is compliant and bids are evaluated in accordance with published criteria.

The STaR Framework Agreement referred to, which was procured in accordance with the PCR following an OJEU process, was set up to allow the Council, together with other contracting authorities, through open competitive process, to have an arrangement whereby suppliers can be preselected to supply a defined scope of works or services under an agreed set of terms and conditions. The terms and conditions established under the framework agreement govern the contracts let under the framework although each contract will inevitably have some differences to reflect the agreement struck between the parties to the contract.

The Council is also under a duty to provide "Best Value", and hence reserves the right to provide the works and/or services through whatever resources will provide that best value, which gives the Council flexibility to allow them to consider going out to the wider market as well as using the existing framework arrangements, and using the mini competition format within a framework agreement will give some comfort to the

Council in ensuring that value for money is being obtained and competition maintained.

FINANCIAL IMPLICATIONS: Submitted by: The Finance Team

The overall project is valued at £19.835m comprising: £4.835m MCF, £10.5m of Growth Deal 3 funding and £4.5m of local match funding by SCC of which £1.780m developer contributions have been secured.

Growth Deal 3 funds must be spent by the end of March 2021 and the Major's Challenge Funds by the end of March 2022.

Therefore, there is sufficient funding (£264,265.00) to appoint an external team to provide professional services to supervise the main works contract and provide a Project Manager to oversee and manage the remainder of the project through to its completion.

In addition, the Strategic Director of Place may approve further payments to AECOM Limited, not exceeding £66,066.25 (25% of the tender amount) for additional work and work within the Defects Period, not included in the tender sum.

PROCUREMENT IMPLICATIONS: Supplied by: The Corporate Procurement Team

This project was tendered through the STaR Civil & Structural Engineering Professional Services Framework, which was put in place following an OJEU complaint procurement process.

The framework allows for direct award or mini-competition.

On this occasion all 5 suppliers were invited to bid for this project. One bid was received and evaluated in accordance with the published criteria.

The procurement process followed is compliant with contractual standing orders.

HR IMPLICATIONS: Supplied by: HR & OD Manager

The services being procured will not be employees of Salford City Council. The services have been secured following a full assessment of the most appropriate service delivery model. A full procurement process has been undertaken to procure the services.

There will be no direct employment implications for this contract.

CLIMATE CHANGE IMPLICATIONS:

The scheme has incorporated measures from the outset to mitigate climate change and enhance the corridor by trying to implement a modal shift from cars and public transport to walking and cycling, this in turn will improve the air quality. The scheme

proposes to utilise sustainable green infrastructure, plant new trees and grassed areas to improve amenity and provide a whole host of benefits from social to environmental aspects such as new wildlife and habitats. The carriageway is to be resurfaced which will reduce noise pollution and all street lighting will be replaced with LED units to reduce light pollution.

OTHER DIRECTORATES CONSULTED:

None.

CONTACT OFFICER: Richard Tindall
TELEPHONE NUMBER: 779 4866

WARD(S) TO WHICH REPORT RELATE(S):
Ordsall

Appendices:

Appendix A - Report to Procurement Board on 19th February 2020

Appendix B - Notice of Decisions Agreed at the GMCA held on 26th June 2020

Appendix C - Report to Procurement Board on 5th August 2020