

Wards Affected:

Olney Ward

AWARD OF CONTRACT FOR OLNEY ROAD, LAVENDON - CULVERT REPLACEMENT (REF:CU2044 MC5)

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Executive Summary:

This report is seeking approval to award the contract for the provision of a new concrete box culvert in Lavendon to replace an existing flood damaged culvert. The contract will support the delivery of flood alleviation in Lavendon. The works will also include resurfacing of the Olney Road in Lavendon between Jacks Close and Rectory Orchard.

Cabinet Procurement Committee agreed that the tender could progress on 2 October 2012.

1 Recommendation

1.1 That the Contract for the replacement of the Olney Road, Lavendon Culvert be awarded to the Milton Keynes Council's Highways Small Works Framework bidder who has submitted the lowest priced compliant bid.

2 Context

2.1 The contracted works will affect the parish of Lavendon, in the Ward of Olney for the duration of the works which will be carried out under a temporary road closure.

3 Background**3.1 Decision to Proceed to Tender**

3.1.1 This procurement was considered by Capital & Procurement Review Panel (C&PRP) on 26/09/2012. This procurement was approved to proceed to Tender by CPC on 02/10/2012

3.1.2 Tenders were invited from the three contractors on Milton Keynes Council's existing Highways Small Works Framework through the Council's E-Tendering system.

3.2 Consultation

3.2.1 The specification for this contract was developed following consultation with the following key stakeholders:

- Olney Ward Councillors
- Lavendon Parish Council
- Residents and landowners in the immediate vicinity of the works
- Bedford Group of Internal Drainage Boards
- Statutory undertakers
- MKC Highways

3.2.2 The consultation highlighted a number of points which were built into the specification including:

- Access arrangements to private land as agreed with residents and landowners.
- Diversionary works were required for Western Power's Plant and this utility company re-arranged their capital programme to complete works in Lavendon in advance of the works at no direct cost to Milton Keynes Council in exchange for supplying spare ducts in the carriageway over the new culvert.
- Additional road surfacing of the Olney Road between Rectory Orchard and Jacks Close was included in the culvert replacement contract.

3.3 Market engagement and lessons learnt

3.3.1 Tenders were invited from the three contractors on the Council's existing Highways Small Works Framework through the Council's E-Tendering system on 12/02/2013 and one tender was returned on 12/03/2013.

3.3.2 The MEAT evaluation of tenders was based on 100% Price, in accordance with the provisions of the Framework however an additional document was included in the tender package for contractors to complete in order to provide some confidence regarding a contractor's resources and competence. The content of this document was reviewed and where necessary clarification was sought to ensure that the submission was robust and satisfied the evaluation team that the works would be provided in accordance with the specification and to the desired quality. On completion of the tender clarifications the evaluation team were content with the contractor's submission.

3.3.3 The Tender was evaluated by a suitably qualified and experienced panel of officers including a Technical Director of Mouchel Infrastructure Services and members of the project team.

3.3.4 A summary of the Risk Assessment is set out in section 4.2. The full risk assessment is available to Members on request.

3.3.5 The tender price received is within the works estimate.

3.3.6 The contractor with the lowest priced compliant bid is a local Milton Keynes based company who have recently been awarded a number of contracts by Milton Keynes Council following successful competition with other contractors. They have also been competitive during previous tenders for bridge works and have worked on a number of bridge projects for Milton Keynes Council in the past.

3.3.7 The recommendation at 1.1 has been made following assessment of the options available, which are to either award the works to the contractor who supplied a compliant bid and who has recently been awarded a number of contracts for Milton Keynes Council where they have provided a competitive price in competition with other tenderers or to re-tender the works as an open tender. Retendering will delay the start of the site works by approximately 4 months so work is not likely to start on site until October 2013.

3.4 Contract Management

3.5 The Senior Client Officer for this contract is the Assistant Director of Highways and Transport. The contract adheres to the Council's Highways Small Works Framework and conditions as maintained by the Council's Legal Services team.

3.5.1 The key governance processes include:

- Site supervision and project management to ensure works are in accordance with the design specification and agreed programme.
- Approval of contractors method statements.
- Weekly site progress reports submitted to MKSP Bridges Team Leader by the project manager highlighting progress, issues and remedies.
- Monthly meetings with the designer, project manager, supervisor and contractor and additional meetings (at a reduced frequency) to address specific or potential issues as they arise.
- Retention of 2.5% will be withheld for a period of 12 months following completion of the works. The retention will be released providing the works are free from defects and are deemed to be satisfactory.
- Escalation process. – The designers Mouchel escalate to the MKSP Bridges Team Leader who escalates to the MKC Head of Highways Services.

4 **Implications**

4.1 Policy

The award of this contract will progress the following *priorities/outcomes* within the Corporate Plan 2012-16:

- CP14 – To have an efficient transport and highways infrastructure

- CP15 – To promote sustainable movement through the borough of Milton Keynes

The procurement of this contract has complied with Contract Procedure Rules, Financial Regulations and applicable European Procurement Regulations.

4.2 Resources and Risk

4.2.1 The costs of the contract are contained within the Capital Bridge Programme for 2012/13 to 2013/14 years along with resources allocated as part of the Carriageway Resurfacing Capital Budget for 20113/14 which will be used for the resurfacing of the Olney Road.

4.2.2 The resource allocation for the project is £170,000 for the culvert works and £38,000 for the resurfacing works. Reallocation and rephasing within the 2013/14 bridges programme will be utilised to fund the remaining balance of £40,000. This is possible due to the delayed construction phase for V4 Watling Street Bridge Upgrading project.

4.2.3 The key OPPORTUNITY secured by this contract is provision of a new larger pre-cast concrete culvert in Lavendon that is fit for purpose and safe for use. It is assessed that the delivery of this contract provides a HIGH Likelihood that a HIGH Impact will secure the opportunity defined.

4.2.4 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Delays to commencement due to tender returns being higher than the available budget	M	Bridges Capital Programme reallocation and re-phasing as appropriate.
Delays to commencement due to adverse weather	M	Unavoidable
Delays to commencement due to bats	L	Built into pricing and programme and factor for selection of compliant bid

The governance measures set out in 3.4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a MEDIUM Impact.

Resources & Risk Implications

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	N	Asset Management

4.3 Carbon and Energy Management

N/A

4.4 Legal

Under Section 41 of the Highways Act 1980 MKC has a Statutory Duty to maintain the public highway. This embraces the two legal essential functions of 'safe for use' and 'fit for purpose'. Network Management duties under sections 16 and 17 of the Traffic Management Act 2004.

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

4.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Decision to Proceed to Tender 2 October 2012.

Policy