



DECISION TITLE: Long Causeway Public Realm Improvements
Councillor Marco Cereste: Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement
March 2014
Deadline date: March 2014

Cabinet portfolio holder: Responsible Director:	Councillor Marco Cereste: Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement Simon Machen: Director of Growth and Regeneration
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : YES Unique Key decision Reference from Forward Plan : KEY/15NOV13/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES The attached Exempt Annex is NOT FOR PUBLICATION in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to financial and business affairs namely, details of the tender sums submitted. The public interest test has been applied to the information that is contained in the Exempt Annex to this Decision Notice and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it because to disclose it could compromise the Council's position in any future procurement for these works.
Is this a project and if so has it been registered on Verto?	YES Verto number: PR001949

RECOMMENDATIONS

The Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement is recommended to:

1. Enter into a contract with Ringway Infrastructure Services Limited, one of the contractors appointed to the Midlands Highway Alliance (MHA) Medium Schemes Framework 1 Contract (MSF1) to construct Long Causeway Public Realm Improvements and Wentworth Street Public Realm Improvements for the Target Cost sum of up to £2,000,000 (“the Contract”);
2. Authorise the Director of Growth and Regeneration, to vary this Contract when required, subject to; (i) available budget being in place; (ii) the total sum of each variation not exceeding £100,000; and (iii) the combined value of the Contract and any authorised variation(s) called off under the MSF1 do not exceed the total sum of £2,500,000. Contract variations in excess of £50,000 are to be made in consultation with the council’s Internal Audit and Finance Teams.
3. Authorise the Director of Growth and Regeneration, to vary the works scope of the Contract when required to cover other public realm works subject to the limits imposed by Item 2 above and with the approval of the Executive Director of Resources.

1. SUMMARY OF MAIN ISSUES

1.1 The purpose of this report is threefold:

- To seek the Cabinet Member’s approval to award the Contract for the Long Causeway Public Realm Improvement and Wentworth Street Public Realm Improvement Schemes’ to Ringway Infrastructure Services Limited through the Midlands Highway Alliance Medium Schemes Framework 1 Contract.
- To obtain authorisation for the Director of Growth and Regeneration to vary expenditure under this Contract when required subject to the following financial conditions above being satisfied: there being available budget in place; the total sum of each variation not exceeding £100,000; and the combined value of the Contract and any authorised variation(s) called off under the MSF1 do not exceed the total sum of £2,500,000. Contract variations in excess of £50,000 are to be made in consultation with the council’s Internal Audit and Finance Teams.
- To obtain authorisation for the Director of Growth and Regeneration to vary the scope of the Contract when required to cover additional public realm works subject to the financial conditions imposed above and the approval of the Executive Director of Resources.

2. PURPOSE OF THIS REPORT

- 2.1 The purpose of this report is to provide additional background information to the Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement on the key decision placed before him.
- 2.2 This report is for the Leader of the Council and Cabinet Member for Growth, Strategic Planning, Housing, Economic Development and Business Engagement to consider exercising delegated authority under paragraph 3.3.6 and 3.3.8 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph 3.4 (g)(g).
- 2.3 The attached Exempt Annex is NOT FOR PUBLICATION in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to financial and business affairs namely, details of the tender sums submitted.

- 2.4 The public interest test has been applied to the information that is contained within the Exempt Annex to this Decision Notice and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it because to disclose it could compromise the Council's position in any future procurement for these works.

3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	NO
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4. **DETAILS OF DECISION REQUIRED**

4.1 Proposed Works at Long Causeway

The primary aim of the Long Causeway Public Realm Improvement Scheme is to revitalise and refurbish the public realm in Long Causeway between Cathedral Square and Broadway.

- 4.1.1 Following the successful completion of the works in Bridge Street and Cowgate the surrounding area of public realm is the next phase which requires improvement. The current appearance and feel is very dated and detracts from the city's attractiveness as a shopping and leisure destination.
- 4.1.2 The scheme will include the extensive resurfacing of the existing pedestrianised areas in Long Causeway to improve the quality of the open space available for pedestrians. It will include the redesign of the paved seating areas under the tree canopy, thereby providing future opportunities for market stalls and outdoor entertainment or dining. Improvements to the existing surface water drainage provision and enhanced public lighting will also be undertaken as part of the project. The planned work will replace existing street furniture with more modern pieces, considered more in keeping with those in Bridge Street.
- 4.1.3 The work will be completed in small phases where possible in order to minimise disruption to both shoppers and local businesses.
- 4.1.4 Recent improvements to the public realm in Cathedral Square have demonstrated that such work can be instrumental in bringing inward investment to the city. This will help to support the economy as a whole by improving the retail offer and encouraging more customers to visit. The improvements to the public realm are expected to have a positive impact on the local economy by encouraging more people to spend more time in an attractive city centre environment (thus encouraging more retail spend) and by attracting new businesses to move into the city centre.
- 4.1.5 The infrastructure scheme for Long Causeway will form an extension of the City Council's Public Realm Strategy (Phase IV) and will be delivered alongside the Wentworth Street Public Realm Improvement works. It should be noted that whilst this project is geographically distinct from the planned works in Wentworth Street, a close link will be maintained with the project team for that work to ensure effective co-ordination and scheme delivery. It is anticipated that construction work on the two projects will at times run concurrently.
- 4.1.6 Wentworth Street Public Realm Improvements
The second phase of the Council's Public Realm Strategy was completed in Bridge Street in August 2013. As part of this contract resurfacing works were also undertaken in Priestgate, but a planned scheme to update and refurbish Wentworth Street was deferred until the next financial year 2014-2015. It is planned to implement this scheme in April 2014 with completion by November 2014.

4.1.7 The design will focus primarily on resurfacing the street with a similar palette of materials to those used in Bridge Street. The existing street lighting provision will be replaced with new street based columns and LED lanterns to match those in Bridge Street (including brackets for hanging baskets and/or facilities for future Christmas decorations). As part of the design it is proposed to remove the tree at the end of the street to open up the view of the shops and encourage more shoppers to pass down the street and to rationalise the existing parking and loading restrictions in the street.

4.2 Procurement

The design of the scheme is being carried out through the professional services element of the new Highways Term Maintenance Contract.

4.2.1 It is recommended that the delivery mechanism for the physical works to this scheme should be the Midlands Highway Alliance (MHA) Medium Schemes Framework Contract 1 (MSF1).

4.2.2 Background Information relating to the Midlands Highway Alliance (MHA) and the Medium Schemes Framework 1 Contract (MSF1)

The Midlands Highway Alliance (MHA) is a formal collaboration of nineteen local authorities, including Peterborough City Council, seeking a more effective way to deliver highway services. The Highways Agency (HA) is also a member. Leicestershire County Council is the 'host' authority.

4.2.3 The Medium Schemes Framework 1 Agreement was procured by Leicestershire County Council using the Official Journal of the European Union (OJEU) procedures and the scope of the agreement was defined in the OJEU Contract Notice. The agreement is therefore between four framework contractors (see details below) and Leicestershire County Council as the host authority, and has been signed under seal. The award of the Agreement was announced in an OJEU award notice on 12th April 2010 and this date has been taken to be the 'start date' for the framework.

4.2.4 The duration of the MSF1 Contract is three years from the 12th April 2010, with the ability to extend for one additional year.

4.2.5 The Medium Schemes Framework 1 was developed throughout 2009 by the MHA to replace the Midlands Works Frameworks 3 and 4 Contracts developed by the Highways Agency and used by the MHA members previously. Its development was an example of collaborative working between a large number of highway authorities. As a publicly available framework Peterborough City Council is permitted to use the MSF1 Contract.

4.2.6 The following contractors have been appointed to the framework:

- Balfour Beatty/Burse Cavils;
- BAM Nutall;
- Ringway Infrastructure Services Limited; and
- Tarmac/Carillion Joint Venture Limited.

4.2.7 As part of the EU procurement process for the MSF1 Contract, a rigorous quality/price assessment was undertaken for each contractor at tender stage.

4.2.8 The premise of the framework is to achieve efficiencies by working collaboratively. It is the expectation that all parties, clients and contractors alike, will share experiences and innovation for the mutual benefit of the whole Framework Community, thereby providing

continuous improvement. Framework contracts can realise benefits to the MHA member and the supplier by forging long-term relationships focused on delivering a specific service consistently. These include fewer procurement actions, early involvement of the contractor (if required), fostering of relationships with suppliers and their sub-suppliers, (i.e. supply chain management), shorter lead-in times, faster delivery and an opportunity to demand high standards of training and health and safety awareness.

4.2.9 The use of the MSF1 Contract does not commit the Council to give any level of work to an individual contractor.

4.3 The Contractor Selection Process

The MSF1 Contract has four contractors pre-qualified for selection, based on six model schemes. Selection of a specific contractor is usually carried out based on their submission scores against one or more of these example schemes, although there is an option to undertake a competitive mini-tender approach. Past experience suggests that the mini-tender approach, whilst offering some value, can result in an unacceptable time delay. In this instance PCC has selected two of the model schemes as a basis for selection of the contractor.

4.3.1 The chosen schemes are:

- Model Scheme A – (West Street, Swadlincote). The reconstruction and replacement of existing highway surface with high amenity stone and clay pavers with associated engineering works. The site is located within an urban town centre.
- Model Scheme B – (Stalely). The reconstruction of Erin Road (A6192) over a length of approximately 1,800 metres. Works include new footway construction and installation of new street lighting.

4.3.2 Scheme A was selected as it incorporates common elements and is located in an urban town centre, as is Long Causeway. Scheme B was selected as it was of a similar construction value.

4.3.3 The MSF1 Contract assessment suggests a 70/30 quality/price split, but allows for variations: the framework mechanism enables the overall contract value to be altered through Compensation Events (CE's) for additional/unforeseen works. In this instance a 70/30 quality/price split was used. However; the price element of the assessment was further split 20/10 between scheme A and B respectively. The purpose for this was to ensure the assessment matched the proposed works as closely as possible. It is felt that scheme A has a greater degree of similarity with the Long Causeway project. The inclusion of scheme B allows for the assessment to take account of a project of similar value.

4.3.4 Having completed the price assessment, the quality scores for each contractor were added to produce a final assessment score. The quality assessment scores are calculated by the MHA. They are based upon the original submission of each contractor at tender stage and periodic adjustments based upon current performance received via feedback from MHA member authorities.

4.3.5 The assessment suggests that Ringway Infrastructure Services Limited will offer the best value of the available contractors based upon the combined price and quality scores.

4.3.6 The decision to engage with one contractor is then approved by the MHA Framework Board. A Commissioning Authority (Peterborough City Council or any other MHA member authority) can then issue a Package Order of works to the preferred contractor based upon a negotiated Target Cost.

4.3.7 The scores of the four MSF1 Contractors for Model Scheme A and Model Scheme B are shown in the table below:

Contractor	Normalised Score – Scheme A (out of 20)*	Normalised Score – Scheme B (out of 10)**	Quality Score (out of 70)	Total Score	Ranking
Contractor A	20.00	10.00	70.00	100.00	1
Contractor B	16.93	9.82	64.75	91.50	2
Contractor C	14.37	7.67	67.15	89.19	3
Contractor D	9.52	8.98	63.83	82.33	4

*The normalised scores for Scheme A are determined as (Lowest Submitted Price / Submitted Price) x 20

**The normalised scores for Scheme B are determined as (Lowest Submitted Price / Submitted Price) x 10

4.4 The Collaborative Agreement

In order to enable an MHA member authority to use the MSF1 Contract, a tripartite Collaborative Agreement is required between Leicestershire County Council, the Commissioning Authority [Peterborough City Council] and the framework contractor to whom the Package Order is to be assigned.

4.4.1 The Collaborative Agreement empowers a Commissioning Authority to transfer the role of ‘Employer’ from Leicestershire County Council, as host authority, to the Commissioning Authority. This agreement must be signed and sealed by the authorised signatories for Leicestershire County Council, the Commissioning Authority and the designated Framework Contractor.

4.4.2 The Collaborative Agreement has zero value and does not commit the Council to any expenditure but it does facilitate the formation of MSF1 Contracts.

4.4.3 A single Collaborative Agreement is required for each designated Framework Contractor and this is valid for each subsequent works package issued under the MSF1 Contract. A Collaborative Agreement between Leicestershire County Council, Peterborough City Council and Ringway Infrastructure Services Limited was previously entered into for the New England Triangle Safety Improvements scheme on 26th May 2011. This Collaborative Agreement covers the Long Causeway Public Realm Improvements Scheme.

4.5 Alternative Procurement Routes

The procurement route of the MSF1 Framework Contract was deemed most suitable for this project following the evaluation of other procurement routes. Utilising the MSF1 Contract for this scheme will mean that the Council will realise the following benefits:

- Reduced procurement costs by using a framework agreement.
- Improved project management and cost certainty through the utilisation of a ‘Target Cost’ style of contract.
- Reduced construction cost through Early Contractor Involvement (ECI) at the design stage to manage and mitigate more effectively any potential build issues with the design.

4.6 Scheme Funding

This scheme has been allocated finding of £2,000,000 in the Medium Term Financial Strategy within the Corporate Capital allocation.

5. **CONSULTATION**

- 5.1 The Public Realm Strategy 2008 examined the options for improving the public realm in the city centre. These works implement the preferred option that was recommended for Long Causeway in outline designs prepared by LDA Design. This will refurbish the tired public realm in the city centre at a manageable cost and with minimal disruption to visitors and businesses.
- 5.2 Consultation was carried out with the Director of Growth and Regeneration who is the budget holder for this scheme and the main stakeholder. In addition, the Council's Procurement Team was consulted to ensure that the analysis of various procurement routes was valid and any assumptions correct.
- 5.3 Public exhibitions were held at the Great Northern Hotel on 5th December 2014 and at St. John's Church on 9th December 2014. These included the proposals for the Long Causeway and Wentworth Street Schemes'.
- 5.4 A specific period of direct consultation with business owners and residents of Wentworth Street commenced on 13th January 2014 and will finish on 7th February 2014.
- 5.5 Once the preliminary designs are progressed the scheme proposals will be put on the Council website and the public will be alerted to this via local media.
- 5.6 Ongoing dialogue has been had with the Queensgate Shopping Centre Management Team.

6. ANTICIPATED OUTCOMES

- 6.1 It is anticipated that an award of contract will be made to the previously mentioned contractor for the works scheme identified in this report. Subsequent to this the works will commence on site in April 2014 and be completed to a satisfactory level by November 2014.

7. REASONS FOR RECOMMENDATIONS AND ANY RELEVANT BACKGROUND INFORMATION

7.1 Achieving the Council's Strategic Objectives

In 2008, a Public Realm Strategy was adopted by Peterborough City Council. Phase One (Cathedral Square and St. John's Square) was completed early in 2011. The second and third phases (Bridge Street and Cowgate) were completed in 2013. The main objective of the Public Realm Strategy is to create a vibrant and sustainable city centre that will increase people's access to facilities, services and historic assets such as the Cathedral, Guildhall, St. John's Church and Long Causeway; changing the pattern of movement through it and facilitating an expansion of interest in the city centre making it much more of a twenty-four hour location for activity; as well as creating the broader potential to attract tourists and inward investment.

- 7.2 The overarching aim of the Public Realm Strategy is to help revitalise the physical and economic status of the city and ensure that the existing tourist, retail and commercial centres located at the heart of the city can attract shoppers and visitors alongside the new retail developments situated to the north-west of the historic core and traditional centre.
- 7.3 The aim of this project is to produce a public realm commensurate with the aims of the Strategy which will realise the full benefits that this scheme could deliver for Peterborough's regeneration agenda.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 The alternative options considered were as follows:

(a) **To separately tender for the scheme:** This approach would incur additional procurement costs that could otherwise be avoided. The increased lead in time to procure civil engineering schemes will potentially increase the out-turn costs of a given scheme and decrease the time available to engage the contractor on site to carry out the works. In this instance there would be considerable risk to achieving the required programme for the capital works.

(b) **To utilise another existing framework contract:** Upon research, there were found to be no other framework contracts available that Peterborough City Council could utilise to deliver civil engineering schemes due to limitations in scope.

9. IMPLICATIONS

9.1 The contract award will enable the completion of the Long Causeway Public Realm Improvements and the continuation of Public Realm works within Peterborough's city centre.

Failure to complete this project would have a number of potential repercussions for the city centre and Long Causeway, including the following elements:

9.2 Financial

A lack of improvement to the rest of the city centre public realm could see inward investment stalling. This would result in a reduced attractiveness of Peterborough city centre to shoppers and others and the city increasingly losing out to other destinations.

In addition, the existing infrastructure (including carriageway and footway surfaces, street lighting and street furniture) would continue to deteriorate, leading to an increase in long term maintenance costs.

9.3 Environmental

The implementation of the infrastructure scheme will act as part of the larger regeneration agenda, thereby contributing to the amenities of Peterborough and to the identity of the city. A well designed and attractive built environment will also contribute indirectly to achieving improvements in health, social interaction and well-being.

Without measures designed to improve the appearance of the existing streetscape and the quality of the built environment the opportunity to enhance the character and external appearance of this important thoroughfare will have been lost. The works will also provide an enhanced pedestrian route to several of the city's primary destinations including the Cathedral, Museum and Queensgate Shopping Centre thus creating a pedestrian thoroughfare that is open, attractive and accessible at all times.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

None.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Midlands Highway Alliance (MHA) Medium Schemes Framework Contract Management Manual - Version 1 (January 2012).