

<b>Report title:</b> Procurement of contractor to deliver A130/A127 Fairglen Interchange Scheme	
<b>Report to:</b> Cllr Kevin Bentley, Deputy Leader and Cabinet Member for Infrastructure	
<b>Report author:</b> Paul Crick, Director, Capital Investment and Delivery	
<b>Date:</b> 26 November 2019	<b>For:</b> Decision
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<b>County Divisions affected:</b> Rayleigh North, Rayleigh South, Wickford Crouch, Basildon Pitsea and Thundersley	

## **1. Purpose of Report**

- 1.1 This Report seeks authority to procure a construction contract with a Principal Construction Contractor (PCC) through either a restricted OJEU process or through the use of an infrastructure lot within a new Crown Commercial Services (CCS) framework for the construction works of the A127/A130 Fairglen Interchange scheme. Both routes will be undertaken by using a competitive mini competition tendering process to ensure value for money. The final contractor will be appointed by the Director for Capital Investment and Delivery.

## **2. Recommendations**

- 2.1 Agree to procure a Principal Construction Contractor through either:

- (a) a restricted procedure complying with the Public Contracts Regulations 2015; or
- (b) through the use of an infrastructure lot within a new Crown Commercial Services (CCS) framework.

for the construction works in the area of the A127/A130 Fairglen Interchange, using a competitive mini competition process.

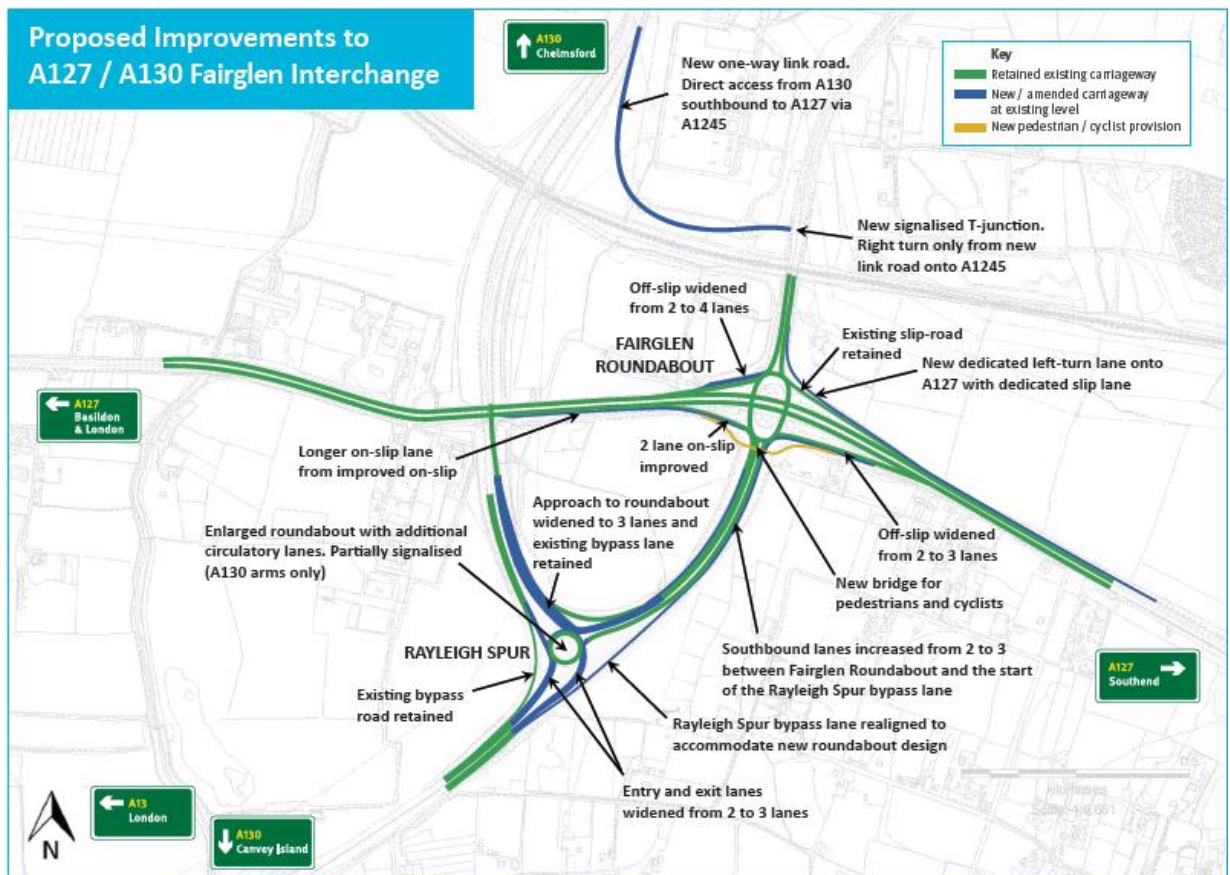
- 2.2 To Authorise the Director, Capital Investment and Delivery to select 2.1 (a) or (b) and to award the contract to the successful Principal Construction Contractor, providing that:

- the total project cost is within the approved budget,
- a satisfactory planning permission has been received; and
- land options have been agreed with all identified landowners and the Director is satisfied that the ownership of any other land is not material to the scheme or can be resolved by compulsory purchase order.

### **3. Summary of issue**

- 3.1 The A127 corridor is a vitally important primary route for the South Essex area which connects the M25, Basildon and Southend (including London Southend Airport). It also provides access to the wider areas of Basildon, Brentwood, Billericay, Canvey Island, Rochford and Wickford and has strategic links to the A130, A129, A13 and A12.
- 3.2 The A127/A130 Fairglen interchange is the primary interchange to and from the Southend Central Area. Every weekday, the interchange carries over 110,000 vehicles in a 12-hour period and suffers significant congestion and journey time delays during peak periods. The interchange comprises of the Fairglen roundabout at the junction of the A127 and the A1245 to the north of the site, and the Rayleigh Spur roundabout at the junction of the A130 and the A1245 to the south of the site.
- 3.3 The main reasons for the requirement of the A127/A130 Fairglen Interchange scheme is to
- Facilitate the future housing and jobs growth across South Essex (up to 90,000 homes between 2014 - 2037 as identified in the South Essex Housing Market Assessment addendum May 2017 along with up to 62,675 jobs over the same period).
  - To manage congestion and improve journey time reliability.
  - To provide additional capacity at the main interchange and extend the life of the junction.
- 3.4 There are two schemes in this project:
- the A127/A130 Fairglen Interchange upgrade
  - the New Link Road which will include a left turn slip from the A130 southbound to the A1245 heading eastbound onto the A127. Additionally, the lead-in slip to the A127 eastwards will be lengthened. The scheme also includes additional lanes at the Rayleigh Spur roundabout and dedicated slip lanes on the Fairglen roundabout.

The diagram below shows a summary of the overall scheme:



- 3.5 The new link road will alleviate traffic flows at Fairglen by avoiding the need for vehicles travelling from Chelmsford, southwards down the A130, to complete two sides of the 'Fairglen triangle' south of the A127 to access the A127 heading eastbound towards Southend. This will save time and shorten journeys by approximately 1km.
- 3.6 The transport improvements of the delivery option will result in a range of measurable impacts on traffic and travel conditions and sustainability which will include:
- Reduced congestion and improved journey time reliability – measured by traffic volume and relative difference in peak/off –peak journey times.
  - Facilitation of the delivery of identified housing and employment growth in line with the Core Strategies / Local Development Plans – measured by the number of homes/jobs delivered / occupied by 2037.
  - Improved connectivity – reflected in reduced absolute journey times on key routes
  - High quality of life and natural environment – reflected through number of collisions, carbon emissions and level of noise.
- 3.7 A Public Information Event was held in February 2017 and a formal Public Consultation held for 6 weeks from February 2018 to March 2018. The main feedback in the consultation was:

- *Requests for a new junction linking the A130 and the A127* – This was looked into as part of the scheme and was deemed a non-viable option for buildability and cost.
- *Concern the new traffic lights on the new Southend link road would cause delays on the A1245* - All Traffic signals have been updated to the latest intelligent systems to minimise delay and to manage congestion effectively
- *Requests for left turns to be allowed at where the Southend link road meets the A1245* – This would create issues for the Carpenters Arms Roundabout to the north of the scheme of the A1245
- *Concerns about illegal left turns from Southend link road into the A1245* – We have allowed for enforcement cameras to be installed (If Essex Police and Essex Traffic Control Centre agree)
- *Requests for the A127 to be widened in the east, west or both directions* - This is beyond the scope of the scheme and would be very expensive and we have not secured funding. We consider that the proposed scheme will bring significant benefits.
- *Requests for the Fairglen Roundabout to be widened* – The Fairglen roundabout is constrained by the structural supports for the overpass bridge supporting the A127
- *Concern that building the scheme would result in severe delays on the road network* - We are ensuring that there will be no lane or road closures throughout the works (except at night where absolutely necessary). Instead, it will be managed through speed restrictions and narrow lanes
- *Concern the scheme would move congestion elsewhere rather than reducing journey times* - Our modelling shows that this is not likely to be the case.
- *Requests for the long-term scheme to be implemented immediately* - Unfortunately, we only have funding for the current scheme.
- *Requests for improved provision of public transport as well or instead* - We have secured funding only for this scheme..
- *Concern the proposed walking-cycling bridge would not provide sufficient benefits for cyclists and would not be used* - Our view is that this bridge will be used, provide key sustainable travel benefits and that it is a proportionate use of money.
- *Concern about an increase in motor traffic increasing air pollution* – ECC is currently working with DEFRA to improve air quality along the A127. This is a separate scheme and covers the A127 from the Fortune of War Roundabout to the Rayleigh Weir junction.

### 3.8 As a result, the proposed scheme has been changed in the following ways:

- All Traffic signals have been updated to the latest intelligent systems to minimise delay and to manage congestion effectively
- Allowed for enforcement cameras to be installed (If Essex Police and Essex Traffic Control Centre agree)
- Unnecessary works on some of the A127 slip roads have been identified and has been removed from the works package
- Further improvements to the cycling and walking connections between Rayleigh Spur Roundabout and the Fairglen Roundabout

- Installation of push button pedestrian crossings near the Rayleigh Spur Roundabout to improve safety.
- There will be no lane or road closures throughout the works (except at night where absolutely necessary). Instead, it will be managed through speed restrictions and narrow lanes

3.9 In addition, due to the amount of land that is affected in and around the area of the scheme, ECC is in regular contact with local landowners as we need to purchase land and gain temporary use of more for use as a site compound. We believe that we have an agreement with all identified landowners. There is a small area of land where we have been unable to identify the owner, and this may need to be resolved by compulsory purchase. We will not award the contract until we are satisfied that landownership issues cannot prevent scheme delivery. It is anticipated that planning permission will be granted by the time we go out to tender and no contract will be awarded unless and until these issues are finally resolved.

3.10 In order to proceed with the current scheme, Cabinet is asked to delegate the decision for procurement route selection to Director, Capital Investment and Delivery. This is so the scheme can meet many key timescale deadlines i.e. spending DfT grant monies before March 2021, constructing the works prior to the wholesale resurfacing of the A130 and to have the ability to be on site by September 2020.

3.11 The reason we are unable to make a final recommendation on the procurement route is that we believe that the best way is likely be to use an emerging framework being created by the Crown Commercial Service (CCS). However, this framework has not yet been finalised and it is possible that it may be delayed, won't meet our needs or that it may, as a new framework, be subject to a legal challenge. Accordingly, if the framework is unsuitable or unavailable we intend to undertake a dedicated competitive procurement via the OJEU restricted procedure using the evaluation criteria of price 70% and quality 30%.

### **3.12 OJEU Process**

3.12.1 If an OJEU tender is launched, the procurement procedure will be using the restricted procedure in the Public Contracts Regulations 2015. It is proposed that the contract will be a traditional construction contract and that the final split between price and quality will be agreed by the Director, Capital Investment and Delivery.

3.12.2 A Standard Selection Questionnaire (SQ) will be issued under a PIN notice via ECC's procurement team. These returns will then be assessed to allow the selection of five contractors to progress on to Invitation To Tender (ITT) stage. ECC will then seek to run a competitive mini completion tendering process inviting bids from the five selected contractors. These bids will be evaluated on the determined price/quality split and award will be agreed by the Director, Capital Investment and Delivery.

### **3.13 CCS Framework details**

3.13.1 If a tender is launched via the CCS Construction Works and Associated Services (RM6088) framework when it is commenced, it will be via the frameworks "Lot 3" group of contractors which construct works in the value of £10m - £30m.

3.13.2 ECC would opt to use Competitive award procedure within the framework. The split is Quality 75% (+/- 25%) and Price 25% (+/-25%) meaning you can award using 50/50 up to 100/0. The final split between price and quality will be agreed by the Director, Capital Investment and Delivery.

## **4. Options**

### **Option 1- Continue with the proposed works to the A127/A130 Fairglen Interchange**

4.1 After detailed investigation through design and traffic modelling testing of multiple options, each with their own multiple sub-options, it was concluded that the current scheme design is the best performing layout and meets all congestion and capacity issues (inclusive of the growth and forecast growth in the local and wider areas) up to 2037.

### **Option 2- Abandon Upgrade of the proposed works to the A127/A130 Fairglen Interchange**

4.2 If this option was selected, it would mean the current congestion on the A130, A127 exit slips, A1245 and Rayleigh Spur would continue and would likely become worse. Also, the £21.235m won in bids would be returned to DfT and SELEP, and would damage the confidence they have in ECC for delivering schemes.

## **5. Issues for consideration**

### **5.1 Financial implications**

5.1.1 The A127/A130 Fairglen Interchange scheme is included in the ECC approved capital programme. It is comprised of two successful bids: The Local Growth Fund 1 (LGF1), Department for Transport (DfT) retained bid for the improvements to the Fairglen roundabout and the Rayleigh Spur roundabout and the LGF3 bid for the A130/A1245 Link Road.

5.1.2 The budget for the A127/A130 Fairglen Interchange totals £28.693m. This is comprised of:

- £1.858m Advanced Scheme Design (ECC funded and previous expenditure)
- £17m LGF1 Bid (£15m DfT, £2m ECC)
- £9.835m LGF3 Bid (£6.235m SELEP, £3.6m ECC)

5.1.3 The following table summarises the current financial profile included in the approved 2019/20 capital programme and draft MTRS for 2020/21 to 2023/24 for this scheme:

<b>A127/A130 Fairglen Interchange</b>	<b>(£000)</b>	<b>Previous years</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>Total</b>
	<b>Total (£)</b>	<b>5,259</b>	<b>887</b>	<b>3,866</b>	<b>13,258</b>	<b>5,423</b>	<b>28,693</b>

5.1.4 Once tenders have been received and preferred contractor appointed, it is likely that the above profile will require amendment to align with the preferred contractors cashflow forecast. This will be subject to a separate decision once a contract has been awarded but will be contained within the overall scheme budget. The estimated revenue cost of borrowing to fund this scheme is circa £422,000 over the next 5 years and is reflected in the Medium-Term Resource Strategy (MTRS). There is no increase in the MTRS as a result of this decision.

5.1.5 Monies spent to date predominately relate to design development through the Ringway Jacobs HST contract. There is a risk that should the scheme not progress the costs incurred to date will become abortive and will be required to be written off to revenue which would create a revenue budget pressure. However, this risk is considered to be low subject to the outcome of this procurement.

5.1.6 Any cost overrun would have to be met by ECC. Should the tenders come in significantly higher than the available budget, elements of the project may be de-scoped and/or broken down into separate projects and re-tendered to deliver as much as possible within the available budget. Should the tenders come in below budget the capital programme will be reduced in line with the saving. However, it should be noted that due to the external funding attributable to the scheme it is possible that the saving would have to be shared between all contributors.

## **6.2 Legal implications**

6.2.1 There are Traffic Regulation Orders (TROs) required for these works which have already been drafted and will be altered/confirmed by Ringway Jacobs with Essex's Network Assurance team. If there are objections to these orders then they can only be made if the Cabinet Member agrees.

6.2.2 The project design and professional services support (Project Management, Project Assurance, Supervision and Contract Administration for the main construction works) is provided through the Essex Highways Design and Professional Services HST (Ringway Jacobs) contract (which is the current practice with all Highway Major Scheme Projects).

6.2.3 The main Construction works will be undertaken by a Contractor procured via a construction contract. The service reports that it is unable to select the procurement route. The reason for this is stated in paragraphs 3.10 and 3.11 as

well as how the decision will be made. Both possible methods comply with the Public Contracts Regulations 2015 and ECC's own procurement rules.

## **6. Equality and Diversity implications**

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **7. List of appendices**

- 7.1 Equality Impact Assessment

## **8. List of Background papers**

General Arrangement Drawings  
Consultation responses and report