

Proposed Decision to be taken by the Deputy Leader (Finance and Property) on or after 15 December 2017

S278 Highway Improvement Scheme at D7050 Common Lane, Kenilworth

Recommendation

The Portfolio Holder – Deputy Leader (Finance and Property) gives approval to:

- 1) increase the capital programme provision for the S278 highway improvement scheme at D7050 Common Lane, Kenilworth, to £2.4m;
- 2) the award of the contract for the S278 highway improvement scheme at D7050 Common Lane, Kenilworth, to the supplier who has submitted the most economically advantageous price subject to the applicable bond having been put in place by the Developer to secure their obligations.

1.0 Key Issues

- 1.1 On 17 March 2017 the Portfolio for Finance and Property gave approval to include the (Highways Act 1980) Section 278 highway improvement scheme at D7050 Common Lane, Kenilworth, to the 2017/ 2018 capital programme. The estimated cost, including works and fees, was £575k. The capital programme allocation was varied to £1.3m in June 2017 through the quarterly capital monitoring process to reflect the inclusion of structural works alongside the highway works.
- 1.2 The S278 works are required as part of the planning consent given by Warwick District Council for development on land known as Crackley Triangle (ref: W/14/1340). The works comprise the implementation of a traffic signal controlled junction on Common Lane and the construction of a retaining wall along the access road. The Developer (Bloor Homes) will be providing 100% of the funding for the scheme via the (Highways Act 1980) Section 278 Agreement which was signed on 31 August 2017. A bond to secure the obligations of the Developer in respect of the S278 agreement is required to be put in place before the construction contract can be awarded.
- 1.3 The procurement of the works is through a Package Order Call Off Contract (POCOC) under Warwickshire County Council's Provision of Construction Works Framework Contract. The Framework Contract was established in April 2014 following an EU procurement process. The Framework contract comprises five Framework Lots (identified by financial value and / or nature of work). Successful applicants were awarded a place as a supplier within a Framework Lot following evaluation of Lot-specific ITT questionnaire responses provided by each of the tendering applicants. A Lot-specific POCOC for a particular Work Package is awarded following further competition between suppliers for the Lot to which the Work Package relates. Further competition is on the basis of price alone.

- 1.4 All of the seven named suppliers in the appropriate lot of the Framework were invited to submit quotations for these works on 15 August 2017, with an extended tender return date of 23 November 2017. Two suppliers returned quotations, the lowest of which exceeds the £1.3m estimate.
- 1.5 Warwickshire County Council's Contract Standing Orders (September 2013) Section 2.3 states that authority to award a major contract between £1.0m and £3.0m requires a report back to the relevant Portfolio Holder where the bids exceed the original estimate by 10% or more.

2.0 Proposal

- 2.1 Approval is requested to increase the capital programme provision to £2.4m to cover the cost of the works and fees, and an allowance for contingencies. There is no financial risk to Warwickshire County Council as S278 schemes are fully funded by the Developer's contribution which is ring-fenced for the works specified. For Developer funded schemes, there are no alternative uses for the contribution and it does not affect the overall level of available capital resources.
- 2.2 Approval is requested to award the contract to the supplier who has provided the most economically advantageous price following assessment of the tenders.
- 2.3 If the recommendations are not approved, it will be necessary to re-tender the highway and structural works. The tenders can only be sent to the same suppliers as before and the responses may be similar. Furthermore, delaying the works to complete a new tender exercise will affect the ability of the Developer to meet its planning obligations.

3.0 Timescales associated with the decision and next steps

- 3.1 If the recommendation is approved, the contract will be awarded to the supplier who has provided the most economically advantageous price at the earliest possible date and works will commence as soon as the supplier is able to mobilise their resources in early 2018.

Background papers

None

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The report was circulated to the following members prior to publication:

Local Member: Cllr Dave Shilton – Kenilworth Park Hill

Other Members: Cllr Birdi, Cllr Boad, Cllr O'Rourke, Cllr Timms