

Finance and Resources Committee

10.00am, Thursday, 7 October 2021

Award of Contracts for City Centre West to East Cycle Link and Street Improvements Project Construction

Item number	
Executive/routine	Executive
Wards	6 – Corstorphine/ Murrayfield 11 – City Centre
Council Commitments	16 , 17 , 18 , 19 , 27 , 39

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the:
- 1.1.1 Appointment of Balfour Beatty Civil Engineering Limited (BBCEL) to undertake the construction of the City Centre West to East Cycle Link and Street Improvements Project (CCWEL), along with the resurfacing of the carriageway of the A8, for a combined contract sum of £12,974,273, procured through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement;
 - 1.1.2 Appointment of AECOM via the Council's Scotland Excel framework for the provision of site supervision and contract administration for the delivery of the above contract for the value of £329,002; and
 - 1.1.3 Award of all required contracts for delivery of the public utility diversionary works required in order to deliver the proposals, which are valued at £1,256,560.

Paul Lawrence

Executive Director of Place

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2. Executive Summary

- 2.1 The City Centre West to East Cycle Link and Street Improvements project (CCWEL) will establish a high-quality cycle route through the city centre connecting existing and planned facilities and enhancing streets along the route for people walking and cycling. The preliminary designs were approved in December 2016 and have been subject to relevant Statutory Orders.
- 2.2 This report seeks approval to award the contract for the construction stage to Balfour Beatty Civil Engineering Limited (BBCEL), through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.
- 2.3 Further approval is sought to award the contract for site supervision and utility diversions coordination to AECOM Limited, who are the Principal Designer for the project, and to proceed with the required utility diversionary works to allow the project to be delivered.

3. Background

- 3.1 On 17 June 2021, the Transport and Environment Committee considered and approved a report on the CCWEL. The project consists of significant street improvements between Roseburn and Picardy Place, which will transform the nature and operation of numerous streets. Designs have been subject to extensive public consultation and required Statutory Orders have been completed or are underway.
- 3.2 The project is split into three sections as follows:
 - 3.2.1 Section One runs from Roseburn to Haymarket and will introduce of a two-way segregated cycleway on the north side of the A8;
 - 3.2.2 Section Two runs from Haymarket to Randolph Place and will introduce one-way segregated cycleways on each side of Melville Street; and
 - 3.2.3 Section Three will connect George Street to Picardy Place via two-way segregated cycleways on St David Street, Queen Street and York Place.

- 3.3 The CCWEL project does not involve delivering changes in Charlotte Square, St Andrew Square or along George Street, which are being taken forward separately.

4. Main report

- 4.1 Following the completion of preliminary designs, it was identified that early engagement with a suitably experienced contractor would be beneficial to draw on their expertise.
- 4.2 The Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement (the Framework) was used as it is particularly suited to projects requiring early engagement with a contractor. It clearly defines an initial pre-construction stage separated from the subsequent construction stage by a gateway review point and is already used by the Council on other projects.
- 4.3 BBCEL is the single supplier appointed to the Framework following an open procurement process, which included both quality and financial award criteria.
- 4.4 In September 2019, BBCEL were appointed to carry out the pre-construction phase for the CCWEL that included undertaking the site investigations required to verify the designs. The majority of these works are now complete.

Construction Phase

- 4.5 In addition to the proposed CCWEL, the carriageway of the A8 is programmed for re-surfacing during the same period. It was therefore decided to include this work within the CCWEL programme, in order to minimise disruption to the general public during construction, and to achieve greater cost efficiency. The cost of carriageway resurfacing is £0.482m, which is separately funded from the Roads Renewal budget and is inclusive in the tender costs below.
- 4.6 During July 2020, an initial tender cost of £17.14m was submitted by BBCEL to construct the CCWEL project (and resurfacing work). Alongside other items, including utility diversion costs, this placed the projected costs above available budgets.
- 4.7 In response, the project team has carried out a number of targeted actions to successfully bring these costs down and within budget. These actions and the resulting cost reductions are detailed in the table below:

Item	Initial Tender Cost	Action	Current Cost	Reduction
CCWEL Build Cost and A8 re-surfacing	£17,142,657	Direct Challenge to rates; Quantities reconciliation; Value Engineering and Scope Reduction.	£12,974,273	£4,168,384
Public Utility Diversions	£1,659,940	Value engineering	£1,256,560	£403,380

- 4.8 The above results in a proposed contract cost for the delivery of the CCWEL project and A8 Resurfacing of £12.97m. Committee is asked to approve the appointment of BBCEL to carry out these works.

Site Supervision and Contract Administration

- 4.9 It is proposed to appoint AECOM Engineering Ltd, who are the Principal Designer for the CCWEL project, to carry out Site Supervision requirements throughout the Construction Period, from the Scotland Excel framework at a value of £0.329m. This will also cover supervision and liaison for the associated public utilities works.
- 4.10 To facilitate the works, public utility diversionary works are required to be delivered by various statutory undertakers. The required public utility diversionary works are valued at £1.25m.

5. Next Steps

- 5.1 Subject to approval of the recommendations in this report, BBCEL would be formally appointed in October 2021 to undertake the construction of the CCWEL and AECOM for site supervision and contract administration.
- 5.2 It is anticipated that construction would commence in January 2022 and will take approximately 18 months.

6. Financial impact

- 6.1 The total anticipated estimate at completion for the CCWEL project is £19.38m which is principally funded from Sustrans (£12.85m), Scottish Government (£3.52m) and Council Capital Programme (£3.01m).
- 6.2 The total construction works value of £12.97m differs from the estimated value of £13.17m presented to the Transport and Environment Committee on 17 June 2021. At that time, the cost was based on estimated values for the savings achieved through the value engineering and other activities, on the basis of the contractor's previous tender price rates and did not include the resurfacing of the A8.
- 6.3 BBCEL's people costs, overheads and profit elements were competitively tendered in their appointment to the Framework and are defined therein. The remaining costs within their tender are typically made up of sub-contracted work packages which will be market tested, thus ensuring that competitive prices and value for money can be demonstrated.
- 6.4 It is anticipated that there may be some loss of parking income due to the reduction in the number of Pay and Display spaces in the West End during construction. However, a parking survey has shown that there are normally enough Pay & Display spaces in the surrounding area for all users, and during the construction period, active construction will only ever be taking place on a small section of the overall area.

- 6.5 In addition to the contract costs, the overall programme budget also includes an allocation of £1.93m against identified risks to both costs and to the programme.

7. Stakeholder/Community Impact

- 7.1 The project has involved significant stakeholder and public consultation and engagement. The results of an initial consultation exercise on the preliminary designs, which was carried out during the winter of 2015/16, have been published on the project's website.
- 7.2 Stakeholder consultation which has taken place as part of each Statutory Order's process is detailed in several reports to the Transport and Environment Committee.
- 7.3 Communication and engagement with the local and wider community will continue before, during and after completion of the construction.
- 7.4 As part of the engagement programme and to support the vibrancy and accessibility of the affected shopping streets during construction, an 'Open for Business Campaign' is planned to let people know about the arrangements during the construction period and keep people visiting.
- 7.5 A new website has recently been created for the CCWEL project and this will act as a central point of information. Regular updates from the Council and Balfour Beatty will be added to the site as construction progresses.
- 7.6 The project will also create a significant number of construction jobs, in turn creating opportunities for suppliers and for local businesses who will benefit from custom from people working on the project. As with all major Council construction contracts, there will be community benefits such as apprenticeships and training opportunities.
- 7.7 BBCEL has developed a Social Value Action Plan (SVAP) which outlines the delivery of their Community Benefits as part of this project. This is included in Appendix 2.
- 7.8 Balfour Beatty are a Pledge Partner of the 'Scottish Business Pledge' where one of the three elements committed to is to pay the real living wage to employees aged over 18, other than interns or apprentices, who are paid as per the Emerging Talent scales. Balfour Beatty features as a Pledge Partner on the website: [Pledge elements | Scottish Business Pledge](#)

8. Background reading/external references

- 8.1 Report to the Future Transport Working Group on 16 December 2016, '[City Centre West to East Cycle Link and Street Improvements Project](#)'.
- 8.2 Report to the Transport and Environment Committee on 30 August 2016; '[City Centre West to East Cycle Link and Street Improvements Project: Consultation Results and Potential Project Amendments](#)'.

- 8.3 Report to the Transport and Environment Committee on 3 June 2014; '[Development of Major Cycling and Walking Projects](#)'.
- 8.1 [Scape Procure Scotland Framework Agreement](#)
- 8.2 [Resilient Edinburgh Climate Change Adaptation Framework](#)
- 8.3 [Sustainable Design and Construction Policy Statement](#)
- 8.4 [Sustainable Edinburgh 2020](#)
- 8.5 [Sustainable Procurement Policy](#)
- 8.6 [Sustainable Travel Plan](#)
- 8.7 [Transport 2030 Vision](#)

9. Appendices

Appendix 1 Summary of Tendering and Evaluation Process.

Appendix 2 Balfour Beatty Social Value Action Plan

Summary of Tendering and Tender Evaluation Process

Contract	City Centre East to West Link (CCWEL)
Contract Period	October 2021 – July 2023
Estimated Contract Value	£12,974,273
Procurement Route Chosen	Use of national framework (Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland')
Invitations to Tender Issued	One (Balfour Beatty are the single supplier on the Framework)
Tenders Returned	One
Tenders Fully Compliant	One
Recommended Supplier	Balfour Beatty Civil Engineering Limited
Primary Criteria	<p>Compliant tender in accordance with the requirements of the Framework, including the Framework requirement for market testing of all sub-contract packages to demonstrate value for money.</p> <p>The appointment of BBCEL to the Framework itself followed a competitive OJEU compliant tender process with a 60:40 Quality:Price ratio.</p>
Evaluation Team	The tender proposal was scrutinised by experienced ATINP officers, consultants from the Project and Programme management team (T&T) and engineers within the Principal Design team (AECOM) to ensure value for money.

Social Value Action Plan – TOMs

Introduction

Through the Scape Generation Two framework, as contractor on the City of Edinburgh Council’s CCWEL project, Balfour Beatty will deliver five ‘Themes Outcomes and Measures’ (TOMs) as set out in the Social Value Portal’s National Task Force, with an associated proxy value figure.

<http://socialvalueportal.com/national-toms>

During the pre-construction phase of the project, Scape recommends setting out a Social Value Action Plan to be agreed between the contractor and customer, which will maximise the social value delivery on the project. Following preliminary dialogue with our customer, City of Edinburgh Council, Balfour Beatty’s Community Benefit Advisor has researched the TOMs to identify five selections which reflect the Council’s sustainability objectives on this project, whilst also delivering value for the City of Edinburgh and the Regional City Deal.

The below table outlines our suggested TOMs for the CCWEL project.

NB – Based on discussions on the project, these are Balfour Beatty’s suggested TOMs, which at this stage are indicative only; we welcome feedback and any proposed changes from City of Edinburgh Council.

TOM number	National Theme no (NT)	Description	Outcome	Proxy Value (NOT REGION SPECIFIC)
1	NT1c	No. of local people (FTE) on contract for one year or the whole duration of the contract, whichever is shorter, employed through the supply chain as a result of your procurement requirements	No. people FTE	£30,353 (UK value – must include region specific proxy fig from SVP)
	Methodology	Joseph will work with his established contacts at Capital City Partnership to ensure equitable promotion of employment opportunities for residents. We will engage our supply chain at pre-contract stage to ensure that all employment opportunities are advertised through CCP. Stakeholders: Callum Munro – Capital City Partnership, Molly Kerr – City of Edinburgh Council		
2	NT5	No. of 18+ y.o. employees (FTE) hired on the contract who are rehabilitating or ex-offenders as a result of a recruitment programme	No. people FTE	£23,119.00

	Methodology	Joseph will work with his established contacts at SPS and our supply chain to identify an employment opportunity for a young person recently liberated from prison. Stakeholders: Mark Phillips – Access to Industry, Paul McCrudden – Scottish Prison Service Employability Team, Supply chain TBC		
3	NT18	Total amount (£) spent in LOCAL supply chain through the contract	£	£0.751 - multiplier for, CONSTRUCTION - needs to be customised by industry and local area
	Methodology	Joseph will work with Balfour Beatty’s commercial team, where possible, to instruct local subcontractors. If possible, owing to post COVID19 conditions, we will host a meet the buyer event to engage local subcontractors. Stakeholders: Balfour Beatty commercial team / contract manager – Jim Brannan / Keith McDonald		
4	NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc.) or wellbeing initiatives in the community, including physical activities for adults and children	£ invested, inc staff time.	£1
	Methodology	Joseph will network with local community groups to identify opportunities for site team to support, we will work in partnership with our existing network including Cycle Scotland to promote wellbeing initiatives for residents. Stakeholders: Ashley Erdman – The Bike Station/Cycle Scotland, neighbourhood groups TBC		
5	NT32	Car miles saved on the project (e.g. cycle to work programmes, public transport or carpooling programmes, etc.)	Per mile saved	£0.03
	Methodology	Work with site team / sub-contractors / City of Edinburgh Council to promote use of public transport / sustainable travel, record and share information on carbon reduction achieved through sustainable travel. Implement CEC sustainable public travel voucher scheme for operatives / visitors. Stakeholders: City of Edinburgh Council – Active Travel Team / Supply chain TBC		

In addition to the delivery of the TOMs, which will fulfil the Scape Framework requirements, Balfour Beatty will deliver additional supplementary community benefits on the CCWEL project, which are outlined below.

Supplementary Community Benefits

Joseph Drugan, Community Benefits Advisor, will lead on the delivery of the Social Value Action Plan and co-ordinate supplementary community benefit delivery through Balfour Beatty’s project team and supply chain. Joseph will work with Callum Munro of Capital City Partnership to ensure an equitable spread of opportunity through the project for residents of the City of Edinburgh, ensuring compliance with Edinburgh and Midlothian City Deal. Joseph will monitor and record delivery of community benefits through the Cenefits reporting portal (used currently on Balfour Beatty’s North Bridge Refurbishment) – sharing progress with Molly Kerr at CEC.

We have aligned the proposed supplementary benefits to CEC’s CCWEL Workplace Engagement Strategy, focusing primarily on the ‘high’ intensity of engagement areas outlined in the strategy document. It should be noted that this is not an exhaustive list, indeed we aim to expand on this following further discussion with the wider CCWEL project team.

Stage	Description of supplementary benefit	Persons responsible	No of outcomes
Pre-construction (present – Jan 21)	Identify a social enterprise / catering business, categorised within the ‘high’ intensity of engagement category.	Joseph Drugan (BB), BB Commercial Lead TBC, Eileen Hewitt / CCWEL Active Travel team	TBC
Construction (post Jan 21)	Provision of advertising space for businesses impacted by CCWEL project.	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC)	TBC
Construction (post Jan 21)	Donation drives for local foodbank / charity	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC)	Bi-annual
Construction (post Jan 21)	Virtual Schools engagement – using online platform to engage local pupils in the project through live learning. Themes including civil engineering / project management etc.	Joseph Drugan (BB) with site team / BB Graduate Civil Engineer support	TBC

Construction (post Jan 21)	Support for CEC to install / maintain flower planters upon sections of route / engaging local community groups to take ownership of planters.	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) / community groups TBC	TBC
Construction (post Jan 21)	Cycle safety awareness event, engaging CLOCS / FORS to promote cycle safety around plant and heavy fleet. This event will give members of the public the opportunity to sit in a cabin of a typical plant/fleet vehicle to raise awareness of blind spots / cycle safety	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) /	TBC
Construction (post Jan 21)	'DR Bike' event - free cycle maintenance sessions for local residents	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC), Cycle Scotland	2 events
Construction (post Jan 21)	Cargo Bikes – for use during construction phase to reduce vehicle use	Joseph Drugan (BB), Project Manager (TBC) (BB), Eileen Hewitt (CCWEL Active Travel team CEC) / community groups TBC	TBC