

# Finance and Resources Committee

10.00am, Tuesday, 25 June 2024

## Award of Contracts for Leith Connections, Phase 1A Construction

Executive/routine  
Wards

Executive  
13 - Leith

### 1 Recommendations

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- 1.1 It is recommended that the Finance and Resources Committee approves the appointment of Balfour Beatty Civil Engineering Limited (BBCEL) to undertake the construction of Leith Connections Phase 1A, for a contract sum of £4,320,234, procured through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.

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## Award of Contracts for Leith Connections, Phase 1A Construction

### 2. Executive Summary

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- 2.1 This report seeks approval to award the contract for the construction stage of Leith Connections Phase 1A to Balfour Beatty Civil Engineering Limited (BBCEL), through the Scape Procure Scotland 'National Civil Engineering and Infrastructure Framework – Scotland' framework agreement.

### 3. Background

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- 3.1 The [Leith Connections](#) project is a multi-million pound scheme that will transform the quality of walking, wheeling and cycling connections within the project area and create new public realm area for people to spend time in and enjoy their local streets. The project is being delivered in three main phases:
- 3.1.1 Phase 1 – an active travel link between the Foot of the Walk and Ocean Terminal, via Henderson Street and Commercial Street. Phase 1A constructs this route as far as the northern end of Dock Street;
  - 3.1.2 Phase 2 - a liveable neighbourhood in the area to reduce through motor traffic and improve community spaces, measures in the east of the project area have initially been installed on a trial basis; and
  - 3.1.3 Phase 3 - a safe and attractive active travel link along a west-east corridor in the north of the project area, between the Hawthornvale Path and the shared use path to Portobello which commences at Seafield Street. This completes the Foot of the Walk to Ocean Terminal route along Commercial Street and Ocean Drive.
- 3.2 Complimentary hard and soft landscaping improvements, street decluttering, improvements to dropped kerbs and pedestrian crossing points and installation of sustainable drainage features are being undertaken as part of the project.
- 3.3 Designs for Phase 1A have been subject to extensive public consultation and required Statutory Orders have been completed.

## 4. Main report

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- 4.1 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.
- 4.2 BBCEL is the single supplier appointed to the Framework following an open procurement process, which included both quality and financial award criteria.
- 4.3 In April 2024, BBCEL were appointed to carry out the pre-construction phase for Leith Connections Phase 1A and were also appointed through a separate delivery agreement to undertake ground investigation works required to verify the designs.
- 4.4 A contract tender cost for the delivery of the Leith Connections Phase 1A project construction of £4,320,234.01 was submitted by BBCEL on 14 June 2024. This figure will be subject to further checking and commercial challenge, which could potentially result in a reduction in the contract award sum.
- 4.5 Deferring this report to the next available Committee in September, to await the outcome of this process, would result in an unacceptable delay to the commencement of the works, which are considered to be of high priority and are supported by an external funding award from Transport Scotland during financial year 2023/24. Committee is therefore asked to approve the appointment of BBCEL to carry out these works on the basis of the currently submitted contract cost, noting that this may reduce as a result of checking and commercial challenge.
- 4.6 AtkinsRealis, who provided cost and schedule review advice on the initial SCAPE Feasibility Report and commercial scrutiny of the tender submission have been appointed through the Professional Services Framework to act as contract Project Manager and carry out quantity surveying services during construction. They have also been appointed as Principal Designer and to carry out site supervision and design support during construction.
- 4.7 These two contracts with AtkinsRealis are for a combined value of £300,193.06.
- 4.8 AtkinsRealis have sub-contracted the site supervision and design support roles to AECOM who have undertaken all design works to date on the project.

## 5. Next Steps

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- 5.1 Subject to approval of the recommendations in this report, BBCEL will be formally appointed to undertake the construction of Leith Connections Phase 1A.
- 5.2 It is anticipated that construction would commence by September 2024 and take approximately 11 months to complete.

## 6. Financial impact

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- 6.1 The total construction contract sum is £4,320,234.01. This sum is subject to further checking and commercial challenge as per paragraph 4.4 and may be reduced.
- 6.2 It is estimated that a further £0.675m of internal costs and contingency budget will be required, bringing the total construction budget to £4.995m. This will principally be funded from Transport Scotland through the Active Travel Investment Fund (£3.497m), Edinburgh and Lothian Drainage Partnership (£0.400m) and funds allocated to the delivery of active travel improvements within the Council's Capital Programme (£1.099m).
- 6.3 Whilst the £1.099m may be funded from the Council's allocation of the Active Travel Tier 1 grant, the loans charges associated with the expenditure using the Council's capital budget amount to a principal repayment of £1.099m and interest of £0.611m. This would be an average annual repayment of £0.086m over 20 years, based on an assumed loans fund interest rate of 5%.
- 6.4 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 have been market tested, thus ensuring that competitive prices and value for money can be demonstrated.

## 7. Equality and Poverty Impact

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- 7.1 An [Integrated Impact Assessment](#) has been prepared for the Leith Connections project and is updated as the project progresses.
- 7.2 It is expected that the changes will advance equality of opportunity by improving Edinburgh's walking, wheeling and cycling infrastructure, and make it more attractive, safer and accessible for less confident users, including children and older people.

## 8. Climate and Nature Emergency Implications

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- 8.1 As a public body, the Council has statutory duties relating to climate emissions and biodiversity. The Council

*“must, in exercising its functions, act in the way best calculated to contribute to the delivery of emissions reduction targets”*

(Climate Change (Emissions Reductions Targets) (Scotland) Act 2019), and

*“in exercising any functions, to further the conservation of biodiversity so far as it is consistent with the proper exercise of those functions”*

(Nature Conservation (Scotland) Act 2004)

- 8.2 The City of Edinburgh Council declared a Climate Emergency in 2019 and committed to work towards a target of net zero emissions by 2030 for both city and corporate emissions and embedded this as a core priority of the Council Business Plan 2023-27. The Council also declared a Nature Emergency in 2023.

### **Environmental Impacts**

- 8.3 The Leith Connections project will reduce carbon emissions by contributing towards the actions to deliver the City Mobility Plan which aim to increase the number of people walking, wheeling and cycling in Edinburgh.
- 8.4 It will increase the city's resilience to climate change impacts by providing more opportunities for sustainable travel through improvements to walking, wheeling and cycling infrastructure.
- 8.5 It will also enable the reallocation of current carriageway space for sustainable drainage measures.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 A project risk register has been maintained which identifies and ranks risks to project delivery. Key risks to delivery include works interface with users of busy roads and pavements, one year funding agreements with Transport Scotland and unknown services.
- 9.2 As part of the pre-construction stage, a contract risk register has been developed collaboratively between the parties, as part of the open book ethos of the SCAPE framework, to include an appropriate risk allowance in the contract prices.
- 9.3 A commitment to deliver an active travel route between the Foot of the Walk and Ocean Terminal is contained within the [Trams to Newhaven Final Business Case](#).
- 9.4 The overall project is part of the Active Travel Investment Programme and delivers on a number of [Local Development Plan Action Programme](#) actions.
- 9.5 Extensive public and key stakeholder engagement has been undertaken between 2019 and 2022 to influence project designs. Statutory consultation has also been undertaken on the Traffic Regulation Orders and Redetermination Order for the Phase 1A route. This has allowed for sharing of information on the project and the opportunity to provide comment and feedback.
- 9.6 This included targeted engagement periods during spring and summer 2021 on the concept design for the Phase 1A route and the liveable neighbourhood proposal which has since been implemented, some of the traffic operation restrictions via an Experimental Traffic Regulation Order.
- 9.7 A comprehensive monitoring and evaluation programme for the project is planned and monitoring has commenced with work undertaken to date including: various manual traffic counts during project design; installation of automatic monitoring camera at Tolbooth Wynd Bridge; a route user intercept survey; on street market

research; preparation for focus groups with groups with particular characteristics; preparation for business surveys; and deployment of air quality monitoring equipment.

- 9.8 BBCEL has developed a Social Value Action Plan (SVAP) which outlines the delivery of their Community Benefits as part of this project.

## **10. Background reading/external references**

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- 10.1 [Leith Connections – Foot of the Walk to Ocean Terminal route and Low Traffic Neighbourhood – Transport and Environment Committee, 19 August 2021.](#)
- 10.2 [Business Bulletin – Transport and Environment Committee, 18 August 2022.](#)
- 10.3 [Stage 1 \(February-March 2021\) – Leith Connections Engagement Report for Foot of the Walk to Ocean Terminal.](#)
- 10.4 [Leith Connections Phase 1A Representations to Traffic Regulation Orders and Redetermination Orders – Transport and Environment Committee, 22 March 2023.](#)

## **11. Appendices**

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- 11.1 Appendix 1 - Summary of Tendering and Evaluation Process.

## Appendix 1 - Summary of Tendering and Evaluation Process

Contract	Leith Connections Phase 1A
Contract period	August 2024 – July 2025
Estimated Contract Value	£4,320,234.01
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	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. The appointment of BBCEL to the Framework itself followed a competitive OJEU compliant tender process with a 60:40 Quality:Price ratio.
Evaluation Team	As noted in main report further checking and commercial challenge of the the tender proposal by experienced ATINP officers, consultants from the project management and commercial team (AtkinsRealis) and engineers within the Principal Designer and design team (AtkinsRealis/ AECOM) to ensure value for money is ongoing.