

TENDER EVALUATION REPORT	CATEGORY:	Places / Construction
	INITIATIVE NUMBER & TITLE:	22-132 Riverside Residential Quarter Enabling and Infrastructure Works
	YORtender REF:	60051
	CATEGORY MANAGER:	Joanne Kirk (Senior Procurement Category Manager)
	SERVICE LEAD:	Rory Battye (Project Manager)

1. PURPOSE

The purpose of this tender evaluation report is to provide Andrew Bramidge (Interim Strategic Director, Regeneration and Environment) with a summary of the procurement process undertaken, the outcomes achieved along with any potential issues and risks in order to seek approval to move to stage 2 (works) contract award.

2. OBJECTIVES OF RESULTANT AGREEMENT

This is a 2 stage design and build procurement to enable public realm improvement works on the land off Westgate in Rotherham Town Centre to facilitate future housing development (Water Lane and land adjacent the riverbank through to Main Street).

The first stage of the project includes site surveys and design. Stage 1 was completed in July 2023 and included all necessary site surveys, trial pits, investigations and C4 stat proposals required to complete the full design and planning application for Water Lane and Riverside Walk, and provisional designs for the Royal Mail section and Wilmot Dixon section of the Riverwalk.

The second stage works are expected to include:

- Earthworks, cut and fill
- Retaining walls
- Drainage works
- Footbridge procurement and installation
- Public realm
- Remedial works to sections of an existing river wall

3. KEY FACTS		
3.1	Estimated Total Contract Value:	£5,600,000 Stage 1 award was £483,842.47
3.2	Stage 1 Design (Completed) (months):	5 (13/03/2023 to 21/08/2023)
3.3	Stage 2 Works Extension (months):	11 (15 th July 2024 to 20 th June 2025)
3.4	Route to Market:	Direct Selection VIA YORCivil2 Framework
3.5	Stage 1 Award Date:	13/03/2023

4. EVALUATION	
4.1	Evaluation Panel Members
Facilitator:	Joanne Kirk (Senior Category Manager)
Compliance Checks:	Jackie Sharpe (Consultant Project Manager – Turner and Townsend), Joanne Kirk (Senior Category Manager)
Assessment:	<p>Esh Construction Limited's second stage tender was returned to Turner & Townsend on 16 August 2023. The return was assessed for completeness and queries were issued. A period of negotiation was entered. During the period for negotiation and agreement of a contract sum, issues were encountered with planning approval related to the AIP of works by RMBC highways.</p> <p>At the time of submission Esh Construction Limited's 2nd stage tender return remained open for acceptance for a period of 13 weeks, this period expired on 15 November 2023 This was discussed with Esh, and a decision was taken to utilise the period of delay for design development, negotiation with Royal Mail relating to a proposed land swap and to resolve design queries raised by highways against the AIP which have resulted in a need for a greater pile depth. Given the period of time between Esh's initial 2nd Stage submission and planning approval, approval of the AIP and likelihood of significant changes to the piling design due to comments received from Highways an agreement was reached with Esh to extend the PSC process and allow an update to their second stage tender to capture revised design solutions and increases in pricing due to inflation during the period of delay.</p>

The resultant conclusion, including comparison to the project budget, is summarised in the table below.

4.2 Dates

Evaluation: 16/08/2023 to 01/06/2024

4.3 Turner and Townsend Summary Costs

Works Section	Budget	Esh submission 16.08.23	Esh Submission 10.05.24	Change	Variance to budget
Preliminaries	£ 805,768	£ 672,432	£ 700,638	£ 28,206	-£ 105,130
Water Lane	£ 1,109,397	£ 548,994	£ 559,889	£ 10,895	-£ 549,508
Riverside Walk	£ 1,740,779	£ 1,564,385	£ 1,611,522	£ 47,137	-£ 129,257
Wilmott Dixon	£ -	£ 536,600	£ 167,918	-£ 368,682	£ 167,918
Royal Mail	£ -	£ 528,995	£ 633,731	£ 104,737	£ 633,731
OHP & Yorcivils	£ -	£ 175,589	£ 171,484	-£ 4,105	£ 171,484
Esh Risk Register	£ 857,100	£ 232,050	£ 314,300	£ 82,250	-£ 542,800
Totals	£ 4,513,044	£ 4,259,044	£ 4,159,482	-£ 99,562	-£ 353,562

4.4 Successful Bid(s) Details

Bidders Name: Esh Construction Ltd

Proposed Contract Value (Stage 2): £4,159,482.34

4.5 Due Diligence

- Staff rates within the tender submission are equal or within rates advised by the YORCivils' team.
- Design fees and surveys costed by Esh Construction Limited appear in line with our expectations. However, Esh Construction Limited have not, in all instances, supplied a minimum of three quotes as justification of their supply chain choice.
- The Council currently has several active contracts with Esh Construction and financial monitoring is ongoing. They continue to have a very low risk score of 92 with no financial issues to highlight.
- It should be noted that the YORCivil2 framework expired in August 2023, however, as this is an extension to a call-off contract which was awarded in July 2023 this is fully in compliance with Public Contract Regulations (2015). The Contract Award Notice detailed the option to extend into stage 2 works.

5 OUTCOMES ACHIEVED

The tender is within budget by £354k and all tender queries have been resolved. The programme is acceptable and reasonable.

Esh have confirmed the following social value commitments:

- 1 FTE local direct employee hired on contract (NT1)
- 3 FTE's local employees hired through the supply chain (NT1c)
- 20 hours support into work to over 24years unemployed people (NT7)
- 40 weeks apprenticeships (NT10)

- 330 hours support into work to under 24 years unemployed (NT11)
- 13 weeks unpaid work placements for students (NT12)
- 20 weeks paid work placements (NT13)
- 20 hours business advice to VCSEs and MSMEs (NT15)
- £500,000 spend in local supply chain (NT18)

As part of the social value commitment expenditure, Esh have committed to providing a new garden for the Lighthouse Homes, the neighbouring charity which provides accommodation to the homeless.

6 RISKS / ISSUES

- Esh have not formally reported social value achievements for stage 1 although they have confirmed they have been delivering these. The stage 2 offer received should be combined with the stage 1 commitments and the contract manager must ensure full delivery of both stage commitments to address the missed reporting.
- The existing wall is being repaired as part of these works; however, the lifetime of the wall cannot be guaranteed which is why the piling solution is being installed. If a permanent solution be required for the stability of the existing river is not included within these works, however the design of the sheet piling wall means that no repairs would be structurally necessary.

If the wall is damaged as a consequence of the works, this remains a contractor risk.

- A conservative approach to the sheet pile design has been adopted but increases the risk of damage to the river during construction. This is due to the need for deeper piles, which may need to be impact driven at the deeper levels. There is a risk that the piles may not reach design depth due to ground conditions. In this instance, the Highways team may require further works.
- The need to impact drive the piling may result in the council/Environment Agency imposing limitations on operations due to noise and vibration. This will result in programme slippage and standing time costs.
- Japanese Knotweed exists on the site and is being removed off site as part of these works. Any contaminated soil or increase in Japanese Knotweed growth since the initial report was done will result in an uplift in disposal costs.
- The Royal Mail and Wilmot Dixon prices are partially provisional sums. Final design approval is required from Highways, Royal Mail and the planning authority.

A full detailed project risk register produced by Turner and Townsend is available on request

7 FINANCIAL AND OVERALL PROJECT COST IMPLICATIONS (where applicable)

Capital Expenditure (£000's)	Total
Professional Fees	
a. Professional services contract	634,822
b. RMBC designer/survey fees	423,380
Sub total	1,058,202
Acquisition of Land or Buildings	
a.	
b.	
c.	
Sub total	0
Site Remediation	
a.	
b.	
c.	
Sub total	0
Delivery Costs - Works / Building and Construction	
a. Esh works costs	3,211,451
b. Royal Mail provisional sum	633,731
c.	
Sub total	3,845,182
Risk Allowance / Contingency	
a. Contractor risk	314,300
b. Employer contingency	984,631
c.	
Sub total	1,298,931
Other	
a. RMBC internal costs	135,000
b. Sheff Rd/Westgate cont.	515,400
c. Stats payments	240,785
d. BNG watercourse LPA payment	11,500
Sub total	902,685
Total (a)	7,105,000

8 RECOMMENDATION

Following the evaluation for this tender, it is the recommendation of the project team that the Council issue the contract extension to Esh construction Ltd into phase 2 works

9 NEXT STEPS

An award confirmation letter will be issued to Esh to commence mobilisation in readiness for start on site.

An officer delegated decision report will be published as the 2nd stage award is over £250,000

The contract award notice was published at the award of stage 1, which detailed the potential to enact the Stage 2 award, however, the contract register will be updated to reflect the activation and agreement to extend the contract into stage 2.

The contract will be issued to the Contractor and Legal Services for sign and seal.

10 REPORT AUTHOR AND APPROVER

10.4 Report Author

Name: Joanne Kirk / Jackie Sharpe (Turner and Townsend)

Date: 19/06/2024

10.5 Reviewed by Head of Procurement (or deputy)

Name: Karen Middlebrook

Date: 24/06/2024

10.6 Reviewed by Head of Finance (or deputy)

Name: Jayne Close

Date: 27/06/2024

10.7 Approver (approval obtained electronically)

Name: Andrew Bramidge

Evidence: **Embed a copy of the email approval**

Date: 27/06/2024