M11 Junction 7A

Essex County Council

Procurement & Buildability Workshop

23 February 2017

M11 Junction 7A

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Executive Summary

Harlow currently suffers from significant congestion at peak times which will increase as committed development is built. Harlow currently has only one connection to the strategic network Junction 7 on the M11 accessed via the A414, which are both subject to congestion in peak periods.

Essex County Council has requested Ringway Jacobs and their Designers, Jacobs UK Ltd to undertake development of options for the M11 Junction 7A. The proposed junction is located between Junction 7 and 8 of the M11 motorway and includes a grade separated junction and a link road joining the M11 with B183 Gilden Way east of Harlow, Essex.

In order to progress the delivery of the project and to respond to the recommendations made in the last Procurement strategy Workshop held on 15 June 2016 a Procurement & Buildability workshop was held on 23rd February 2017 with participation from both Essex County Council and Jacobs UK Ltd.

The workshop reviewed and updated the existing key project constraints and risks and while additional constraints were identified these did not impact on the proposed procurement strategy of a NEC3 Engineering and Construction Contract Option A with Contractor Design (Design and Construct).

The workshop defined Three Work Packages which were required to deliver the scheme in the most effective way and meet the requirements of the key project objectives. These work packages being;

- High Pressure Gas Main diversion (HPGM)
- Advanced Works (Ecological Mitigation, Deep Drainage and Statutory Diversions)
- Main Works (Phase1 and Phase 2a)

Following this a Contract Strategy review established the following delivery methods;

- HPGM to be procured through Essex engagement with National Grid as a single supplier
- Advanced works to be procured via Eastern Highways Alliance Framework 2 as a mini completion using an NEC3 ECC, Option A or B - to be determined.
- Main Works contract adopting full OJEU Notice process and the restricted procedure. Should programme become constrained then a potential to use HE Collaborative Delivery Framework to avoid the Selection Questionnaire process and consideration should be given to any potential requirements HE have in relation to the selection of a Contractor for the works.

A review of the current scheme programme indicated that the recommended procurement and contract strategy would meet the key programme objectives for the scheme but acknowledged that a further programme review and update was required. Essex County Council Governance procedures / requirements were also reviewed and a number of actions agreed to ensure progression of the project. Details of these governance requirements can be found in the body of this report.

Finally a review of future actions / plans concluded the following requirements;

- Update Contract Strategy
- Update the 5year plan
- Update stage 4 & 5 single sheet programme
- Update the detailed programme.

1. Introduction

The purpose of this report is to provide feedback on the findings of a Procurement & Buildability Workshop held on the 23rd February 2017 at Jacobs London Bridge Office.

This workshop had been organised following recommendations from the previous Procurement Strategy workshop held on 15 June 2016 to review matters in relation to, phasing of the works, advanced works packages, Gilden Way, Vehicles to Market and Contract Strategy.

The aims and objectives of this workshop were set out as follows;

- Review Key Project Constraints and Risk/Issues
- Define Works Packages for Procurement
- Define Contract Strategy
- Review Statutory Diversion requirements
- Review Programme impact and achievability
- Agree next Actions

This workshop was attended by project team members from both Essex County Council and Jacobs UK Ltd.

2. Key Constraints and Risks / Issues

The current project **Key Constraints** were discussed and agreed as follows;

- The Main Construction Works are to be on site by March 2020
- Different funding packages required
- Input required into the Final Business Case
- Environmental Requirements
- Adherence to the Statutory process and procedures

Risks / Issues Identified during the workshop

- Works Information may not be sufficient should advance works Programme slips
- Delay by Statutory Undertakers (Potential mitigation by providing sufficient Programme)
- Potential that funding needs to be aligned with Programme
- HE requiring specific Contractor selection procedures, not currently known at this stage.

These Key Constraints and Risks / Issues were taken in to considering in the subsequent workshop discussions.

3. Works Packages for Procurement

The workshop discussed the various elements of work required to construct the scheme and identified the following;

- The Main Works package
- The Ecological Mitigation package
- The Archaeological Mitigation package
- The Deep Drainage package, and
- Statutory Diversion requirements

It was agreed that these elements of work could be grouped in the following packages;

High Pressured Gas Main Works,

- Separate package required for works to the High Pressured Gas Main.

Advanced Works Package, consisting of;

- Ecological Mitigation
- Deep Drainage, and
- Statutory Diversion Works (Major Standalone Items)

The Ecological mitigation works would allow the Contractor to commence key construction activities if carried out in advance and potentially de-risk any potential programme delays arising from mitigation issues.

Advanced completion of the Statutory Diversion works will significantly reduce potential programme delays and increased costs on the main contract works. The requirement to carry out the deep drainage works in this advance work package would ensure the most efficient approach to construction sequencing and methodology and avoiding the need to disturb / move the advanced statutory diversion works for access requirements.

It was agreed that these elements could be combined as one advanced work package and awarded to a single appointed Contractor.

Main Works Package, consisting of;

- Phase 1 Gilden Way (Previously identified as advanced works package)
- Archaeological Mitigate works
- Phase 2a

(Phase 2b now excluded from the Scheme / Contract)

4. Contract Strategy

A procurement strategy should identify the best way of achieving the project objectives taking into account the likes of key objectives, constraints, funding and risks. It is the optimum balance of these that should be strived for. The procurement route is the means of achieving the procurement strategy; this will include the contract strategy that best meets the client's needs and supports the main project objectives in terms of risk allocation and delivery.

With the work packages defined the workshop considered the most appropriate contract strategy for the delivery of each package. The outcome of this discussion is detailed below;

High Pressured Gas Main (HPGM)

- It was agreed that works to the HPGM would be a standalone stats works package
- Essex County Council would enter in to contract with a Single Supplier National Grid to deliver the works. National Grid would select its own works Contractor.

Advanced Works Package

- It was agreed that the Advanced Works package would be procured via Mini Competition through the Eastern Highways Alliance Framework 2 (EHAF2) for which Essex County Council are a Contracting Body under the terms of the Framework.
- The estimated costs of the Advance Works package is less than £1.5m and therefore Lot 1 of the Framework would be utilised which caters for projects up to £1.5m.
- It was agreed that the form of Contract to be utilised for these Advanced Works and as governed by the terms of the EHAF2, would be a NEC3 Engineering and Construction Contract (without Contractor Design) with either Main Option A – Priced Contract with Activity Schedule or Main Option B Priced Contract with Bill of Quantities.
    - Option A Priced Contract with Activity Schedule, (without Contractor Design) provides consistency with the overall project key objectives of early certainty of price and transfer of certain risk – excluding performance of statutory undertakers, which will remain a client risk. However, this is offset when dealing with any potential constraints in relation to managing funding streams.
    - Option B Priced Contract with Bills of Quantities, provides greater flexibility for dealing with any potential funding streams, however, this is offset in not providing early certainty of price and retaining the quantity risk of the measured works.

Main Works Package

- As per the recommendation's in the previous procurements strategy report the Main Works package consisting of Phase 1 and Phase 2a will be procured as a NEC3 Engineering and Construction Contract Option A with Contractor Design. (Design and Construct)
- It was agreed that the Contractor would be procured via the OJEU process under the restricted procedure. While the current programme facilitates this process should programme become constrained then the use of Highways England's Collaborative Design Framework (CDF) could be considered which would negate the requirement to carry out the Selection Questionnaire procedure when adopting the full restricted OJEU process.
- It was noted that consideration should be sought and given to any particular requirements HE may have in relation to the procurement of a contractor for the Main Works package.

5. Programme Review

To ensure that the Procurement and Contract Strategy aligned with the key programme objectives for the scheme a high level review of the impact of these was under taken, the results are detailed below;

Advanced Works Package

- Ecological Mitigation works – July 2017 is the start of ecological licenses application
- Advanced Statutory Undertakers works – January 2018
- Deep Drainage works –January 2018

Main Works Package

- OJEU Notice and commence SQ process – May 2018
- Issue Tender Documentation – July 2018
- Tender Evaluation Process – Oct 2018
- Award Construction Contract – Jan 2019
- Works start on site - July 2018
- Contract Completion and Operational – Jan 2021

High Pressure Gas Main Work

- Start Procurement 2017
- Diversion works summer 2018

While a more detailed review and update of the programme is required to confirm the above date the initial output indicates that the current procurement and contract strategy will meet the key programme objectives for the scheme. Key activities will be the procurement and completion of the advanced works packages in sufficient time to inform the requirements of the Main Works package.

6. Essex County Council Governance

In order to successfully implement the proposed Procurement and Contract Strategy within the required key programme there are a number of Essex County Council Governance requirements to be achieved. These were discussed and are detailed below;

- Chief Officer Action / to go to Tender for the advance works mini business case
- Key decision / main works business case in March 2018
- Construction Cash flow.

The above actions need to be carefully considered and sufficient time allowance included within any future programmes.

7. Next Actions

The following actions were agreed in the workshop to progress the scheme development.

- Update Contract Strategy
- Update the 5year plan
- Update stage 4 & 5 single sheet programme
- Update the detailed programme.

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