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# **Greater Bristol Bus Network Major Scheme Business Case**

## **Chapter 6**

### **Commercial**



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## 6. Commercial

### INTRODUCTION

- 6.1 This chapter sets out the procurement strategy for the GBBN, summarises the review of procurement options that was undertaken, and considers the key resource issues which need to be planned and managed in order to ensure delivery of the GBBN on programme and to budget from October 2007 until programme completion. The management of commercial risks relating to the GBBN, for the four Councils and First is also addressed.
- 6.2 The Gateway Review of the GBBN, carried out in October 2005, highlighted a number of issues relating to the procurement strategy. In developing this Full Approval Business Case the GBBN Programme Board commissioned an independent procurement review to address the issues raised in the first Gateway Review and strengthen the business case. This included undertaking a Procurement Workshop in November 2006 and the development of this Procurement Strategy by an independent procurement expert. The procurement strategy has been integrated into this chapter of the MSBC and the Procurement Review, including minutes of the workshop, can be found in Appendix 4H.
- 6.3 This strategy for procuring the GBBN relates to the areas of procurement within the four Councils remit and does not cover the overall negotiations with the bus operator, First; First will be responsible for delivering new vehicles and the operation of services along the corridors.
- 6.4 Critical to both First and the Councils is creating a framework where both parties can have the confidence to invest. As set out in Chapter 4 of this MSBC, the Councils will develop QPBS as defined in the Transport Act 2000 supported by QPBA set out in the June 2006 guidance. Further information on these agreements is contained within Chapter 4 and Appendix 4F.
- 6.5 The GBBN MSBC has been developed in partnership with First who are the main bus operator in the Greater Bristol area. First is a full member of the GBBN Programme Board and have entered into confidentiality agreements to allow sharing of commercially sensitive information to ensure the modelling for the MSBC is robust and withstands commercial scrutiny. The bid has had the active involvement of First locally and at a Group level with their business analysts working closely with Atkins to verify the model predictions as being consistent with their projected impact of the GBBN in terms of journey time reliability and patronage growth.
- 6.6 The involvement of First has been critical to ensure that the measures within this bid are robust in terms of commercial delivery. By taking this approach the Councils can ensure that the network required to deliver this bid is commercially sustainable and does not require additional revenue support.

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- 6.7 Both the Councils and First have given their full commitment to work in partnership to transform the quality and performance of the local bus network in our area. This has been demonstrated in the 'Greater Bristol Quality Bus Network' Concordat signed in April 2005 giving public commitment to joint working and supporting this Major Scheme bid to Government. This commitment has continued to be reflected in the development of the Memorandum of Understanding and the commitment to jointly promote and sign QBPS and QBPA set out in Chapter 4 and Appendix 4F of this MSBC.
- 6.8 By developing the bid in partnership, we are ensuring that the anticipated growth in capacity required is both practical and deliverable in a commercial environment. The Councils see this investment in the main corridors as being critical to achieving greater commercial viability of these bus routes and, in turn, reducing revenue support pressures on them. By reducing revenue support pressures on the main corridors we can seek to re-allocate resources to support social inclusion and accessibility planning as part of the wider JLTP strategy.

## OBJECTIVES OF THE STRATEGY

- 6.9 The procurement strategy for the programme has the following objectives:
- ◆ To identify the elements of the programme that require procurement of works and services to be undertaken;
  - ◆ To set out a methodology for evaluating potential procurement options to ensure that procurement is undertaken using the most appropriate option;
  - ◆ To create a procedure for ensuring delivery of services is undertaken in a cost effective and timely manner as part of the overall delivery of the GBBN programme;
  - ◆ To outline how contact with providers will be undertaken during the programme;
  - ◆ To ensure that procurement is consistent with legal requirements;
  - ◆ To define an evaluation methodology for each service area; and
  - ◆ To define a contract management methodology that will ensure contract requirements are delivered over the length of the programme.

## IDENTIFICATION OF PROCUREMENT ELEMENTS

- 6.10 The elements of the programme that require procurement to be undertaken were initially identified in the Major Scheme Business Case and were further refined at a programme review workshop held in November 2006. The elements identified are:
- ◆ Construction – Minor works;
  - ◆ Construction – Major works;
  - ◆ Bus stops, including shelters, poles, signs;

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- ◆ Traffic Signals; and
- ◆ RTPI.

6.11 The procurement strategy does not cover the overall negotiations with the bus operator, First, who will deliver new vehicles and operation of services along the corridors.

## EVALUATION OF PROCUREMENT OPTIONS

6.12 The procurement options for the above elements of the scheme were evaluated at a procurement review workshop held in November 2006. The outcome of the assessment was that the approach being taken by the four Councils was, on the whole, appropriate and fitting for the GBBN programme. The review set out a number of recommendations that would strengthen the current approach. These have been taken into account in the development of this strategy. Full details of the Procurement Evaluation are contained in the Procurement Review report (Appendix 4H).

## Construction – Minor Works

6.13 Each of the four Councils currently uses delivery methods for minor works similar to the proposed schemes in the GBBN. These range from: in-house delivery in the case of South Gloucestershire; the use of framework contracts in the case of Bristol and North Somerset; and a term contract for Bath and North East Somerset.

6.14 The evaluation of procurement options suggested that the approach taken by the Councils under existing arrangements was suitable for this element of the works. The relative simplicity of the arrangements, the ability to alter workloads and the relatively low risks inherent in these type of works suggest the current approach is suitable.

6.15 It is clear that the tender arrangements for many of the frameworks or term contracts expire during the life of the GBBN programme. A strategy has been developed whereby the Councils will work together when replacing current term contractor arrangements. This involves:

- ◆ Collaboration between the four Councils to ensure that timing of renewal does not unduly affect the overall programme for GBBN;
- ◆ The consideration of joint tender lists will be investigated to allow work packages across boundaries to be investigated;
- ◆ The impact of increased costs for works arising out of renewal of arrangements continues to be monitored as part of the GBBN; and
- ◆ Pooling of resources by the Councils to ensure efficiency of procurement renewal is maximised.

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## Construction – Major Works

- 6.16 Construction of major works is carried out by traditional methods using selection from a list of approved contractors. There are a small number of major works included in the GBBN where procurement will be managed by the Councils.
- 6.17 Major works on the M32 will be procured by the Highways Agency. Procurement will be carried out by Inter-route on behalf of the Highways Agency who, in turn, will be acting on behalf of the Council. To accompany the legal agreement signed between the four Councils and the DfT, two agreements for the M32 works will be signed between Bristol City Council and the Highways Agency:
- ◆ Section 278 agreement (under Highways Act 1980) setting out the terms and conditions of the work;
  - ◆ Section 4 agreement (under Highways Act 1980) granting the Highways Agency permission to work on Bristol City Council's highway
- Models for these two agreements are shown in Appendix 4E.
- 6.18 The final Section 4 agreement will contain a second schedule, specifying Bristol City Council's 'terms and conditions for the execution of works'.
- 6.19 The remaining schemes will be considered for tendering and comprise:
- ◆ HOV lanes on A4174;
  - ◆ A367 Odd Down Bus Lane; and
  - ◆ Hicks Gate.
- 6.20 The evaluation carried out suggested that there would be benefits in investigating the use of a partnering form of contract, possibly involving a form of early contractor involvement. The small number of major works and their relatively small value suggests that there may be benefits in undertaking a collaborative approach to the procurement of these schemes. The Councils have therefore:
- ◆ Undertaken a study of the major works involved in the programme to determine the detailed benefits of developing a partnering approach and the effects that this would have on scheme delivery; and
  - ◆ Agreed to work together to ensure maximum value is secured in the procurement of the major works schemes.

## Bus Stops

- 6.21 The provision of improved bus stops is a fundamental part of the GBBN. A specification for each element of bus stop infrastructure (bus shelter, bus stop pole and flag; broken down by rural and urban locations) has been approved by representatives of each Council.
- 6.22 New shelters will generally be procured by a new joint competitive tender process, already under preparation, that will cover shelter supply and installation for all the

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Councils. This new joint purchase agreement will replace existing individual negotiations and is expected to achieve improved value for money in terms of price and delivery/installation timescales.

- 6.23 A joint tender is also being progressed for the delivery and installation of bus stop poles and flags, and another one for raised kerbs and other civils works associated with bus stops. Bristol City Council has existing schedule of rates contractors for this latter element, and will not be a partner of this joint tender. The other three Councils will also use their in-house capabilities to complement these additional resources.
- 6.24 The timetable for completion of the joint procurement of bus stop infrastructure is set out later in this chapter.
- 6.25 In addition, two existing contracts, one covering the Bristol City Council area and the second covering the other three Councils, are in place with the outdoor media company Clear Channel UK (trading as Adshel), for shelters which generally include advertising, at specified sites. Procurement of shelters included within these agreements would be carried out under the Adshel contracts.
- 6.26 A statement of resource capacity for GBBN has been received from Clear Channel and is included in Appendix 6A.

## Traffic Signals

- 6.27 A joint contract for the provision of traffic signals currently exists with Siemens for all of the Councils with the exception of Bath and North East Somerset. This contract is in place until 2013.
- 6.28 All of the Councils believe these existing arrangements offer value for money. The Councils have entered into dialogue with Siemens to ensure that they have sufficient capacity to deliver the increased workload. Negotiations have confirmed the capacity of the existing contract to deliver the requirements of GBBN and the out-turn costs. The Councils have received written confirmation from Siemens following these negotiations. A copy of the letter is included in Appendix 6B.
- 6.29 A separate contract for the provision of traffic signals in Bath and North East Somerset exists with Siemens. This contract is in place to 2008
- 6.30 Bath and North East Somerset Council will undertake discussions with Siemens to extend the existing contract to cover the requirements for new signals associated with GBBN in the Council's area.
- 6.31 The Council will agree a clear negotiating strategy for the discussions with Siemens. This will include clear identification of the requirements for new traffic signals and agreement of the required outputs for new traffic signals. The negotiations will need to confirm the capacity of the existing contract to deliver the

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requirements of GBBN and the out-turn costs of delivery using the existing contract.

- 6.32 The council will seek legal opinion over the extension of the existing contract to ensure it can be carried out in an appropriate manner

## **Real Time Passenger Information (RTPI)**

- 6.33 Bristol City Council is the only Council with an existing RTPI system, provided by ACIS, for around eight services and 72 buses in the city. This represents a major investment by Bristol City Council over around nine years, with extensive communication and server equipment as well as on-bus and at-stop hardware.
- 6.34 The Councils have also sought legal opinion over the extension of the existing contract to ensure it can be carried out in an appropriate manner. It has been confirmed by Bristol City Council that the contract can be extended under Regulation 14 of the Negotiated Procedure of the Public Contract Regulations. Regulation 14 enables the Councils to proceed without the publication of a formal OJEU Notice, subject to each of the Councils satisfying themselves that this secures value for money. The four Councils will also be required to satisfy that the negotiated route will secure a better price for extending the system than going to open tender (the latter could result in replacement of the existing system).
- 6.35 The Councils have undertaken a review to test if ACIS can provide an RTPI system that meets the technical requirements of GBBN and achieve Value for Money as defined above.
- 6.36 North Somerset Council commissioned their term consultants, Halcrow, to undertake a benchmarking exercise of RTPI suppliers to assess whether it would be best value to consider extending the existing Bristol City Contract with ACIS. As part of this exercise, a detailed specification of system requirements was developed jointly with First and negotiations were undertaken with ACIS to secure a detailed pricing offer for the GBBN.
- 6.37 The recommendations of the exercise were that the RTPI system for North Somerset should be procured by extending the system already operational in Bristol under Contract Standing Order 23.4.
- 6.38 Halcrow were also commissioned to confirm the capacity of the existing contract to deliver the requirements of GBBN and the out-turn costs of delivery using the existing contract. This has been secured in writing, details of which are included in Appendix 6C.
- 6.39 The technical justification that informed the North Somerset Council decision is included in Appendix 6D.



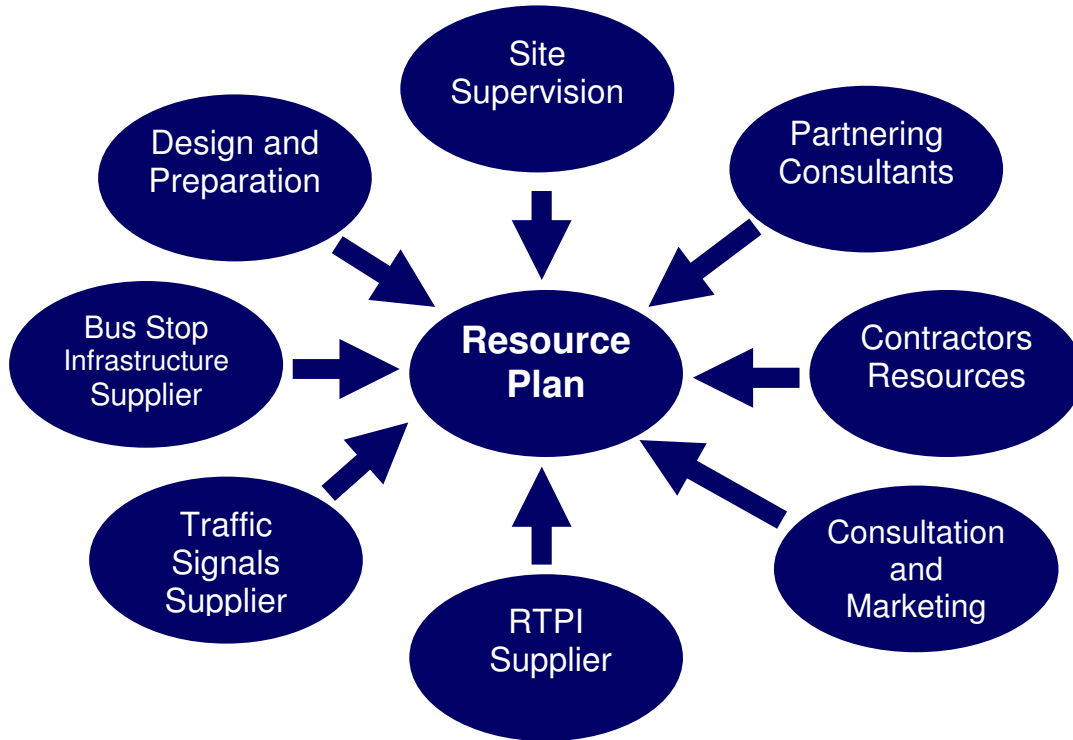
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- 6.40 Following North Somerset Council approval, the GBBN Programme Board approved, in principle, the extension of the ACIS contract for all four Councils on 11<sup>th</sup> December 2006.
- 6.41 A statement of resource capacity for GBBN has been received from ACIS, and is attached as Appendix 6C.

## RESOURCE PLANNING

- 6.42 In developing this Procurement Strategy for the GBBN Scheme it has been essential to consider the resources required by all parties to deliver. This section summarises the resource planning activities that have been undertaken during the preparation of this Full Approval MSBC. The activities have addressed all the resources elements from client side resources through to contractor resources as set out in Figure 6.1. This section summarises how these resource requirements have been secured.

Figure 6.1 – Elements of GBBN Resource Plan



### Design and Preparation

- 6.43 Design and preparation works will concentrate on taking the outline scheme designs contained in this Major Scheme Business Case, and progress them through consultation, site data collection, detailed design, TRO consultation, and the preparation of CDM and on-site management responsibilities.
- 6.44 For Bath and North East Somerset, North Somerset, and South Gloucestershire Councils, the design and preparation works will be carried out jointly by in-house resources and their identified term consultancy support. The appointed consultants are Mott MacDonald (for Bath and North East Somerset, in an agreement running until 2011), Halcrow (for North Somerset Council, in an agreement running until at least 2010), and Mouchel Parkman (for South Gloucestershire Council, in an agreement running until 2011). Each of these consultants was contracted with support of the Councils' GBBN work explicitly stated. In subsequent meetings, the estimated personnel requirements were discussed and agreement reached that the necessary level of resource capacity was available.
- 6.45 Bristol City Council will use the in-house Engineering Consultancy team to undertake this element of the programme. The Consultancy has 30 members of

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staff, with some agency staff employed to support during busy periods. In order to ensure that there are dedicated resources for GBBN, taking on further full-time staff is being considered – it is an aspiration of Bristol City Council that these works will be kept in-house.

6.46 Table 6.1 illustrates the approximate Full Time Equivalent (FTE) staffing requirements for each of the four Councils over the delivery timescale of GBBN.

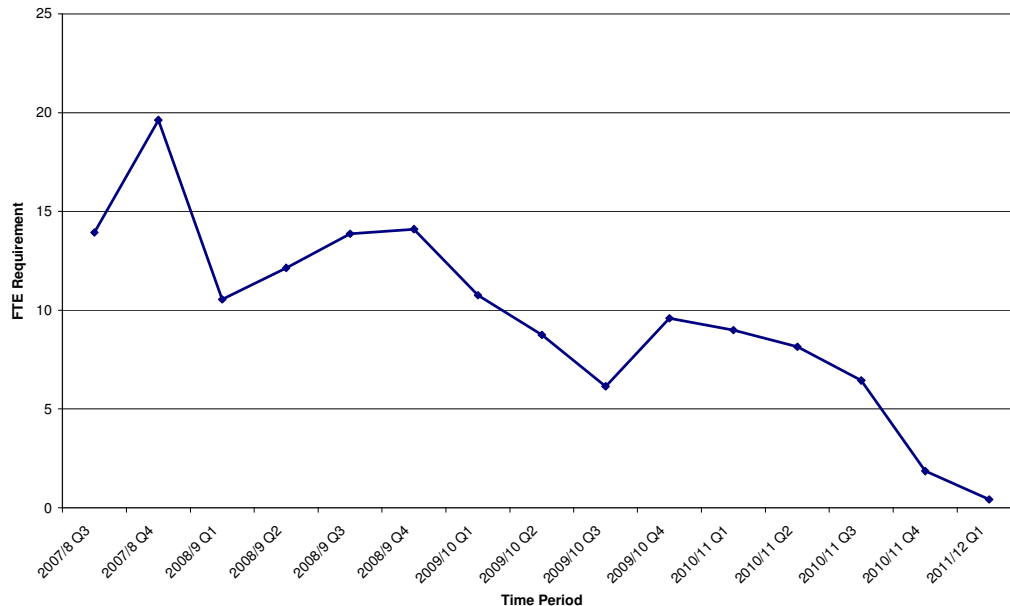
**Table 6.1 - Personnel Requirements for Design, Preparation, and Site Supervision Tasks**

	2007/08	2008/09	2009/10	2010/11	2011/12
Bath and North East Somerset	5.00	4.75	1.50	0.00	0.00
Bristol City Council	8.66	13.61	10.36	2.35	0.42
North Somerset Council	1.80	3.30	3.60	1.20	0.00
South Gloucestershire Council	18.10	29.00	19.80	21.90	0.00
<b>Total</b>	<b>33.56</b>	<b>50.66</b>	<b>35.26</b>	<b>25.45</b>	<b>0.42</b>

6.47 Figure 6.1 shows how the personnel resource demand changes over time, with the GBBN programme broken down by quarter. Where peaks are identified, these are the principle occasions when consultancy or agency support will be required to augment the in-house effort. By designing and studying the implementation programme for GBBN now, the partners should avoid any surprises or shortfalls when the time comes to deliver the planned elements.

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**Figure 6.1 - Overall Personnel Requirements (FTE) by Quarter for Design, Preparation, and Site Supervision Tasks**



## Implementation

6.48 The principal output of GBBN will be improved bus services and infrastructure in the sub-region, mostly delivered through on-street engineering measures. In line with the programme's procurement strategy, these implementation measures have been divided into 5 areas:

- ◆ Construction – minor works (such as re-aligning a junction to improve bus flows);
- ◆ Construction – major works (such as road widening to introduce a new bus lane);
- ◆ Bus stops (including shelters, flags, and poles);
- ◆ Traffic signals (including new junctions and pedestrian facilities);
- ◆ RTPI (including on-bus, on-street, and central system elements); and
- ◆ Consultation and Marketing.

### *Construction – Minor Works*

6.49 These works, which are the primary focus of the on-street engineering activity, will be approached by a number of different means across the four Councils in the programme.

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- 6.50 Bath and North East Somerset, Bristol City Council, and North Somerset Council will carry out all on-street works using contractors on their existing schedule of rates framework contracts or term tenders.
- 6.51 Two of the Councils are renewing their frameworks before on-street works are programmed to commence. North Somerset Council will have a new framework contract in place by February 2007. Bristol City Council will re-advertise theirs by March 2007 to ensure time for a full OJEU tendering process for the new framework to be in place for September 2007.
- 6.52 Mirroring the GBBN approach to design and preparation, South Gloucestershire Council will use their in-house Direct Services Department to carry out such works. If the workload demands it, external assistance may be sought.
- 6.53 A critical issue with both the 'Minor' and 'Major' works is the capacity of the contractors to undertake the GBBN work, particularly with wider construction pressures in the South West and elsewhere in the UK.
- 6.54 Consultation with the Federation of Civil Engineering contractors has been undertaken. The Federation has indicated that skills pool in the region will easily accommodate the works associated with the GBBN scheme on behalf of all four Councils. In terms of other major infrastructure projects that could potentially draw resources away from GBBN, the Federation views the most likely outcome would be additional resource from large construction firms brought into to deliver such projects rather than diversion of resources from the existing skills pool.

## *Construction – Major Works*

- 6.55 This category is relevant for only two of the four Councils, with major works proposed at Hicks Gate (A4) and Odd Down (A367) in Bath and North East Somerset and along the A4174 Avon Ring Road in South Gloucestershire.
- 6.56 Both Councils propose to tender these scheme elements jointly through a partnering approach.
- 6.57 Works on the M32 from Junction 3 to Newfoundland Street will be designed and delivered by the Highways Agency, using their term contractor Inter-route, through a Section 4 agreement with Bristol City Council. The Section 4 agreement will contain a second schedule, specifying Bristol City Council's 'terms and conditions for the execution of works'.

## *Bus Stops*

- 6.58 A specification for each element of bus stop infrastructure (bus shelter, bus stop pole and flag; broken down by rural and urban locations) has been approved by representatives of each Council.

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6.59 New shelters will generally be procured by a joint competitive tender process, already under preparation, that will cover shelter supply and installation for all the Councils. In addition, two existing contracts, one covering the Bristol City Council area and the second covering the other three Councils, are in place with the outdoor media company Clear Channel UK (trading as Adshel), for shelters which generally include advertising, at specified sites. Procurement of shelters included within these agreements would be carried out under the Clear Channel contracts.

6.60 A joint tender is also being progressed for the delivery and installation of bus stop poles and flags, and another one for raised kerbs and other civils works associated with bus stops. Bristol City Council have existing schedule of rates contractors for this latter element, and will not be a partner of this joint tender.

6.61 A statement of resource capacity for GBBN has been received from Clear Channel, and is attached as Appendix 6A.

## *Traffic Signals*

6.62 Siemens hold an existing term contract for traffic signals works in each of the four Councils (singly for Bath and North East Somerset, and in one joint contract for the other three Councils), and will be contracted under this method to provide all the traffic signal works in relation to GBBN. The contract runs until 2013

6.63 A meeting was held with representatives from Siemens at a local, regional, and national level. The proposed programme and scale of works was discussed and understood, along with the requirement to work with third parties such as the provider of RTPI equipment. A statement of resource capacity for GBBN has been received, and is in Appendix 6A.

## *Real Time Passenger Information (RTPI)*

6.64 The RTPI system will be provided by ACIS, through the extension of an existing contract with Bristol City Council. Due to the large size of the new contract (around 180 buses and 300 stops to be equipped), best value has been proved through comparison with a recently awarded contract won by ACIS following competitive tender.

6.65 A statement of resource capacity for GBBN has been received from ACIS, and is in Appendix 6A

## *Marketing*

6.66 Officers from each authority and First will be required to contribute to the promotional plan for specific showcase corridors as and when they are developed. It is proposed that consultants are hired to manage the initial big bang launch, then the relevant authorities will be required to use existing marketing/design staff to promote the individual corridor promotions in their area.

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## DEFINING REQUIREMENTS

### Specification

- 6.67 The specification of works for elements making up GBBN will be defined as follows.

### Construction – Minor Works

- 6.68 Minor works are those relating to the provision of bus priority measures and bus stop improvements. This includes the provision of bus lanes and signal improvements. This type of work forms the core of the Councils capital programmes on an annual basis and is delivered through a combination of in-house and external design teams and contractors.
- 6.69 Detailed cost estimates and design drawings are included in the Task Orders set out in Annex A of the Programme Handbook.

### Construction – Major Works

- 6.70 There are a limited number of schemes in the GBBN that significantly vary from agreed work that would usually be delivered through schedule of rates.
- 6.71 Detailed cost estimates and design drawings are included alongside the Task Orders set out in Annex A of the Programme Handbook (Appendix 4A).

### Bus Stops, Including Shelters, Poles, Signs

- 6.72 Detailed specifications have been drawn up for the elements relating to bus stop improvements. The specifications are included in the draft Quality Bus Partnership Scheme agreements and the invitations to tender for the supply and installation of bus stop infrastructure.

### Traffic Signals

- 6.73 The existing contracts with Siemens set out the specifications for purchase, installation and maintenance of all traffic signal related equipment.

### RTPI

- 6.74 The detailed specification for the RTPI system is set out in Appendix 2D of the Major Scheme Business Case. The specification associated with the new contract has been agreed in principle and will be subject to formal sign off as part of the negotiated contract. The timescale for completion of this is set out later in this chapter.

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## LEGAL REQUIREMENTS

- 6.75 The Councils will continue to ensure that legal issues pertaining to procurement of services for GBBN have been considered and addressed in line with their financial and procurement regulations.

### EU Requirements

- 6.76 The Councils have examined each element in terms of EU Procurement regulations. The key issues are summarised below:

#### *Minor Works*

- 6.77 The existing arrangements for Minor Works are all compliant with EU regulations with the exception of Bristol City Council framework. This framework is being re-advertised through the OJEU to ensure compliance. The timescale for completing this procurement is set out later in this chapter.

#### *Major Works*

- 6.78 Procurement of these will be fully compliant with OJEU. The timetable for undertaking these is set out later in this chapter.

#### *Bus Stops, including Shelters, Poles and Signs*

- 6.79 A new framework is being jointly tendered. The contract value will be below the OJEU limit for works. The timetable for completion of procurement of the new framework supplier is set out later in this chapter.

#### *Traffic Signals*

- 6.80 It has been confirmed that existing framework contract can be extended to cover the increased workload of GBBN.

#### *RTPI*

- 6.81 As set out earlier in this strategy, Bristol City Council has received legal advice that the contract can be extended under Regulation 14 of the Negotiated Procedure of the Public Contract Regulations.

## Resource Planning Legal Issues

- 6.82 Alongside the detailed design of the bus priority schemes, development and consultation is required on the associated TROs. It is these TROs that provide the GBBN partners with the legal powers to introduce the proposed changes to the road network.

- 6.83 As well as drafting TROs, legal assistance will also be necessary for those Councils needing to make Compulsory Purchase Orders (CPOs) if land beside the

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existing carriageway is required to fit the proposed bus priority infrastructure. The bulk of the legal work will therefore be represented by:

## *The Need to Make TROs*

- 6.84 The anticipated number and frequency of these is unlikely to represent a significant increase or alteration in the work of the section that routinely deals with them in each Council, and would appear to be manageable. However, where peaks in workload become apparent, external assistance will be brought in to cover short-term gaps in staffing. In Bristol City Council, for example, an additional permanent member of staff is currently being sought to ensure that there are sufficient resources to cover existing workloads. The additional workload generated by GBBN will be dealt with entirely in-house, external assistance, if required, only being used for more 'routine' work.

## *The Need to Pursue and Obtain CPOs*

- 6.85 The intention is to negotiate in parallel with the preparation of CPO proceedings, for those Councils to which this applies, so that CPOs may not be required if agreement on land purchase can be reached amicably. There is a commitment again to deal with all of this work through in-house teams within each Council. If necessary, to deal with peak workload in particular circumstances, external service providers will be used.
- 6.86 Legal representatives from each of the four Councils met and discussed these issues during the process of preparing this resource plan. The decision was made that in-house completion of the legal TRO works for GBBN was the preferred way to progress this area of work. By reaching this agreement, it was thought that the Councils could retain valuable expertise in TROs and other statutory orders, with consultancy support only being brought in for high peaks in workload.

## **Evaluation Strategy Legal Issues**

- 6.87 The evaluation of procurement is being undertaken in line with the Councils procurement regulations. This has been complemented by Best Value and assessments where arrangements with existing suppliers are being extended.
- ◆ **Construction – Minor works:** Current Bristol City Council framework to be advertised in accordance with OJEU;
  - ◆ **Construction – Major works:** Major elements to be advertised in accordance with OJEU;
  - ◆ **Bus Stops, Including Shelters, Poles, and Signs:** To be advertised in accordance with OJEU. Detailed specifications agreed on quality standards for bus stop infrastructure. Quality assessment of suppliers will form key part of the assessment framework.
  - ◆ **Traffic Signals:** Capacity statement of extending existing contract secured (see Appendix 6B); and

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- ◆ **RTPI:** Value for Money appraisal undertaken as set out in Chapter 4 of the MSBC.

## **DELIVERY AND MANAGEMENT STRATEGY**

### **Overview**

- 6.88 To ensure implementation of the procurement strategy a Procurement Champion has been nominated by the Programme Board. Derek Baillie, South Gloucestershire Council, will be the named individual and will be responsible for ensuring the actions and timetable set out in this strategy are delivered.
- 6.89 The Procurement Champion will ensure that regular liaison continues between the four Councils and the IPD to review and evaluate procurement through the implementation of GBBN.
- 6.90 This liaison will seek to identify if any elements of the strategy or approach would benefit from modification. If changes are considered appropriate they will be recommended to the Programme Board via the IPD through an Exception Report.

### **Contract Management**

- 6.91 The contracts will be managed and delivered through the existing arrangements.

### **Construction – Minor Works**

- 6.92 The four Councils will use their own framework contracts to deliver this work. Through the Procurement Champion the Project Managers will meet, at least quarterly, to review capacity and pricing of framework contractors. This will ensure that the programme remains on-track for delivery to time and budget.
- 6.93 Any issues identified will be raised with the IPD.

### **Construction – Major works**

- 6.94 Bath and North East Somerset and South Gloucestershire Council will be undertaking joint procurement for the major elements within their areas. The procurement documentation for this will set out a joint contract management strategy between the two Councils.
- 6.95 The M32 scheme will be managed by Bristol City Council and delivered by the Highways Agency (and its agents) through a Section 278 Agreement under the Highways Act.

### **Bus Stops, Including Shelters, Poles, and Signs**

- 6.96 The joint framework being advertised will be utilised by all four Councils.

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6.97 Through the Procurement Champion the Project Managers will meet, at least quarterly, to review the forward work programme being awarded through this contract to ensure that the delivery programme remains on-track and within budget.

6.98 This liaison will seek to identify if any elements of the strategy or approach would benefit from modification. If changes are considered appropriate they will be recommended to the Programme Board via the IPD through an Exception Report.

## Traffic Signals

6.99 The existing contract management arrangements for these contracts will remain.

## Real Time Passenger Information (RTPI)

6.100 The extended contract for ACIS will remain between Bristol City Council and ACIS. Bristol City will remain responsible for the contract management. Through the Procurement Champion the Project Managers will meet, at least quarterly, to review the forward work programme being awarded through this contract to ensure that the delivery programme remains on-track and within budget.

## PROCUREMENT PROCESS/TIMETABLE

6.101 The Councils will ensure that the steps outlined in this procurement strategy are included in the overall GBBN programme timetable.

6.102 The timetable will indicate the timescale and resources required to carry out each of the elements of the procurement strategy. This will enable potential resource issues to be identified and rectified.

## Minor Works

6.103 Bath and North East Somerset, North Somerset and South Gloucestershire Councils will be using their existing schedule of rates framework contracts or in-house capabilities to deliver minor works. Therefore, procurement has already taken place for these three Councils.

6.104 Bristol City will be re-tendering their framework contract in accordance with the following timetable:

- ◆ March 2007 – advertise through OJEU
- ◆ June 2007 – issue tender documents
- ◆ September 2007 – award new schedule of rates framework contract

## Major Works

6.105 Table 6.3 shows the length of time that tendering, contractor selection and contractor mobilisation is expected to take for the major works elements.

**Table 6.1 – Procurement Timescale for Major Works**

Major work element	Timescale (tendering, selection, mobilisation)
A4174 HOV Lanes	4 months (October 2009 – January 2010)
Hicks Gate	5 months (January 2008 – May 2008)
A367 Odd Down Bus Lane	5 months (November 2007 – March 2008)

**Bus Stops, Including Shelters, Poles, and Signs**

- 6.106 A new framework contract for bus stops and shelters is to be procured jointly by the four Councils. It is proposed that tenders will be issued during April 2007, with the contract awarded by July 2007.

**Real Time Passenger Information (RTPI)**

- 6.107 Procurement for RTPI has already taken place, with the Bristol City Council contract with ACIS extended to cover the GBBN. The detailed order of equipment to be purchased through ACIS will be submitted as soon as full approval for the MSBC is given.
- 6.108 It is likely to be 11-15 months between placing the detailed order of standard RTPI equipment through to the RTPI system being fully operational on the street: Based on the following typical timescales it can take as little as 7 months. However given the volume of buses and bus stops to be equipped, a longer period of time will be allowed. The typical timescales for different stages in the RTPI procurement and implementation process are shown in Table 6.4.

**Table 6.2 – Procurement Timescale for RTPI**

Stage	Typical Timescale
Detailed order of standard equipment to be purchased	
Detailed site and bus surveys, method statements & other documentation produced	2 months
Specific ancillary equipment placed once method statements agreed	2 months
Installation	1-2 months
Production, supply & testing of timetable data (running concurrently)	2-3 months (running concurrently with above)
'Silent running' & formal testing	2 months
<b>Total</b>	<b>7- 8 months</b>

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## RISK MANAGEMENT

- 6.109 A key element of any programme is the identification of risks that might have a bearing on it. From this information, a Risk Register can be written to outline the probability, impact, and mitigation for the identified risks. Using @Risk software, the level of risk can be given a quantified value that can be applied to the programme's total costs as a 'change budget'.
- 6.110 A Quantified Risk Assessment workshop took place on 7th February 2007, with experts from each of the GBBN partners identifying and assessing potential risks that could impact on the delivery of GBBN. In total, 56 risks of differing types were identified, most with clear mitigating actions that could be taken to reduce their impact, probability, or both.
- 6.111 Table 6.3 shows the risks related to resource management, and how these are proposed to be mitigated. It is by ensuring that these risks are closely monitored, and the mitigating actions maintained, that the proposals in this resource plan will be carried out for the lifetime of the programme.

**Table 6.3 - Risks That May Impact on GBBN Resource Management**

Risk	Probability	Impact	Mitigation
Bankruptcy of contractor	VL	M	<ul style="list-style-type: none"> <li>◆ Robust selection procedure</li> <li>◆ Use of range of contractors</li> <li>◆ Performance Bonds</li> </ul>
Failure to complete legal procedures: CPOs/planning applications/TROs	VL	VL	<ul style="list-style-type: none"> <li>◆ Early involvement by elected members, senior management and key staff</li> </ul>
Failure to achieve: <ul style="list-style-type: none"> <li>◆ Delivery vehicle</li> <li>◆ Programme</li> <li>◆ Sufficient staff resources</li> </ul>	VL  VL  L	H  VH  H	<ul style="list-style-type: none"> <li>◆ Early involvement by elected members, senior management and key staff</li> <li>◆ Formal joint delivery arrangements</li> <li>◆ Formal partnering arrangements</li> <li>◆ Rigorous performance management framework</li> <li>◆ Inform and consult general public</li> </ul>

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## SUMMARY

- 6.112 The implementation of the GBBN is a multi-million pound engineering programme that will be carried out by the Councils of Bath and North East Somerset, Bristol City, North Somerset and South Gloucestershire.
- 6.113 The programme will require both the use of existing in-house resources, and the management of externally sourced services in a number of key areas:
- ◆ Design and preparation – expected to be completed mostly in-house with assistance from nominated term consultants, the costs and personnel requirements have been clearly identified;
  - ◆ Legal issues – TROs and CPOs are also to be dealt with in-house, with external assistance possibly to cover peaks in workload;
  - ◆ Construction works – to be carried out by companies on the Councils' existing framework contracts or term tenders, only larger scheme elements to be tendered competitively; and
  - ◆ Bus stops, traffic signals, and RTPI – to be supplied and implemented by expert providers, all of which have confirmed their resource capacity.
- 6.114 The potential risks associated with the programme and works proposed have been identified and mitigating actions put forward.