



EXECUTIVE
10th October 2005

**Report from the Director of
Environment and Culture**

For Action

Wards Affected:
ALL

**Authority to Award Contract for Wembley Park Station
Bridge Strengthening**

Forward Plan Ref :E&C-05/06-017

Above the line EXCEPT for Appendix 1 which is not for publication

1.0 Summary

This report requests authority to award the contract for the Wembley Park Station Bridge Strengthening and Ancillary Works as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to whom the contract should be awarded.

2.0 Recommendations

That the Executive:

2.1 Agree that:

- (a) if the funding from S106 monies from Transport for London becomes available, and subject to the Director of Finance and Corporate Resources being satisfied that adequate funding is in place, the contract for Wembley Park Station Bridge Strengthening Works and Ancillary Works be awarded to J Murphy and Sons Ltd;

- (b) if the funding from S106 monies from Transport for London does not become available, or the Director of Finance and Corporate Resources is not satisfied that adequate funding is in place, the contract for the Wembley Park Bridge Strengthening Works alone be awarded to J Murphy and Sons Ltd;

2.2 Authorise the Director of Environment & Culture, in consultation with the Director of Finance and Corporate Resources, to determine whether to award the contract in paragraph (a) or the contract in paragraph (b) above depending on the outcome of the negotiations over the s106 funding from Transport for London.

3.0 Detail

- 3.1 The contract involves strengthening the existing bridge carrying Bridge Road outside Wembley Park Station (“Strengthening Works”), together with certain other works associated with certain works to improve public transport interchange facilities at the station including the provision of taxi facilities and the installation of staircases from Olympic Way to Bridge Road (“Ancillary Works”). The bridge carries the road over Network Rail and London Underground tracks and the respective sections of the bridge are owned by those companies. The Strengthening Works need to be substantially completed prior to the opening of the new National Stadium.
- 3.2 This bridge was identified as being under strength during the nationwide assessment of all bridges carrying the public highway which was funded originally by the Government Office for London and latterly Transport for London (“TfL”). Although the bridge is owned by Network Rail and London Underground, their statutory obligation is only to maintain the structure so that it is capable of carrying 24 tonnes as opposed to the current public highway standard of 40 tonnes. This bridge, following detailed assessment, is only capable of carrying 26 tonnes and therefore responsibility for strengthening falls to the Highway Authority.
- 3.3 Funding for the strengthening of the bridge carrying Bridge Road over the Network Rail and London Underground was granted by TfL for the current financial year and is included in the Council’s Capital Programme.
- 3.4 For reasons of timing and limited working area, the same contractor that carries out the Strengthening Works will carry out the Ancillary Works.
- 3.5 The funding for the Ancillary Works will be from S106 monies from the Quintain Development which is being allocated to TfL. TfL will in turn fund Brent to carry out this work.

However, at the time of writing this report the Council was still in negotiations with TfL over the funding for the Ancillary Works. It is anticipated that this funding will be agreed by TfL by the time of the 10th October 2005 Executive Meeting. The report therefore makes separate recommendations for the

award of the contract for the Strengthening Works alone and for the combined Strengthening and Ancillary Works. The Instructions to Tenderers requested tenderers to submit two separate tenders – one for the Strengthening Works alone, and one for the combined Strengthening Works and Ancillary Works. Thus, tenderers are aware that they may be awarded either of these two contracts depending on funding arrangements. If the Executive approves the recommendations in this report and TfL agrees the funding for the Ancillary Works, before officers notify the successful tenderer of the award, officers will first obtain approval from the Director of Finance and Corporate Resources that he is satisfied that adequate funding is in place for the Ancillary Works.

- 3.6 The Strengthening Works consist of the removal of existing fill materials and replacing with light weight foamed concrete to reduce the self load on the structure. This needs to be done to both footways for the whole length of the bridge and to one main carriageway span. The bulk of this work is not technically work to the structure of the bridge and is considered to be low risk. At present, it is not anticipated that any dedicated track possessions will be required to carry out the work.
- 3.7 The Ancillary Works consist of the installation of four staircases to improve the flow of pedestrians on non event days between Olympic Way and Bridge Road and the creation of a new taxi waiting area on Olympic Square, with the remainder of the square being repaved in high quality granite materials.
- 3.8 Both Network Rail and London Underground have indicated that the majority of the work can be carried out without track possessions and that any possessions needed will most likely be accommodated in Engineering Hours or Rules of the Route possessions. These are either periods during the night when the railway is closed or when the railway is closed at other times for other works.
- 3.9 Because of the nature of the works, they need to be completed before any additional enhancement works such as the addition of canopies are added to the station and to the footway surface.
- 3.10 The Strengthening Works will be programmed in such a way as to ensure completion of key areas before the opening of the stadium. In the event that the work is not complete by the opening, the contractor will have to leave the site during the opening period and all areas that have been worked on will need to be completed. The contract is written in such a way that the costs of this will have been included in the tender sum as a provisional item.
- 3.11 The Contract will be administered using the Institution of Civil Engineers Conditions of Contract 7th Edition.

Tender process and evaluation

- 3.12 A two stage tender process was followed. Advertisements were placed in Contract Journal and Wembley Observer to seek initial expressions of interest, which elicited 26 initial enquires. Short-listing questionnaires, and an

information pack containing the outline specifications and tender approach were sent out and 14 contractors returned the questionnaires.

- 3.13 Short-listing was carried out on the basis of the contractors' financial viability, technical ability and technical expertise and six contractors were invited to tender on 3rd August 2005. The tender timetable approved by the Executive Committee on 23rd May 2005 stated that tenders were to be invited on the 1st of July. However, negotiations concerning dedication of certain London Underground Land as Public Highway delayed the issuing of tender documents.
- 3.14 The tendering instructions stated that the contract will be awarded on the basis of the lowest price.
- 3.15 All tenders had to be submitted no later than Friday 2nd September 2005. Tenders were opened on that date and six valid tenders were received. The tenders were then analysed by Mott MacDonald for anomalies.
- 3.16 The Instructions to Tenderers told tenderers that the contract would be awarded to the lowest priced non-qualified tender. The panel met on Thursday 8th September 2005 and consisted of officers from Transportation. Also in attendance was the project engineer from Mott MacDonald, the Council's Consulting Engineer for this project. The two lowest priced tenderers were interviewed by the panel to discuss aspects of their tender.
- 3.17 The same officers and consultant plus the Head of Civil Engineering met again on Monday 12th September to recommend the award of the contract to the lowest tenderer.
- 3.18 The names of each tenderer and the ranking of tenders received are included in Appendix 1.
- 3.19 The contract is anticipated to commence in mid-November. The contract term is 30 weeks with the possibility of extension if the contractor needs to withdraw due to the opening of the stadium.
- 3.20 Please see Appendix 1 for the list of tenderers and the tender prices submitted. The reason that two companies offering the lowest prices were called in for an interview to discuss their bids was because the lowest priced bid (by Murphy) was considerably less than the second placed bid ("2nd Place Tender").
- 3.21 Tender analysis had shown that the difference in price between Murphy and the 2nd Place Tender was largely in two areas, the preliminaries and the cost of the stairs from Olympic Way to Bridge Road. Interview questions concentrated on these areas.
- 3.22 The 2nd Place Tender had allowed for more staff based on the contract whereas the Murphy bid had allowed for only one full time engineer who would be supplemented by staff from their Kentish Town Head Office as required.

- 3.23 It was confirmed in the interview that Murphy would use the materials as specified in the contract and not use any substitutes.
- 3.24 Murphy has also confirmed by letter that they will provide appropriate and adequate staff on site as required in the different phases of the contract.

4.0 Financial Implications

- 4.1 The Council's Standing Orders state that works contracts exceeding £1 million shall be referred to the Executive for approval of the award of contract. The estimated value of this works contract for both the Strengthening and Ancillary Work is £1.4 million. Please refer to Appendix 1 for the range of tender prices received.
- 4.2 Funding for the Strengthening Works is from TfL who have guaranteed funding for this year and committed additional funding for completion of the project in 2006/7. This commitment is currently for £1.8 million in total for the bridge strengthening and comfortably exceeds the current estimated completion costs (please refer to Appendix 1 for the range of tender prices received). Funding for bridge schemes have a bi-monthly review by TfL and any variations in cost result in variations in allocations.
- 4.3 As referred to in paragraph 3.5, funding for the Ancillary Works will be funded by TfL from S106 monies. Negotiations for the allocation and release of this funding have not yet been concluded and so these Ancillary Works will not proceed unless the funding has been confirmed by TfL.
- 4.4 A risk analysis covering both construction and financial risks was appended to the Report to Executive on 23rd May 2005 and it shows a low level of financial exposure to large cost increases. Formal Approval in Principle has been received from Tubelines on behalf of London Underground and the same is expected from Network Rail by the end of September. It is thought by officers and the Council's Consultants that the approval will be received in time for the Executive Meeting on 10 October 2005. In the very unlikely event that it is refused, the main part of the strengthening work can still proceed. The vast majority of the work is over London Underground. If Network Rail did not give approval, and as a result the contract had to be re-measured to carve out those parts of the work that involve Network Rail owned areas, officers anticipate that the contract value would decrease by approximately 5%. Engineering contracts by nature are re-measurable within small limits at all stages. Tenderers, as members of the industry, would be aware of this. In addition, Instructions to Tenderers stated that aspects of the contract may be re-measured. Thus, the risk of any dispute concerning re-measuring would be low.

5.0 Legal Implications

- 5.1 As referred to in paragraph 3.1 above, the Council is not the owner of this structure. However, the Council as a Highways Authority can agree with the owner of a bridge carrying a highway over a railway to make payments the improvement or maintenance of that bridge.
- 5.2 Monies provided under a section 106 agreement must be utilised for the purpose set out in the agreement and within any time period for their expenditure set out in the agreement, otherwise the developer can require them to be repaid. In this case, although this is primarily an issue for TfL, the Council could be liable to the developer or to TfL if it failed to comply with this.
- 5.3 The Contract (with or without the Ancillary Works element) is under the EU Procurement threshold of £3.8 million for works contracts and therefore is not subject to the EU Procurement Regulations. The Contract is a High Value Works Contract under the Council's Contract Standing Orders and is therefore subject to the Council's Contract Standing Orders and Financial Regulations in respect of High Value Contracts.

6.0 Diversity Implications

- 6.1 Where appropriate, the works will be constructed to ensure that pedestrians have access between footways by using dropped kerbs and tactile paving at crossing points. The new stairways and taxi facilities are being designed to take into account all the requirements of the applicable legislation such as the Disability Discrimination Act. In other respects, this report has been subject to screening and officers believe there are no diversity implications.

7.0 Staffing/Accommodation Implications

- 7.1 There are no staffing implications for the Council arising out of this report. The scheme is being designed by external consultants and will be constructed by a civil engineering contractor. The scheme is project managed using existing resources in the Transportation Service Unit.

8.0 Environmental Implications

- 8.1 The bridge strengthening scheme has been designed to maintain traffic flow during the course of the works in order to minimise delays and congestion. The enhancement works are part of a larger package of proposals to ease the movement of passengers between bus, taxi and underground, thus promoting the use of public transport rather than private cars.

Background Papers

- Authority to Invite to Tender for the Wembley Park Station Bridge Strengthening Executive Report, 23rd May 2005.
- Project files held in the Transportation Unit.

- TfL Baseline Programme for bridge strengthening funding.

Contact Officers

Any person wishing to inspect the above papers should contact Paul Williams, Transportation, 2nd Floor West, Brent House. Tel 020 8937 5043

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