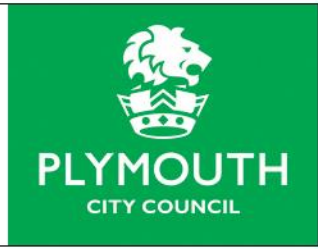


# CONTRACT AWARD REPORT SUMMARY

Forder Valley Transport Improvements: Contract Management



## PART I Document

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## **I. INTRODUCTION**

- 1.1. This Executive Decision is for the award of a contract for the New Engineering Contract (NEC) Project Manager role for the construction of the Forder Valley Link Road (FVLR) scheme and the Forder Valley Interchange (FVI) Scheme, collectively known as “Forder Valley Transport Improvements (FVTI)”.
- 1.2. In March 2019 Cabinet approved the award of the main construction works for the FVLR. A Contract Award Report accompanied the Cabinet report and identified that the Council had a robust contract management process in place for the Forder Valley Transport Improvement schemes, bolstered by securing external Contract Management support and administration of the contract during construction.
- 1.3. This approach of securing an external specialist NEC Project Manager enables full scrutiny and challenge of all works and prices from the main construction contractor on behalf of the Council, in order to ensure that the contractor is achieving value for money and following the approach identified within their contract.
- 1.4. This external contract management support has been procured to date through an existing Framework. Due to the duration of this work, continuing until the end of the Forder Valley Transport Improvements, a review of procurement opportunities was carried out by PCC’s procurement team and this concluded that a different Framework offered the best value for money at this time.

## **2. BACKGROUND**

- 2.1. The Forder Valley Link Road is a new direct route to Derriford from the east of the city and the A38 for all traffic, including future Park and Ride services that will operate between the proposed Deep Lane Park and Ride (Sherford) and Derriford.
- 2.2. The scheme includes a new one kilometre road that will connect Forder Valley Road and Novorossiysk Road to William Prance Road in Derriford, supported by a bridge over Bircham Valley. There will be an enlarged signalised junction connecting the new bridge to the Forder Valley Road and Novorossiysk Road junction. This junction will be relocated and enlarged enabling it to increase capacity and therefore reduce delays and improve traffic flow.
- 2.3. Novorossiysk Road is to be widened to allow the removal of the existing merge south of the Miller Way (Asda) junction, further improving journeys times to and from the North East of the city including the Estover industrial estate and business parks.
- 2.4. The Forder Valley Interchange scheme compliments the Forder Valley Link Road works and the two schemes together optimise the benefits of providing a new key link as an alternative route to the north of the city from the east.
- 2.5. The Forder Valley Interchange scheme will improve and extend the existing short merge from the Forder Valley (Leigham) Roundabout heading north on Forder Valley Road, extend the two lanes heading south and add a short fourth lane on the southbound approach to the roundabout. The scheme will also add an extra lane on the roundabout itself between Forder Valley Road and the A38 eastbound slip road.
- 2.6. These improvements will increase capacity and allow traffic to flow more smoothly, relieving congestion and queueing which currently extends back onto the roundabout circulatory and down the A38 westbound off-slip.

- 2.7. The schemes provide new walking and cycling facilities throughout, including a shared off-road facility to accommodate different types of cyclists travelling at different speeds. Segregated facilities will also be provided where possible to provide greater separation between pedestrians and cyclists.
- 2.8. The scheme will directly unlock 500 new homes at Seaton Neighbourhood, and support further development in the north of the city of 4,200 new homes and 1,800 new jobs. This scheme supports economic prosperity of the City, leading to wider economic benefits.
- 2.9. The key objectives of the scheme are:
- To reduce congestion by providing additional network capacity for all users, thereby improving journey times on the A386 corridor and improving access to Derriford from the east;
  - To support economic development by providing transport infrastructure to support the planned growth in the Derriford and Seaton area as set out in the Plymouth and South West Devon Joint Local Plan (JLP);
  - To promote public transport use by improving bus connectivity from the east; and
  - To encourage use of sustainable travel modes by providing an off-highway cycling and pedestrian link between Forder Valley Roundabout and Derriford, through to Derriford Community Park and Glacis Park on the west side of the A386.
- 2.10. The new link these schemes facilitate is fundamental in relieving congestion at Manadon Roundabout and is therefore an essential project to the delivery of the growth identified in the Joint Local Plan.
- 2.11. The project is identified as a part of the strategic transport infrastructure required to support the significant numbers of new homes and jobs that are planned for the north and east of the city over the lifespan of the Plymouth and South West Devon Joint Local Plan. The Forder Valley Interchange scheme directly supports the following Joint Local Plan policies: SPT8; SPT9; SPT10; SPT12; PLY47; and PLY57.

### **3. SCOPE OF WORK**

- 3.1. The services required are to fulfil the defined NEC Project Manager Role and the NEC Supervisor roles as well as project management support.
- 3.2. The NEC Project Manager is the named person within Contract Data part I of the £50m main construction contract, who administers the contract on behalf of the Council as the Employer. This role has the designated authority to issue all instructions, notifications and other communications required under the contract on behalf of the Employer.
- 3.3. The NEC Supervisor has sole responsibility to check for construction compliance to the Works Information, including checking for defects and inspecting the quality of the works.
- 3.4. Key activities which the Contract Management team (WSP and PCC) will undertake include:
- Review and approve the design proposals;
  - Ensure that value management procedures are implemented in order to minimise costs without adversely affecting quality;
  - Issue works instructions to the Contractor;
  - Monitor works progress against both programme and forecast spend profiles;

- Inspect the quality of works on site;
- Review and agree the assessments of any compensation events;
- Review and accept monthly and final valuations; and
- Determine the Contractor's pain/gain share upon completion.

#### 4. FINANCIAL IMPLICATIONS

- 4.1. This contract award is for the NEC support required during the main construction works for the Forder Valley Transport Improvements.
- 4.2. The total contract value under this award is £480,736.74.
- 4.3. The funding for this award has already been accounted for through the final business case and [Executive Decision L22 18/19](#) in December 2018.
- 4.4. A summary of the funding package agreed under this Decision is listed below:

| Funding Source  | Allocation           |
|---|----------------------|
| PCC Un-ring-fenced Capital                                  | £ 4,466,533          |
| S106 (Underwritten by PCC Corporate Borrowing)              | £ 4,466,533          |
| Priority List Corporate Borrowing - Forder Valley Link Road | £ 1,167,081          |
| DfT (LEP Growth Deal) (secured)                             | £ 22,558,000         |
| Highways England (Growth & Housing Fund) (secured)          | £ 4,469,954          |
| Priority List Corporate Borrowing - Forder Valley Link Road | £ 2,732,919          |
| Priority List Corporate Borrowing - Reallocation of funds   | £ 12,990,000         |
| <b>Project Funding Total</b>                                | <b>£ 52,851,020*</b> |

\* Note the £1.93m "Developer In-Kind Contribution" has now been removed from the project accounting as this is not part of the core scheme and will be delivered and funded by others.

- 4.5. There are therefore no new financial implications resulting from this contract award.

#### 5. EQUALITIES IMPACT ASSESSMENT SUMMARY

- 5.1. The scheme has been assessed using the Council's Equality Impact Assessment Toolkit. The result of this found the scheme had no adverse impact on protected characteristics groups for age; disability; faith, religion or belief; gender, including marriage, pregnancy and maternity; gender reassignment; race; or sexual orientation, including Civil Partnership. The assessment also found that the scheme will have positive outcomes for local priorities including to reduce the inequality gap particularly in health between communities; good relations between different communities; and human rights.