

Record of officer decision

Decision title:	South Wye Transport Package - Southern Link Road (SLR) procurement
Date of decision:	22 May 2018
Decision maker:	Director for economy, communities and corporate
Authority for delegated decision:	<p>In the decision taken by cabinet on 16 November 2017 to confirm the CPO & SRO for the Southern Road authority was delegated to Director for Economy, Communities and Corporate to approve procurement of a contractor for the Southern Link Road as follows:</p> <p>The Director for Economy, Communities and Corporate be authorised to take all operational decisions necessary to establish and implement a procurement strategy to inform and enable a decision to award a contract to the best value tender for the construction of the SLR at a cost not exceeding £150,000 from the approved capital budget for the scheme.</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50023740</p>
Ward:	Stoney Street Wormside
Consultation:	None in relation to this decision
Decision made:	<p>To confirm a procurement strategy for the Southern Link Road and to commence procurement of a contractor to enable a preferred contractor to be selected following an appropriate evaluation process. The procurement would be undertaken by way of an OJEU competitive restricted tender process using an NEC3 Target Cost contract with activity schedule with Contractor Value Engineering phase.</p> <p>This decision is not a commitment to award a contract. The award of this contract would be the subject of a further report and would be subject to available funding following submission and approval of the full business case for the SWTP.</p>
Reasons for decision:	The attached procurement strategy developed by WSP investigates a number of procurement options for the delivery of the Southern Link Road construction.

	<p>Each procurement option has been assessed against the councils commissioning and commercial strategy objectives and Table 10.1.6 in Section 10 of the report (attached) summarises performance against these objectives.</p> <p>Having assessed these options the procurement option recommended is set out in Section 11 as OJEU Restricted Tender route using the Option C: Target Cost contract with activity schedule. This will provide the following benefits:</p> <ul style="list-style-type: none"> • Wide selection of potential contractors • Clear audit trail to demonstrate award to most economically advantageous tender • Procurement timescales align with overall scheme completion timescales • Early Contractor Involvement will provide opportunities to identify value engineering efficiencies • Most efficient option relating to allocation and management of risk • Encourages collaborative behaviour from both Contractor and HC • Provides incentivisation to deliver cost savings and value for money • Performs strongly against HC's commissioning and commercial strategy objective. •
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>The procurement strategy report appended to this Record of Officer Decision sets out risks associated with each procurement option considered. The recommended procurement option allows for the most appropriate allocation of risks, with the financial risks of the scheme being shared by the Contractor and HC. This generates a risk and reward approach that encourages both parties to work collaboratively together. This option delivers the balance required between cost certainty and the opportunity to provide incentive to the Contractor in order to generate cost savings.</p> <p>The procurement of the contractor to construct the SLR will be in accordance with the EU procurement requirements as set out in the council's contract procedure rules.</p> <p>The Equality team have been consulted on this report; it is considered that there is no negative impact on the Protected Characteristics identified in the Equality Act 2010.</p> <p>The procurement report has been reviewed and deemed acceptable by the council's commercial team.</p>

	<p>This report has been reviewed and deemed acceptable by the council's S151 officer.</p> <p>This report has been reviewed and deemed acceptable by the council's legal services team.</p> <p>This has been reviewed and deemed acceptable by the council's governance team</p>
Details of any alternative options considered and rejected:	A number of alternative procurement options have been considered as set out in the Procurement Strategy Report appended to this decision.
Details of any declarations of interest made:	None

Signed
 Director for Economy Communities & Corporate

Date 22 May 2018