

CABINET

30 MARCH 2010

GATEWAY 1 OPTIONS APPRAISAL: QUALITY PUBLIC TRANSPORT CORRIDORS PROJECT – CHATHAM HILL, ROCHESTER CORPORATION STREET, NORTH DANE WAY AND STROOD RIVERSIDE

Portfolio Holder: Councillor Filmer, Front Line Services

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Summary

This report seeks Cabinet approval to enter into a procurement process for four Quality Public Transport Corridor (QPTC) Project schemes, designed to create a step change in the quality, reliability and attractiveness of local bus services in Medway.

1. BUDGET AND POLICY FRAMEWORK

1.1 All the schemes and elements of the QPTC Project accord with Medway's Local Transport Plan (2006-11) and the Project is funded from the Government's Community Infra-structure Fund (CIF). The project has been designated high risk and is therefore a matter for Cabinet.

2. BACKGROUND

2.1 Medway Council was recently successful in being awarded £13M from the Government's Community Infrastructure Fund (CIF) for the implementation of the Quality Public Transport Corridor Project (QPTC) and Urban Traffic Management Control Project (UTMC) and this sum has been split between the two Projects, £5M and £8M, respectively.

2.2 The QPTC Project is made up of a number of separate but closely related schemes which, together with UTMC, will combine to create a step change in the quality, reliability and attractiveness of local bus

services in Medway. This report is concerned with the following individual schemes, which form part of the QPTC Project:

- Chatham Hill bus reliability measures
- North Dane Way bus reliability measures
- Rochester, Corporation Street bus reliability measures
- Strood Riverside, Sustainable Transport Link.

- 2.3 On 2 April 2009 approval was given by the Divisional Management team to enter into a collaborative procurement exercise to acquire real time passenger information displays as part of the planned improvement to public transport provision as part of the Quality Public Transport Corridors Project. Following approval by the Procurement Board on 16 December 2009, and Cabinet on 5 January 2010, the contract was awarded in January 2010.
- 2.4 On 24 June 2009, Procurement Board gave their approval for the QPTC Implementation Manger to tender for the supply of up to 60 new bus passenger shelters and for the maintenance of the whole of Medway Council's shelter stock totalling 149 units. This was endorsed by Cabinet on 14 July. Following approval by the Procurement Board on 9 September 2009 to award the contract to the preferred contractors, and by Cabinet on 22 September 2010 contracts were awarded on 1 October 2009.

3. BUSINESS CASE

3.1 Business Case Summary

- 3.1.1 The objective of the QPTC Project is to reduce congestion across Medway and improve air quality through improvements to local bus services. This will involve the provision of bus priority measures at key locations, to help improve the reliability and attractiveness of bus services, the creation of enhanced bus stop waiting facilities, high quality bus passenger information through the use of the latest generation of real time displays and the provision of quality bus shelters through the adoption of a Medway standard to create consistency and an improved streetscape.

3.2 Strategic Context

- 3.2.1 Medway regularly suffers from high levels of peak time congestion which affects the reliability of existing bus services, creating delays, reduces the attractiveness of services and risks creating a spiral of decline. The package of improvements within the QPTC Project of which these elements are a key part, complement each other and are designed to reverse this trend and drive up the quality and attractiveness of local bus services.

- 3.2.2 In addition these measures will help prepare Medway for its regeneration during the next 20 years, as part of its Thames Gateway status, which will see its population increase up to 300,000.
- 3.2.3 All the schemes and elements of the QPTC Project accord with Medway's Local Transport Plan (2006-11) which lists public transport improvements as one of its five key priorities and the Transport for Medway Study (TfM).
- 3.2.4 Detailed public consultation has been carried out in connection with the Transport for Medway Study and Medway's LTP. As part of the TfM Study, various methods of engagement were used including workshops and presentations to key stakeholders, questionnaire surveys and exhibitions in town centres.

3.3 Whole Life Costing/Budgets

- 3.3.1 It is proposed to implement the following projects;
- Chatham Hill. Improvements to the traffic signals at the junctions of Chatham Hill/Luton Arches and Chatham Hill/Rock Avenue plus the conversion of the footway on the northern side to a shared footway/cycleway up to Chatham Girls Grammar School. This is also a road safety/safer routes to schools initiative as it will create a safer environment for cyclists rather than having to share the existing carriageway with motorised traffic. The statistics very much support this approach as the latest 3 year accident record across Medway shows that there has been 1 serious injury and 3 slight injury accidents involving pedestrians and cyclists whilst there have been 16 serious injury and 145 slight injury accidents between cyclists and motorised traffic.
 - North Dane Way. Provision of a length of northbound bus lane on the approach to Capstone Road roundabout with improved crossing facilities for pedestrians and cyclists.
 - Rochester, Corporation Street. Provision of a length of bus lane, towards Strood, between Northgate and Esplanade with public realm improvements, including new surface materials, improved lighting, improved pedestrian crossing points which will also assist with the sustainable connectivity between Rochester Riverside and historic Rochester.
 - Strood Riverside. Provision of a new link between Canal Road and Commissioner's Road for buses, pedestrians and cyclists only which will also serve as an emergency route from the future Strood Riverside development (a requirement placed upon the redevelopment of the site by the Environment Agency). This is also essential enabling infrastructure for the redevelopment of the site.
- 3.3.2 All schemes can be funded from the existing budget, but more accurate costings will be given once the tendering exercise has been completed.

3.3.3 Whilst the maintenance of these schemes will become the responsibility of this Authority, with the Corporation Street scheme there will be the opportunity to fund extensions of the current scheme from future development.

3.4 Risk Management

3.4.1 A key risk is not being able to spend the money within the timescale, i.e., by the end of March 2011. This can be mitigated by working closely with Strategic Procurement to develop and deliver a robust procurement process.

3.5 Market Testing (Lessons Learnt/Bench Marking)

3.5.1 Once the scheme detailed designs have been completed and been assessed through the safety audit process, contract documents will be prepared and the schemes will be subject to a tendering exercise.

3.6 Stakeholders Consultation

3.6.1 A Member Task Group was set up to contribute to the development of the LTP and to focus on issues associated with accessibility, as this was a new statutory obligation of the LTP process. The Task Group identified a number of interest groups and organisations to give evidence, along with some individual representatives who were asked to supply written evidence. This helped shape future schemes and their priorities.

3.6.2 Consultation with statutory bodies in connection with the development of the LTP was undertaken as part of the document.

3.6.3 All schemes have been through public consultation exercises as follows:

- Chatham Hill – scheme consultation is to take place with local councillors during the next 4 weeks
- North Dane Way – a meeting was held with the local Members in June 2009 with a public consultation exercise carried out in December 2009; there were no objections to the scheme
- Rochester, Corporation Street - a public exhibition was held on 7 and 8 December at Rochester Library and a total of 120 people attended over the two days all of whom supported the Project
- Strood Riverside – a public exhibition was held on 20 and 21 July and a total of 16 people attended all supported the Project except 1 on the grounds of noise during the construction phase; invitation letters were sent to all properties that could be potentially affected by the scheme, a total of 90 households.

3.6.4 A QPTC Officer Working Group meets approximately every 6 weeks to discuss Project progress, issues and opportunities and to seek guidance and advice.

4. PROCUREMENT IMPACT ASSESSMENT (PRIMAS)

4.1 With regards to the procurement and with particular reference to the preferred option, Officers have considered the following questions in respect of:

- Equalities (i.e. age, disability, ethnicity, sexual orientation, gender and religion/ belief)
- Environmental
- Local Community and Local Economy
- Health and safety.

1) Does your procurement have an impact in respect of the above?

Yes.

2) Can that impact amount to an adverse impact?

No. All positive. For example, beneficial to those social groups that are more reliant on public transport as these schemes will improve the reliability of local bus services.

3) Equalities Only – can that impact be justified on the grounds of promoting equality

Transport affects the economic and social well being of everyone. Better bus services contribute towards the regeneration and revitalisation of both the business community and our living areas. An efficient reliable bus service ensures social inclusion by providing access to jobs, education, health, social and leisure services to those without access to a car. A wide variety of people use buses and a significant number, especially older people, children, people with disabilities, women and the less well off, are often dependent upon having a reliable bus service.

4) Can the procurement be altered (in terms of specification or objectives) or has it already been altered to eliminate the adverse impact and still meet overall aims?

Not applicable

5) Equalities Only – Has the service/policy been subject to a Corporate Equalities Impact Assessment?

Not applicable

5. PERMISSIONS/CONSENTS

5.1 The only scheme that requires planning approval is the Strood Riverside scheme, which received consent in September 2009.

6. OPTIONS APPRAISAL

6.1 Success Criteria/Key Drivers/Indicators

6.1.1 The provision of quality corridors for local bus services should result in increased patronage as confidence grows in the network. Reliability also means buses operate in accordance with the published timetables and reduces the variability of journey times. For the operators this

enables them to operate the service more efficiently and requires less need for additional, 'back-up' resources in the event of delays and congestion. The money saved can then be re-invested in the network.

6.2 Options

6.2.1 The alternative option is to not seize the opportunity that the funding presents to provide a step change in the quality of public transport denying existing bus users across Medway of this benefit and limiting any opportunity of encouraging modal shift which is vital to Medway's regeneration strategy.

6.2.2 A commitment has been made to Government through the QPTC Business Case that this is what we will do to improve public transport as a key requirement to assist Medway's regeneration strategy.

6.3 Preferred Option

6.3.1 To tender for these projects.

7. PREPARATION OF THE NEXT STAGE OF PROCUREMENT

7.1 EU Implications

7.1.1 The four schemes will be subject to a formal tendering exercise as they comprise a Works Contract. However, the estimated cost of the schemes is below the current EU threshold of approximately £3.9M.

7.2 Resources and Contract Management

7.2.1 The Projects are currently at the detailed design stage and are being managed by the QPTC Implementation Manager. Once this stage has been completed the Projects will be handed over to the Capital Projects team to oversee the preparation of contract documents, manage the tendering exercise and project implementation.

7.3 Contract Options

7.3.1 There are a number of options that could be used. The form of contract would suit either an Engineering Construction Contract (ECC) or an Institution of Civil Engineers (ICE). The ECC emphasises joint problem solving and a partnership approach. However it has limited cost certainty as contractors are encouraged to price risk when assessing the value of any changes requested by the Employer. The result is that there will usually be less contentious and long-running claims but the cost of variations tends to be high. It is often a suitable form of contract where there is a substantial element of contractor design required.

7.3.2 The ICE Contract is a more traditional form and therefore can be more adversarial. It gives greater power to the Engineer to control the project

but, if things go wrong, the cost of claims can be high and take significant time to resolve. However, given the importance of controlling the site both in terms of keeping the road open and in terms of avoiding environmental damage, the greater control offered by this form of contract is advantageous.

- 7.3.3 The standard ICE Contract requires a fully detailed design and for the client to specify to the contractor exactly what is to be built. Together these factors would tend to argue in favour of the ICE form.

7.4 Contract Documents

- 7.4.1 This is to be developed by the Client (QPTC Implementation Manager in conjunction with the Head of Capital Projects) and quality assured by Strategic Procurement at Gateway 2.

7.5 Contract Management

- 7.5.1 The supplier will provide a delivery programme to allow Medway Council to monitor the rate and quality of delivery. Project stages will be managed as follows:
Procurement and Implementation – Ian Wilson (Head of Capital Projects)
Post implementation (Maintenance) – Phil Moore Head of (Maintenance)

8. PROCUREMENT BOARD – 10 MARCH 2010

- 8.1 The Procurement Board considered this report on 10 March 2010 and supported the recommendation, as set out in section 11.

9. COMMENTS OF THE PORTFOLIO HOLDER FOR FRONT LINE SERVICES

- 9.1 I welcome opportunities to make it easier to get around by public transport, particularly for those who do not have access to a car and need local bus services to access jobs and services. A good reliable system should also improve travel choice.

10. FINANCIAL, PROCUREMENT AND LEGAL COMMENTS

- 10.1 Finance comments - The Project is funded from the Government's Community Infrastructure Fund (CIF) and the funding allocated to Medway Council has to be spent by the end of March 2011 otherwise the funds will be lost. We believe that this approach will result in best value.
- 10.2 Strategic Procurement comments - Strategic Procurement will provide quality assurance throughout the procurement process including a review of all procurement documentation at Gateway 2. The QPTC

project comprises a number of discrete, individual and separate schemes which when all implemented will achieve the overall objective of the project which is to create a step change in the quality, reliability and attractiveness of local bus services in Medway. As the estimated value of each of the four schemes referred to in this report is below the EU threshold of £3.9m for works, the procurement of works contracts will not be subject to the full regime of the Public Contracts Regulations 2006 (as amended).

- 10.3 These procurements will, however, need to conform with Medway's contract rules and the principles of the EU procurement regulations; these being transparency, equal treatment and fairness of process.
- 10.4 At Gateway 2 the client department will need to satisfy Strategic Procurement that either an appropriate framework(s) have been utilised or formal tendering will be undertaken. Formal tendering must include a degree of advertisement as advised by Strategic Procurement as part of the Gateway 2 Quality Assurance. As Strategic Procurement has classed the overall project as high risk, consent at Gateway 1 and Gateway 3 is a matter for Procurement Board review followed by a decision by Cabinet as the projected values are above the £500,000 for works.
- 10.5 As the contract values are below the EU procurement threshold for works, the procurement of the Project schemes will primarily be subject to the Council's Contract Rules. EC case law now suggests that some form of advertising of requirements should take place in all instances regardless of contract value or any need to place a Notice in the OJEU. Given both the nature of the works and its overall estimated value, it is considered that these are works which might be of interest to the wider EU economic community where it would be in the Council's interest to place a Notice in the OJEU. In any event, the procurement procedures undertaken by the Council will need to be subject to the general principles of the EU Directives to treat all operators equally and to act in a non-discriminatory and transparent manner. Such a competitive tender process should also secure a contract/or contracts providing value for money to the Council.

11. RECOMMENDATIONS

- 11.1 To approve Medway Council carrying out a procurement exercise for the construction of the four Quality Public Transport Corridor (QPTC) Project schemes as set out in the report.

12. SUGGESTED REASONS FOR DECISION

- 12.1 This procurement process is part of a wider strategy to improve the reliability, quality and attractiveness of public transport across Medway.

Background Papers

QPTC Business Case

DMT Report (2 April) – request to enter into a collaborative procurement exercise with Kent County Council for the purchase of electronic ticket machines and real time passenger information displays

Gateway 1 report – Procurement and maintenance of bus passenger shelters, 24 June 2009

Gateway 3 report – Procurement and maintenance of bus passenger shelters, 22 September 2009

Gateway 1 report – Procurement of Electronic Ticket Machines and Real Time Passenger Information displays, 16 September 2009

Gateway 3 report – Procurement and maintenance of Real Time Passenger Information display screens, 16 December 2009

O&S Scrutiny report – Quality Public Transport Corridors Project, 2 December 2009

Scheme drawings