

Report to **Policy & Resources Committee**
Date **17 February 2022**
By **Head of Business Services**
Title of Report **Procurement - Contract for Construction of Centurion Way Extension (West Dean to Singleton)**

Decision

Recommendation: The Committee is recommended to:

- 1. Approve the commencement of a procurement process leading to the appointment of a contractor to undertake the construction of Centurion Way Extension (West Dean to Singleton section)**
 - 2. Delegate authority to the Chief Executive to award contracts for the above, following a competitive process as described in this report.**
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1. Summary and Background

- 1.1 Centurion Way is an identified priority scheme in the SDNPA Corporate Plan 2020-25, an Access Team Priority Project for 2021-23 and is Delivery Action AN2 within the SDNPA Cycling and Walking Strategy. It is also included as a key scheme in the West Sussex County Council Walking and Cycling Strategy and Sustrans National Cycle Network 20 Year Strategy.
- 1.2 The section from West Dean to Singleton is approximately 1.5 kilometres in length from the northern side of the closed West Dean Tunnel, to Cucumber Farm, Singleton predominantly on the alignment of the former Chichester to Midhurst railway. It will pass through Singleton Station connecting with and Station Approach in West Dean, opposite the entrance to West Dean Gardens and two Public Rights of Way (PRoW) in Singleton.
- 1.3 Currently Centurion Way provides a segregated, shared use path, approximately 9 kilometres in length from Chichester into the SDNP, terminating at West Dean. SDNPA constructed the northern extent of approximately 2 kilometres in 2015 and secured planning permission for the extension to Cocking in 2019. The path provides a safe, sustainable access, Active Travel route alternative for visitors and the local community, importantly offering an alternative to the A286.
- 1.4 When complete, the whole CW Extension will connect with the South Downs Way National Trail at Cocking in the heart of the National Park extending approximately 14-15 kilometres from Chichester. It will require the continued support of major landowners – The Edward James Foundation (West Dean Estate), National Trust and Cowdray.
- 1.5 A map showing an overview of the strategic routes and aspirational routes (such as Centurion Way) extracted from the Cycling and Walking Strategy forms **Appendix 1** and an overview of the whole Centurion Way Extension, forms **Appendix 2**.

- 1.6 The total funding secured for the CW Extension (West Dean to Singleton) is £628,000 comprising of £128,000 from the SDNP Trust and SDNPA CIL £500,000.
- 1.7 The contract value for the construction work is estimated at approximately £500,000. To date, preliminary works including land surveys, ecological studies and arboricultural surveys have been undertaken to enable vegetation, tree clearance and path clearance works. Surveys have assisted path costing estimates (by Schofield Lothian) and stakeholder consultations with the landowners, tenants and local Parish.
- 1.8 SDNPA have worked with stakeholders and consultants over the past eight years, delivering the first extension from Lavant to West Dean in 2015 and securing planning consent for the second extension from West Dean to Cocking and aspire to extend the route further to Midhurst in the future long term.

2. The Procurement Route

- 2.1 There have been no significant changes to the Public Procurement Rules following the UK's departure from the European Union, save for some minor policy changes to below threshold procurements, allowing Authorities to reserve specific contracts. Although much of the public procurement law in the UK derives from EU directives, it is incorporated into English law through the Public Contract Regulations (2015) Act, which remains in force. The UK has joined the Government Procurement Agreement, within the World Trade Organisation, through which it commits to maintain access to Government contracts to other member states. The Government have published a Green Paper on public procurement, which sets out a direction of travel for the future.
- 2.2 The indicative contract value of £500,000 falls significantly below the threshold set out in the Public Contracts Regulations 2015 for works contracts. The threshold applying from 1 January 2022 is £5,336,937 (including VAT). The Regulations, other than Chapter 8, will not therefore apply to this procurement process.
- 2.3 Contract Standing Orders (CSO 10) applies to this contract above £75,000 but less than the relevant EU threshold (incorporated into UK law) and states that tenders should be invited from at least five companies. It is intended in this procurement to use the Open Process and advertise this contract on our own website and nationally using the Contract Finder public procurement portal.

3. Tender Evaluation

- 3.1 Although SDNPA commonly uses the single stage or open process for receiving tenders, as recommended by the Cabinet Office for low value tenders, evaluation of tenders is carried out in two stages.
- 3.2 The Selection Stage is where we evaluate the capability of the contractor to satisfactorily carry out the contract. This involves looking at the financial strength and other resources of the company, including its previous experience in carrying out similar works. There is no weighting or scoring in this stage of an open tender; contractors can either do the work or they can't, so this is judged on a pass or fail basis. As the selection criteria are described in the tender, it is unusual for companies to fail at this stage, generally if they don't meet the criteria then they won't submit a bid.
- 3.3 The Award Stage is carried out using the Most Economically Advantageous Tender (MEAT) criteria for awarding the contract, using a combination of quality factors, such as Approach to the Contract, Project Resourcing as well as price. The evaluation panel will be looking at the sustainability aspects of any approach as well as looking for proposals that will add social value to the contract.
- 3.4 Evaluation is carried out by a number of officers (and in this case involving Sustrans as the design consultants) scoring independently, before meeting on a panel basis. The evaluation

programme will also allow for a process of clarification on all aspects of bids and due diligence before the award is made.

4. Outline Timetable

- 4.1 With Committee Approval, it is intended to publish the Contract Notice and release the Invitation to Tender on 1 March.
- 4.2 The tender process will remain open for seven weeks, closing in late April. Three weeks has been allowed for evaluation, including clarifications and due diligence, leading to award in mid-May and a start on site in the middle of June.

5. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	SDNPA has sufficient resources in place, in term of staff qualified to undertake the procurement exercise.
How does the proposal represent Value for Money?	The competitive tender process is aimed at delivering value for money for SDNPA
Which PMP Outcomes/ Corporate plan objectives does this deliver against	<p>SDNPA Partnership Management Plan 2020-25</p> <p>Outcome 5: Outstanding visitor experiences are underpinned by a high-quality access and sustainable transport network, supporting improved health and wellbeing.</p> <p>Priority Programme 5.2: Improve accessibility through a network of high quality routes connecting communities with the landscape, heritage, attractions and transport hubs and gateways.</p> <p>Note: Centurion Way is an identified priority AN2 - Develop the network of Non-motorised user (NMU) leisure paths along former railway alignments as opportunities and funding permits, within the SDNP Cycling and Walking Strategy 2017-24 and is an Access Team Priority for 2022/23.</p>
Links to other projects or partner organisations	<p>Centurion Way is an identified scheme in the West Sussex County Council Walking and Cycling Strategy and Sustrans National Cycle Network 20 Year Strategy.</p> <p>When complete, Centurion Way will provide a strategic link to the South Downs Way National Trail.</p>
How does this decision contribute to the Authority's climate change objectives	Centurion Way is identified in the Authority's <i>Climate Change Action Plan, Programme: Transport and Sustainable Access</i> . The creation of off-road active travel infrastructure such as the Centurion Way supports the shift to low carbon travel.
Are there any Social Value implications arising from the proposal?	Tenders will be evaluated partly on the basis of the social value the bidding organisations are prepared to deliver
Have you taken regard of the South Downs National Park Authority's equality duty as	The procurement exercise and the terms of the subsequent contract will meet the terms of the Authority's equalities duties

Implication	Yes*/No
contained within the Equality Act 2010?	
Are there any Human Rights implications arising from the proposal?	The selection process will examine the bidding companies' compliance with the laws on Modern Slavery.
Are there any Crime & Disorder implications arising from the proposal?	The probity of the companies bidding for the contract will be examined as part of the selection process.
Are there any Health & Safety implications arising from the proposal?	The works contractors' Health and Safety policies and record will be examined during the selection processes.
Are there any Data Protection implications?	No
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy? 1. Living within environmental limits 2. Ensuring a strong healthy and just society 3. Achieving a sustainable economy 4. Promoting good governance 5. Using sound science responsibly	The environmental policies of the bidding companies will be examined during the selection process, as will their track record on sustainable construction. Those companies shortlisted will also need to demonstrate how their policies and experience in sustainable construction will influence their approach to the contract. This will be examined at the Award stage of the procurement process.

6. Risks Associated with the Proposed Decision

6.1 There are four well documented risks with any procurement and those are listed as follows;

6.2 *Commercial Risk* – That either the price objectives aren't achieved up front or there are other costs that arise during the contract that diminish the overall benefits. Construction contracts are particularly susceptible to price overruns. The schedule of rates will be drawn up by Sustrans and Sustrans will also assist in the management of the construction project. The detailed design will be agreed by the Client and further alterations, which can add significantly to the tendered price, will be kept to a minimum. The construction work is likely to be carried out during a period of severe economic downturn and insolvency on the part of the contractor is a significant risk. There are provisions within SDNPA Standard Terms and Conditions of Contract to allow insolvency situations to be managed and financial standing will form part of the due diligence process. Neither of those is sufficient to eliminate this risk.

6.3 *Technical Risk* – This concerns the difficulty in being able to specify the desired outcome and on the market being able to deliver to the specification. SDNPA is using a traditional contract to manage this delivery with a single consultant designing and overseeing the build.

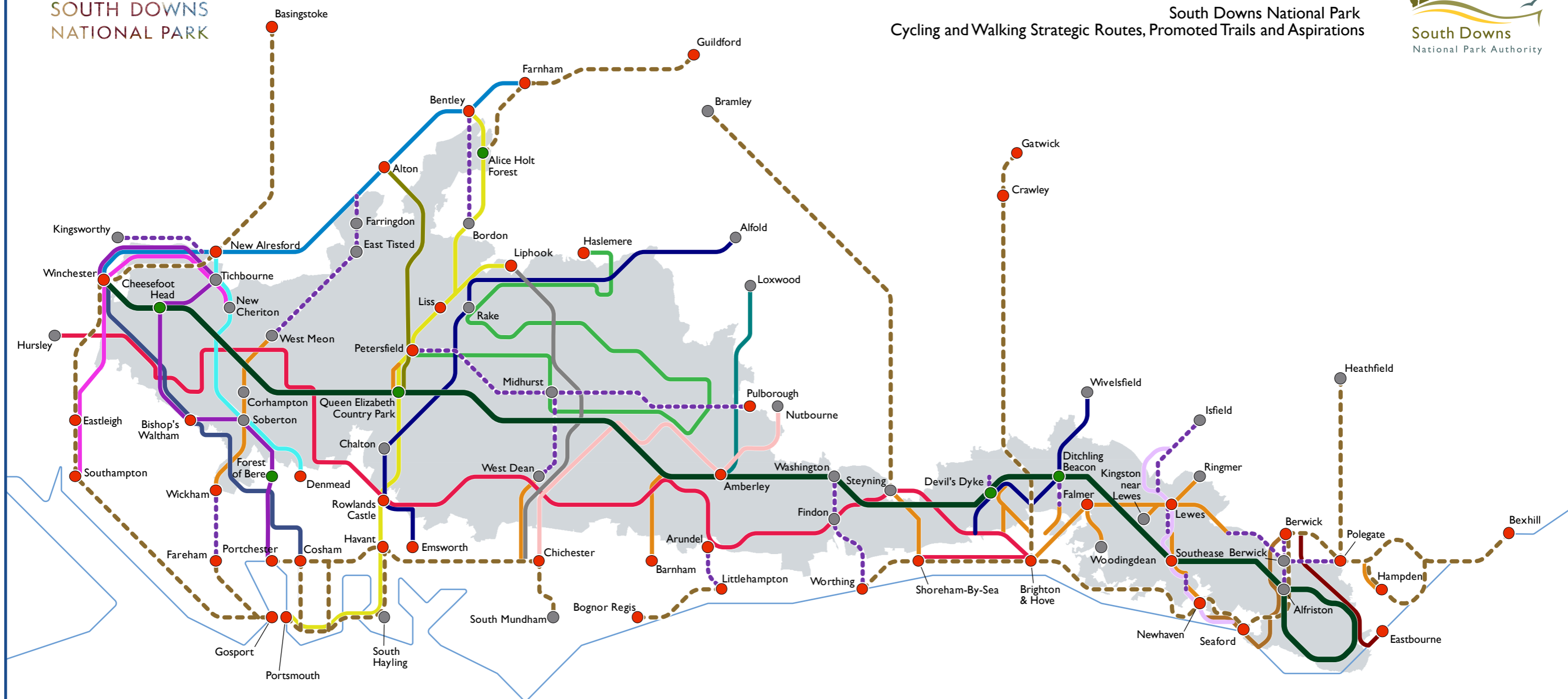
- 6.4 *Performance Risk* – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits. Stage payments and regular supervision will provide the necessary incentives for the timely completion of the work to the required standard. However, see insolvency risk above.
- 6.5 *Contractual Risk* – This covers things like being able to remedy the shortcomings in the contractors’ performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops. There is obviously a reliance on the main contractor in any construction process and it is important to ensure intelligent and active contract management
- 6.6 In Public Procurement, there is also the *Legal Risk*, where a procurement is found unsound in law, either through the remedies directive or the public procurement rules. The application of the Public Contract Regulations to a works contract of this value is limited and the use of professional procurement staff will help ensure that the contract process complies with the procurement rules and with best practice.

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Appendices	1. Cycling Strategy Map 2. Centurion Way Overview Map
SDNPA Consultees	Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services,
External Consultees	None

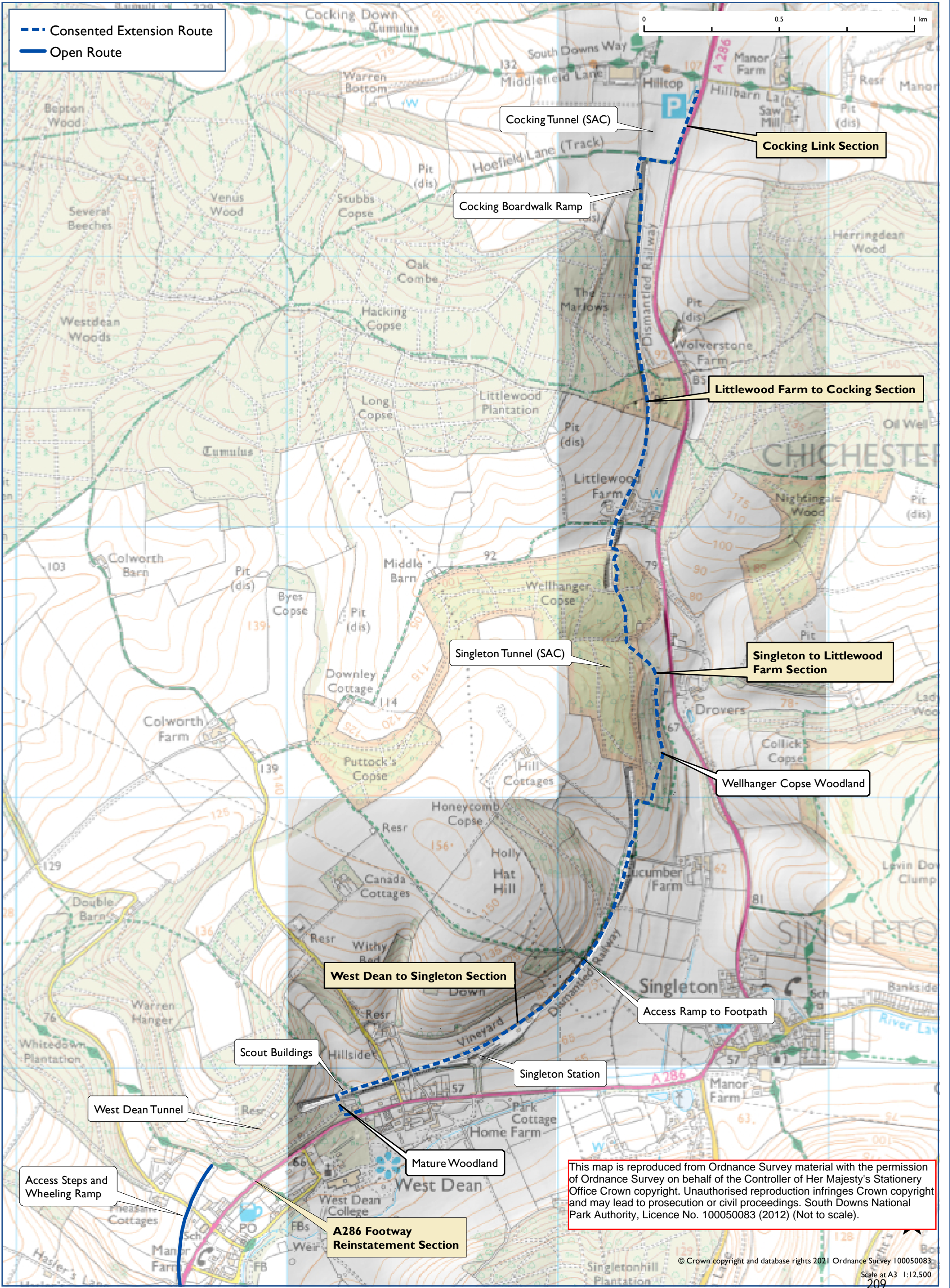
SOUTH DOWNS NATIONAL PARK

South Downs National Park
Cycling and Walking Strategic Routes, Promoted Trails and Aspirations



	South Downs Way		Hangers Way		New Lipchis Way		St Swithun's Way		Wayfarer's Walk		Rail station		South Downs National Park
	Aspirational route		Itchen Way		Pilgrim's Trail		Sussex Border Path		Wealdway		Landmark		Coastline
	Strategic cycle route		King's Way		Serpents Trail		Sussex Ouse Valley Way		Wey South Path		Settlement		
	National cycle route		Monarch's Way		Shipwright's Way		Vanguard Way		West Sussex Literary Trail				

Centurion Way - Phase 2 Extension Overview



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