



Warrington Western Link

Commercial Case

December 2017

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Executive summary

The commercial case for the Western link scheme provides evidence on the commercial viability of the proposal and the procurement strategy that will be used to engage the market.

The schematic below outlines the RIBA stages of development and aligns the progress of Western link to date alongside them:

Figure 1: RIBA work stages and Western Link delivery

	0 Strategic Definition	1 Preparation and Brief	2 Concept Design	3 Developed Design	4 Technical Design	5 Construction	6 Handover and Close Out	7 In Use
D e s c r i p t i o n	Identify client's Business Case and Strategic Brief and other core project requirements	Develop Project Objectives, including Quality Objectives and Project Outcomes, Sustainability Aspirations, Project Budget, other parameters or constraints and develop Initial Project Brief. Undertake Feasibility Studies and review of Site Information.	Prepare Concept Design, including outline proposals for structural design, building services systems, outline specifications and preliminary Cost Information along with relevant Project Strategies in accordance with Design Programme. Agree alterations to brief and issue Final Project Brief.	Prepare Developed Design, including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies in accordance with Design Programme.	Prepare Technical Design in accordance with Design Responsibility Matrix and Project Strategies to include all architectural, structural and building services information, specialist subcontractor design and specifications, in accordance with Design Programme.	Offsite manufacturing and onsite Construction in accordance with Construction Programme and resolution of Design Queries from site as they arise/	Handover of building and conclusion of Building Contract	Undertake In Use services in accordance with Schedule of Services.
	Complete for Western Link			Proposed in this OBC for Western Link		Not considered at this stage in the business case process		

Source: RIBA/Mott MacDonald

Procurement strategy to date

To date, through RIBA stages 0-2 and the development of this Outline Business Case (OBC) the scheme has primarily used 2 existing contracts:

- SCAPE national Civil Engineering and Infrastructure Framework 2015 to engage Balfour Beatty for early contractor involvement; and
- Transportation and Public Realm Consultancy Services Framework 2013 to engage consultancy support for options design and development and preparation of this OBC.

Future procurement strategy

As the scheme moves forward into RIBA stage 3, 4 and 5 a number of procurement strategy options were considered for the Developed Design, Detailed Design and Construction Phase of the Western Link scheme:

- Design and Build Procurement following stage 2B;
- Design and Build Procurement following stage 3; and
- Traditional Procurement following stage 4.

Design and Build procurement following stage 3 was selected as it allows the scheme programme to progress without delay. It also achieves an appropriate balance of design progression to allow consistent tendering whilst allowing contractor input to design before final contract award.

Contractor procurement method

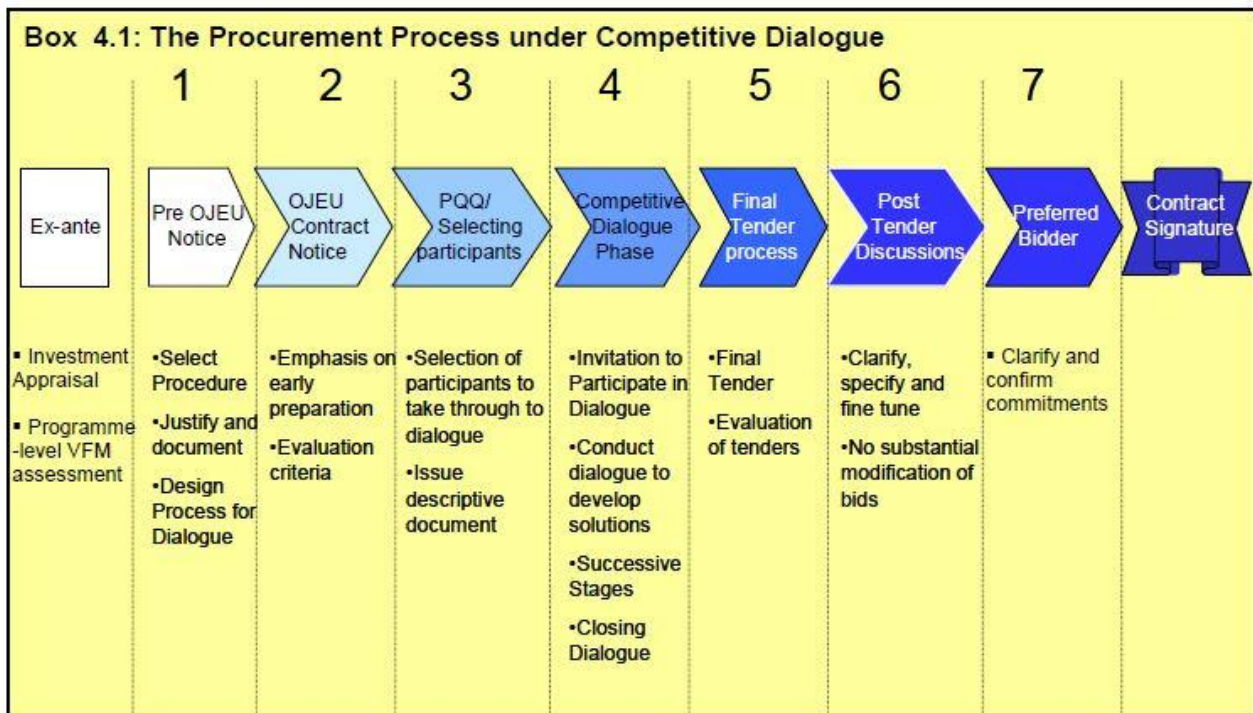
Several contractor procurement methods have been considered to be undertaken following stage 3 for delivery of stage 4 & 5, these are:

- Use of a single supplier framework such as SCAPE national civil engineering and infrastructure framework 2015;
- Use of a multi supplier framework such as the North-West Construction Hub Framework;
- Open invitation to tender (OJEU procurement) to select a single contractor for all works; and
- Private finance initiative.

The preferred contractor procurement option taken forward for stages 4 & 5 of the Western Link Scheme is to adopt an OJEU procurement. The intention is to undertake an OJEU tender with competitive dialogue process(CDP). It is considered that Western Link is sufficiently complicated to warrant the use of the CDP. The CDP process is intended to identify the solutions most likely to meet client needs and allows the client flexibility in progressively reducing the number of bidders through the process.

The CDP process is set out in Figure 2.

Figure 2: Competitive Dialogue Process (CDP)



Source : OGC/HMT Competitive Dialogue 2008

Consultant procurement method

Several consultant procurement methods have been considered for delivery of stage 3. These would be undertaken prior to stage 3 and are:

- Open invitation OJEU procurement;
- Use of a consultancy framework; and
- Early Contractor Involvement using SCAPE.

The preferred options taken forward for delivery of stage 3 are use of a consultancy framework and early contractor involvement. These methods have been selected as they have reduced timescales compared with an OJEU process, allowing the progression of the scheme in line with the required programme. They also allow the possibility of maintaining the team used to deliver stage 0-2, ensuring that project knowledge is maintained.

Sourcing

Western Link will procure services using three methods at different stages of the project. Table 1 shows: the proposed sources used within the project; the relevant stage; and the length of time each contract will be used.

Table 1: Proposed sources for use on Western Link

Contract Type	Stage	Length
SCAPE national Civil Engineering and Infrastructure Framework 2015	Stage 3 Early Contractor Involvement	12 months
Transportation and Public Realm Consultancy Services Framework 2013	Stage 3 Design Consultant	12 months However, the contract is due to be re-tendered in early 2018. Will be replaced with TPRSf 2018-2022
Competitive Dialogue Process, OJEU, Public Contracts Regulations (NEC4 Option C) (is preferred)	Stage 4 and 5 onward Design and Build Contractor	4 years

Source: Warrington Borough Council

Form of contract

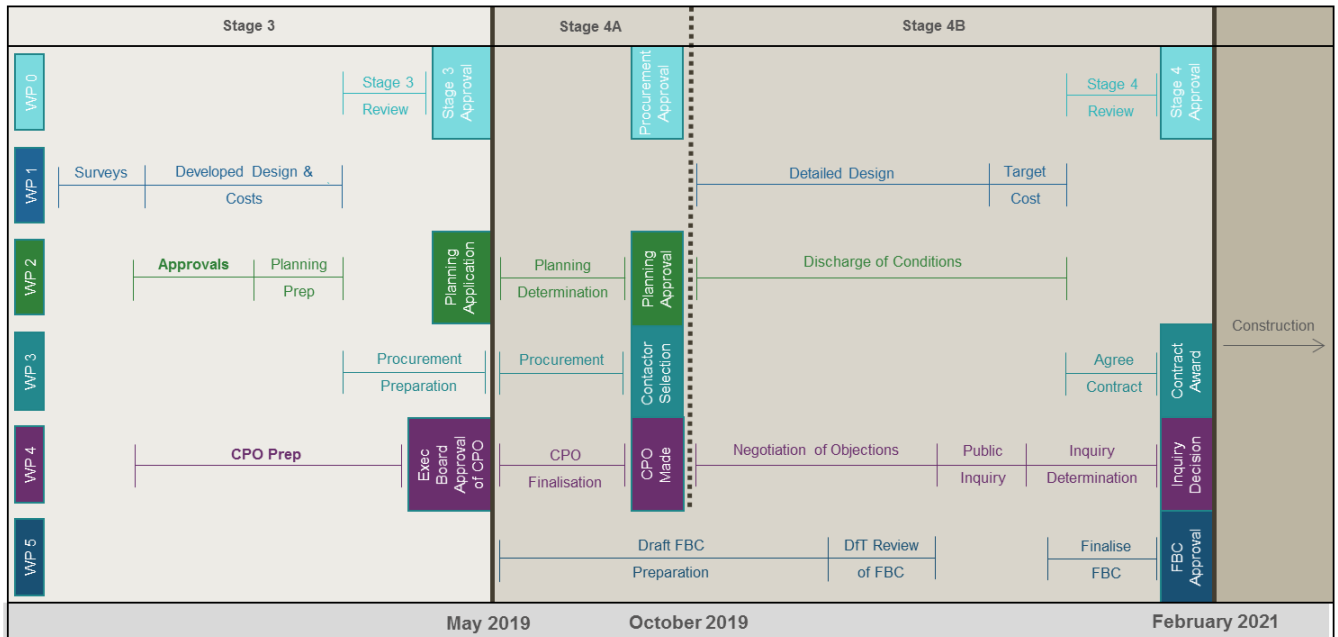
For design and build (RIBA stages 4 & 5), NEC4 contract Option C is preferred. There are several advantages of choosing this contract and these are set out below:

- Proven contract arrangement with many projects successfully being delivered in terms of time, cost savings and improved quality;
- NEC contracts facilitate a good working relationship between the two parties and enable good management of the project; and
- NEC contracts can be utilised in various commercial situations.

Human resources

The Western Link is a significant construction project with a considerable human resources requirement. This includes understanding requirements across the WBC client team, the project team, the design team and the contractor team. The project is split into three remaining key phases, RIBA stages 3, 4 and 5. Figure 3 shows the high-level programme.

Figure 3: High level programme



Source: Mott MacDonald

WBC will be responsible for oversight of the project on the client side of the delivery arrangement. The relevant professional activities to appropriately resource this aspect of the project include a Scheme Designer, Client Project Manager, a Road Safety Review, ITS Engineer and Planning Inputs.

The Scheme Designer will undertake the majority of the work during stage 3 of the project including development of designs suitable for a planning application. The contractor will be responsible for developing the detailed design during RIBA stage 4 to ensure that the scheme design can progress to the construction phase.

Risks

Risks have been identified under 4 major headings:

- Construction programme risk;
- Procurement risk;
- Cost risk; and
- Provider risk.

Warrington Borough Council will retain responsibility for these risks during stages 3 & 4 of delivery. The ownership and management of risks during stages 3 & 4 will be distributed to appropriate work package leads with a requirement to report and escalate to the Project Manager as necessary.

At contract award at the end of RIBA stage 4, the D&B contractor will be assigned risks that encompass design, appropriate planning conditions, estimations of the quantities, mitigation measures and resources of the Western Link scheme. Warrington Borough Council will continue to take responsibility for risks that encompass land, residual planning and environmental permission. Included is the responsibilities of preparing Compulsory Purchase Order and

attending Public Inquiry. In addition, all risks on cost overruns remain with Warrington Borough Council.

1 Commercial case overview

1.1 Introduction

This section sets out the commercial case for the Western Link scheme and provides evidence on the commercial viability of the proposal and the procurement strategy that will be used to engage the market. Here, risk allocation and transfer, contract timescales and implementation timescales, capability and skills of the team delivering the project and personal implications from the proposal are all documented.

The DfT's guidance document sets out the subjects that should be covered as part of the Commercial case. Table 2 shows how this section meets the DfT's requirements.

Table 2: DfT Commercial case requirements

Content	DfT Requirements	Status	Section
Introduction	Outline the approach taken to assess commercial viability	Complete	1
Output based specification	Summarise the requirement in terms of outcomes and outputs	Complete	1
Procurement strategy	Detail procurement/purchasing options including how they will secure the economic, social and environmental factors outlined in the economic case	Complete	2
Sourcing options	Explain the options for sources of provision of services to meet the business need e.g. partnerships, framework, existing supplier arrangements, with rationale for selecting preferred sourcing option	Complete	2
Payment mechanisms	Set out the proposed payment mechanisms that will be negotiated with the providers e.g. linked to performance and availability, providing incentives for alternative revenue streams. (See the Office for Government Commerce's Achieving Excellence briefing for advice on payment mechanisms for construction projects.)	Complete	3
Pricing framework and charging mechanisms	To include incentives, deductions and performance targets.	Complete	4
Risk allocation and transfer	Present an assessment of how the types of risk might be apportioned or shared, with risks allocated to the party best placed to manage them subject to achieving value for money	Complete	
Contract length	Set out scenarios for contract length (with rationale) and proposed key contractual clauses	Complete	5
Human resource issues	Personnel/people management/trade union implications, where applicable, including TUPE regulations	Complete	6
Contract management	Provide a high-level view of implementation timescales. Detail additional support for in service management during roll-out / closure. Set out arrangements for managing contract through project / service delivery	Complete	6

Source: DfT

1.2 Output based specification

The economic, social and environmental outcomes that the project must achieve are:

- Increased transport access
- Improved network resilience against impacts of swing bridges
- Reduction in delay at key town centre junctions
- Increase in vehicle route choice
- Quicker North-South connection across Warrington
- Reduction in Vehicle movements in the town centre
- Increased trips taken by walking and cycling in Warrington
- Unlocking of residential and commercial land
- Improvement in Air Quality in the town centre

The commercial case shows how procurement and commercial viability of the project enable scheme delivery. In order to demonstrate support to delivery of the scheme outcomes noted above, the commercial case must achieve specific objectives. The primary objectives of the Western Link Commercial case are to show how:

- The scheme can be delivered within available funding;
- The scheme can be delivered through the project programme;
- The preferred scheme will ensure best value for a new link road in west Warrington;
- A new link road will be delivered within construction design standards that are defined within the contract;
- Risk will be reduced to a level that is as low as reasonably practicable; and
- WBC will enable contractor input to design, risk assessment and delivery programme.

In order to meet these objectives, the commercial case requires Western link to provide the following strategic outcomes:

- Achieve cost certainty, or certainty that Western Link can be delivered within the funding constraints. There is a fixed amount of funding available from the DfT, with the remainder being contributed by Warrington Borough Council. All risks on cost overrun remain with Warrington Borough Council Procurement method and sourcing options;
- Minimise preparation costs in regard to scheme design;
- Minimise construction delivery costs;
- Achieve an efficient delivery programme that enables at start on site in 2020 and completion in 2023. It is important that the scheme is developed to a point where there is certainty on route alignment and land requirements. This is so that the process of land acquisition (the process with the longest time duration in the programme) can be commenced. Commencement of stage 3 as early as possible would be beneficial to achieving this.
- Achieve appropriate quality of design;
- Maintain project knowledge to support scheme design and successful rebuttal of any project challenge. The knowledge of the scheme and associated issues and constraints, generated through the development of the OBC, is seen as an asset that will help enhance quality of delivery and achievement of programme. The knowledge of the process used to assess and select options during the OBC will also be important to WBC during a Public Inquiry.

- Obtain contractor input to risk management and appraisals, including mitigation measures, to capitalise at an early stage on opportunities to reduce construction risk and improve outturn certainty thereby reducing risks to a level that is as low as reasonably practicable; and
- Engagement with contractors and stakeholders throughout planning to scheme delivery.

The outputs required are therefore:

- A procurement strategy that supports the commercial case objectives; and
- Procure routes and sourcing options that deliver the commercial case required outcomes.

The subsequent chapters of this commercial case discuss the approach to developing these outputs in line with the required objectives and outcomes.

2 Procurement method and sourcing options

This section provides insight into the procurement options for the Western Link scheme and how the economic, social and environmental factors listed in the economic case will be secured. The procurement method has been designed to deliver:

- Value for money;
- Compliance with legislation;
- Avoidance of fraud and corruption;
- Warrington Borough Councils vision and ambitions; and
- Fulfil the commercial cases objectives.

Warrington Borough Council will be responsible for the management and delivery of Western link and the day to day management of consultants allocated to the Project Management Team.

2.1 Procurement strategy

The section sets out the in-principle strategy for procurement of consultant and contractor services to deliver the Western Link scheme. Consultant services extending to design and advisory services to WBC and contractor services including construction of the scheme.

2.1.1 Procurement to date

To date, through RIBA stages 0-2 and the development of this Outline Business Case (OBC) the scheme has primarily used 2 existing contracts:

- SCAPE national Civil Engineering and Infrastructure Framework 2015 to engage Balfour Beatty for early contractor involvement; and
- Transportation and Public Realm Consultancy Services Framework 2013 to engage consultancy support for options design and development and preparation of this OBC.

The RIBA process and its relation to Western Link are shown below in Figure 4.

Figure 4: RIBA work stages and Western Link delivery

	0 Strategic Definition	1 Preparation and Brief	2 Concept Design	3 Developed Design	4 Technical Design	5 Construction	6 Handover and Close Out	7 In Use
D e s c r i p t i o n	Identify client's Business Case and Strategic Brief and other core project requirements	Develop Project Objectives, including Quality Objectives and Project Outcomes, Sustainability Aspirations, Project Budget, other parameters or constraints and develop Initial Project Brief. Undertake Feasibility Studies and review of Site Information.	Prepare Concept Design, including outline proposals for structural design, building services systems, outline specifications and preliminary Cost Information along with relevant Project Strategies in accordance with Design Programme. Agree alterations to brief and issue Final Project Brief.	Prepare Developed Design, including coordinated and updated proposals for structural design, building services systems, outline specifications, Cost Information and Project Strategies in accordance with Design Programme.	Prepare Technical Design in accordance with Design Responsibility Matrix and Project Strategies to include all architectural, structural and building services information, specialist subcontractor design and specifications, in accordance with Design Programme.	Offsite manufacturing and onsite Construction in accordance with Construction Programme and resolution of Design Queries from site as they arise/	Handover of building and conclusion of Building Contract	Undertake In Use services in accordance with Schedule of Services.
	Complete for Western Link			Proposed in this OBC for Western Link			Not considered at this stage in the business case process	

Source: RIBA Mott MacDonald

The commentary following this section relates to procurement for activities in RIBA stages 3, 4 and 5.

2.1.2 Future procurement strategy options

A number of procurement strategies were considered for the Western Link Scheme. Options considered were:

- Design and Build Procurement following stage 2B;
- Design and Build Procurement following stage 3; and
- 'Traditional' Procurement following stage 4, ie procurement for construction stage only.

The options were appraised before deciding on a delivery route for the scheme. The appraisal is detailed below.

2.1.2.1 Option 1: Design and Build procurement following stage 2B

For this option, a contractor would be appointed prior to commencement of stage 3. The contractor would then assume responsibility for developing the design through stages 3 and 4 as well as undertaking construction during stage 5. The following summarises the key points assessed for this option:

Table 3: Advantages and disadvantages of Design and Build procurement following stage 2B

Option	Advantages	Disadvantages
Design and Build Procurement following stage 2B	<ul style="list-style-type: none"> • Risks can be transferred to the contractor • Less scope for variations in design 	<ul style="list-style-type: none"> • Contractor risks are higher and may raise the price of the contract. This particularly relevant at early stages as the risk profile of the scheme is more uncertain

Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> Design progressed with input to buildability and construction phasing 	<ul style="list-style-type: none"> There would be a delay to progression of stage 3, whilst the procurement was undertaken Sufficiently detailed design information is not available and therefore significant client input and dialogue would be required to ensure comparative tenders

Source: Mott MacDonald

2.1.2.2 Option 2: Design and Build procurement following RIBA stage 3

For this option, a design team would be appointed to develop the design to stage 3. The stage 3 information would then be used as the basis to procure a design and build contractor. The design and build contractor would complete the detailed scheme design (stage 4) and be responsible for construction (stage 5).

The following summarises the key points assessed for this option:

Table 4: Advantages and disadvantages of Design and Build procurement following RIBA Stage 3.

Option	Advantages	Disadvantages
Design and Build Procurement following stage 3	<ul style="list-style-type: none"> Risks can be transferred to the contractor Less scope for variations in design compared with traditional tender Detailed Design will be progressed with input to buildability and construction phasing No delay to scheme progression and option to retain OBC team to provide continuity of delivery Tender would be undertaken with more developed design information leading to more consistent tender returns 	<ul style="list-style-type: none"> Potential variation and challenge to stage 3 design by appointed contractor Possible increased pricing of risk by D&B contractor if price is requested at stage 3

Source: Mott MacDonald

2.1.2.3 Option 3: 'Traditional' procurement following RIBA stage 4

For this option, a designer would be appointed to complete a full detailed design. A single stage tender would then be undertaken based on the detailed design. The appointed contractor would be responsible for construction only.

The following summarises the key points assessed for this option:

Table 5: Advantages and disadvantages of Design and Build procurement following RIBA Stage 4.

Option	Advantages	Disadvantages
Traditional Procurement Following stage 4	<ul style="list-style-type: none"> Scope, anticipated costs and risk profile are well established prior to tender leading to more consistent tender returns No delay to scheme progression 	<ul style="list-style-type: none"> Design risk remains with WBC Design progressed without input from contractor that will deliver construction stage, buildability and phasing issued may not be assessed appropriately leading to redesign, cost increase and delay

Option	Advantages	Disadvantages
	<ul style="list-style-type: none"> OBC team can be appointed for stage 3 & 4 to provide continuity of delivery 	

Source: Mott MacDonald

2.1.2.4 Selection of procurement strategy

Option 3: Design and Build Procurement following RIBA stage 3 has been selected for the scheme and is discussed further below. The main reasons for selection are:

- This option allows the scheme programme to progress without significant delay during an involved procurement exercise. This allows some key programme activities such as ecology and topographical surveys and land referencing to be progressed by the design team. This will enable certainty on route alignment and design in a shorter space of time
- It also achieves an appropriate balance between design progression and contractor input. The design needs to progress sufficiently to allow a consistent basis for tendering between contractors but also allow contractor input to design before final contract award so that issues such as buildability and construction phasing can be appropriately addressed.

Table 6 shows how that selected strategy meets the required outcomes

Table 6: Procurement strategy against commercial case required outcomes

Outcomes	D&B procurement following stage 3
Cost Certainty	Facilitates consistent tendering basis for procurement as design information is sufficiently progressed to compare between submissions.
Minimise Costs	Allows competition between interested parties and adoption of appropriate form of contract
Programme	Allows progression of stage 3 programme and contributes to achieving certainty on route alignment quickly.
Quality	Competition enabled will bring added value proposals and allows choice of deliver team based on experience and suitability.
Continuity of Knowledge	Allows option to maintain project team and knowledge accumulated.
Risk	Appropriate risk analysis and sharing enabled.
Deliverability	Allows contractor input to design at stages 3 and 4 leading to buildable designs

Source: Mott MacDonald

2.1.3 Contractor procurement

This section provides discussion on the options considered to procure a contractor in line with the strategy identified above.

2.1.3.1 Contractor procurement options

Having identified that a D&B contractor procurement following stage 3 would be most appropriate for the Western Link scheme, several methods of procurement were considered.

In order to make an informed choice with regard to the procurement method for the Western Link scheme, consideration has been given to best practice and WBC resource capacity and

capability. The following outlines the potential procurement methods considered by WBC to deliver the Western Link scheme including:

- Use of a single supplier framework, such as SCAPE national civil engineering and infrastructure framework 2015;
- Use of a multi-supplier framework such as the North-West Construction Hub Framework;
- Open invitation to tender (OJEU procurement) to select a single contractor for all works; and
- Private finance initiative.

Table 7: Procurement options

Procurement Option	Procurement Option Description	Advantages	Disadvantages	Why discounted
<p>Use of a single supplier framework such as - SCAPE National Civil Engineering and Infrastructure Framework 2015 For further detail regarding the SCAPE Framework, see the following website: http://www.scapgroup.co.uk/nationalframeworksnavigator</p>	<p>SCAPE is an organisation originally set up by a group of Local Authorities in 2006 to deliver greater value for money in the procurement of major building works. They have since diversified in to other areas setting up national frameworks for services such as facilities management, project management, QS services and minor works. The SCAPE Group Ltd is still a local authority owned company. These frameworks are open to all public-sector bodies but are specifically tailored towards Local Government Authorities.</p> <p>Recently they have brought forward an OJEU compliant 4-year Civils and Infrastructure framework with a notional value of £1.5 Billion.</p> <p>The successful contractor appointed in January 2015 is Balfour Beatty, a nationally recognised construction company.</p> <p>Through the framework, Balfour Beatty can deliver works valued from £1 million to \$40 million and above. The Framework covers services including site investigation, site clearance, site preparation, foundations, roads, bridges, structures, pipelines and tunnels, as the provision of associated mechanical, electrical and minor building works.</p>	<ul style="list-style-type: none"> Nationally competitively tendered framework on fixed overheads, profit and preliminaries basis Financial and time savings that are achieved by not having to carry out an OJEU procurement exercise Ability to leverage same advantages of ECI; however, with only one supplier (Balfour Beatty) The ECI component of the Framework will allow more certainty over project cost and programme at an early stage helping to support funding bids and develop schemes which offer value for money, versus the traditional route Capitalise on Balfour Beatty's experience and recent working relationship with WBC Sub contracted works packages are carried out via an open book process which allows the Client a level of scrutiny and control over who is appointed to carry out works packages SCAPE procures a significant volume of projects and services enabling the framework to command highly competitive and fixed rates 	<ul style="list-style-type: none"> Potential that the value for money from the main construction contract may be impacted by awarding the contract to a single supplier Dependence on a single supplier and their associated supply chain Lack of competition when the D&B contract is let Fixed set of 'added value' offered from a single supplier Restricts evaluation of approaches achieve via OJEU tender 	<ul style="list-style-type: none"> SCAPE framework is designed for projects from £1-40m Single supplier reduces competition efficiencies on a scheme of significant size Opportunity for added value and innovation is reduced Considerable overhead charges and sub-contracting arrangements

Procurement Option	Procurement Option Description	Advantages	Disadvantages	Why discounted
Multi-Supplier Framework such as - North West Construction Hub Framework	<p>The Framework operates to 29 January 2019.</p> <p>The NWCH was established in 2009 in response to Central Government's drive to improve efficiencies within the public sector.</p> <p>It is led by a Board comprising of representatives from public sector organisations across the North West. The legal entity behind NWCH is Manchester City Council.</p> <p>The High Value Framework includes BAM, Galliford Try, Kier, Laing O'Rourke, Morgan Sindall and Wates.</p>	<ul style="list-style-type: none"> • A group of shortlisted suppliers can offer fewer procurement risks than open tender • All providers have pre-qualified and meet minimum standards • Standardised procurement documents could offer time and cost savings on procurement exercise 	<ul style="list-style-type: none"> • Restriction to the providers on the framework • Increased procurement time • High value framework starts at £9million, Western Link value is high in comparison 	<ul style="list-style-type: none"> • Any cost savings from a mini-competition are deemed unlikely to be high enough to warrant the lengthier procurement period compared to the use of the SCAPE framework • Less choice of supplier offered compared to full open OJEU process • Scheme value is high in comparison with typical schemes delivered via this route
Open invitation to tender (OJEU procurement) to select a single contractor for all works	<p>Competitively tendered through the Official Journal of the European Union (OJEU); tender documentation to include a detailed specification for the scheme, including contract requirements.</p> <p>An assessment of the OJEU tenders submitted would then need to be undertaken, with the selected tender offering the best value for money, whilst also meeting the requirements of the OJEU notice.</p> <p>Any contractor procured via this route would need to demonstrate relevant experience, value for money and the capability to deliver the scheme within the required timescales.</p>	<ul style="list-style-type: none"> • Highest level of competition delivering opportunities for design / construction efficiencies, and collaboration during the design and construction phases • The contract can be drafted and tailored to suit WBC and the Western Link scheme based on well-established and proven forms of contract are available • High level of added value and competitive tendering likely. • Large range of contractors able to tender increasing chances of identifying suitable delivery partner 	<ul style="list-style-type: none"> • Potential that the contract amount may be higher to cover procurement costs • Increased requirement for client support and inputs during the procurement phase • Lengthier procurement process adding to programme time • Contractors may be deterred by more involved procurement process 	<ul style="list-style-type: none"> • This procurement option has been taken forward (refer to 2.1.3.2)

Procurement Option	Procurement Option Description	Advantages	Disadvantages	Why discounted
Private Finance Initiative (PFI)	Private firm(s) provides the capital for the major infrastructure project. The firm is contracted to complete and manage the projects. Rather than the Government, the private firm is responsible for the up-front capital costs to construct the project. The infrastructure is then leased, and the government makes annual payments to the private firm.	<ul style="list-style-type: none"> • No large upfront capital cost outlay required to construct the scheme • Transfer some of the risk of construction and maintenance to the private sector • Total cost of the scheme can be spread throughout the lifespan of the scheme • The contractor would have a long-term interest in the quality of the scheme build and design given ongoing maintenance liabilities 	<ul style="list-style-type: none"> • PFI contracts are typically greater than 25 years with annual repayments plus interest placing a long-term future liability/burden on the Council • High level of risk transfer to the private sector under PFI impacts on the value for money over the lifespan of the project • Complexity of procurement process could impact on delivery timescales, impacting on the project costs • Experience of PFI from recent years across the public sector has raised issues regarding whether the contracts have achieved good value for money 	<ul style="list-style-type: none"> • PFI contracts are typically greater than 25 years with annual repayments plus interest placing a long-term future liability/burden on the Council

Source: Warrington Borough Council

2.1.3.2 Preferred contractor procurement option

The preferred procurement option taken forward for the contractor procurement for Western Link Scheme is to undertake a competitive dialogue OJEU tendering process with a 2 stage D&B appointment.

The first stage of procurement will take place following completion of stage 3 and be completed in time for the appointed contractor to lead the detailed design in stage 4

The competitive dialogue procedure (CDP) OJEU process means:

- A Pre-Qualification Questionnaire (PQQ) stage would be tendered first. This would allow the council to identify a preferred list of suppliers and restrict the tender list;
- A competitive dialogue procedure is opened up, where suppliers are invited to discuss the project and identify potential ideas and solutions; and
- A final tender list and process is undertaken based on those invited to the competitive dialogue process.

The regulations state that the CDP should only be used on 'particularly complicated projects' where:

- The client cannot define the technical means for satisfying their requirement;
- The client cannot define the legal or financial make-up of the project; and/or
- Using the restrictive or open procedure would not be possible.

It is considered that the Western Link project, due to a number of significantly challenging technical and legal requirements, is sufficiently complicated to warrant the use of the CDP approach. Whilst this process does require the council to conduct its own procurement process, the added value gained through the CDP process is considered to add significant value and extended low-cost technical inputs to the project.

An open and competitive tendering process, for a project of this scale, is considered the most effective method to drive down tender prices and provide the best value solution to the client. The proposed project structure means that the Project Manager would be responsible for the procurement process, meaning client costs for the process are kept to a minimum. The CDP process is intended to identify the solutions most likely to meet client needs and allows the client flexibility in progressively reducing the number of bidders through the process.

The contractor selected from the CDP process will be appointed to lead the detailed design and develop a target cost. Full contract award will follow agreement of the detailed design and target cost ahead of stage 5 construction.

Table 8 summarises how the choice of contractor procurement route compares with the required outcomes.

Table 8: Contractor procurement option against commercial case required outcomes

Outcomes	OJEU tender with competitive dialogue
Cost Certainty	Facilitates consistent tendering basis as CDP allows inconsistencies to be discussed with tenders to arrive at common assumptions.
Minimise Costs	Allows competition between interested parties and adoption of appropriate form of contract.
Programme	Although not the quickest route, the process fits with tender period allowed in programme.
Quality	Competition enabled will bring added value proposals and allows choice of delivery team based on experience and suitability. Tender is open to all interested parties and so there is no limit on range of contractors to select from.
Continuity of Knowledge	Allows option to maintain project team through novation to contractor if considered beneficial.
Risk	Forms of contract enable risk to be appropriately distributed between client and contractor.
Deliverability	Allows contractor input to design at stage 4 leading to buildable designs.

Source: Mott MacDonald

2.1.3.3 Award criteria

The award criteria will be defined during the tender process; however, existing WBC frameworks operate on a 60% quality / 40% price split.

2.1.4 Consultant procurement

This section provides discussion on procurement of consultant advice in line with the overall procurement strategy identified above.

2.1.4.1 Consultant procurement options

The primary considerations in assessing consultant procurement options were:

Fit with overall procurement strategy, i.e. The chosen consultant procurement route must be compatible with the adoption of a strategy to undertake D&B procurement following stage 3.

Three in principle options were considered and assessed in line with their fit with the required outcomes. These were:

- Open invitation OJEU procurement;
- Use of a consultancy framework; and
- Early Contractor Involvement using SCAPE.

The points considered are displayed below in Table 4:

Table 9: Procurement options

Procurement Option	Procurement Option Description	Advantages	Disadvantages	Why discounted
Open invitation to tender (OJEU procurement) to select a consultancy team.	<p>Competitively tendered through the Official Journal of the European Union (OJEU); tender documentation to include a detailed specification for the scheme, including contract requirements.</p> <p>An assessment of the OJEU tenders submitted would then need to be undertaken, with the selected tender offering the best value for money, whilst also meeting the requirements of the OJEU notice.</p> <p>Any consultant procured via this route would need to demonstrate relevant experience, value for money and the capability to deliver the scheme within the required timescales.</p>	<ul style="list-style-type: none"> • High level of competition leading to competitive rates and added value proposals • Flexibility to appoint consultant team tailored to scheme requirements 	<ul style="list-style-type: none"> • Increased requirement for client support and inputs during the procurement phase • Consultants may be deterred by the high cost of bidding. • Length procurement process halting progression of scheme • Not a method that WBC has generally used to engage consultant support. 	<ul style="list-style-type: none"> • This route would not allow progression of the scheme during procurement leading to a delay in overall programme • There is a risk of acquired scheme knowledge being lost if the incumbent team is not successful, hampering WBC's evidence production at public inquiry and potentially reducing the quality of the scheme design
Use of a Consultancy framework	<p>Many framework agreements awarded by central government departments and other local authorities are enabled for use by the WBC. These cover a range of supplies and services. (e.g. Transportation and Public Realm Consultancy Services Framework)</p>	<ul style="list-style-type: none"> • Panel of approved consultants who may be engaged by WBC to provide multidisciplinary professional and technical advice, design, guidance, negotiation and assistance on construction projects and other services; and well-established procurement method that WBC has utilised through initial stages of project development • Possibility to include either a competitive process through mini tender or direct award 	<ul style="list-style-type: none"> • Absence of a single framework to provide full range of services required 	<ul style="list-style-type: none"> • This option has been selected for appointment of a consultant

Procurement Option	Procurement Option Description	Advantages	Disadvantages	Why discounted
Early Contractor Involvement (ECI)	Approach to contracting that supports improved team working, innovation and planning to deliver value for money. It involves an integrated contractor and designer team, appointed under an incentivised, two-stage contract.	<ul style="list-style-type: none"> ● Possibility to appoint delivery team used for stages 0-2 and maintain project knowledge ● Shorter tender period, allowing programme to progress ● Access to contractor experience early on in scheme development – relating to buildability, sequencing and subcontractor selection ● Early contractor input to the risk management strategy to support management of risks and improve certainty of costs whilst ensuring buildability and value for money ● Enable design and construction efficiencies realised through collaboration during the design and construction phases 	<ul style="list-style-type: none"> ● Greater degree of certainty for scheme funding is required in order to progress Early Contractor Involvement ● Involves open book cost management and in-house skills to manage ● Target cost for the main construction works is generally negotiated rather than competitively tendered, which may impact on the value for money of the construction contract 	<ul style="list-style-type: none"> ● This option has been selected for appointment of early contractor support

Source: Warrington Borough Council

2.1.4.2 Preferred consultant appointment option

Use of a framework to appoint a consultant for stage 3 delivery alongside appointment of a contractor for early contractor involvement has been selected for Western Link.

The stage 3 delivery of Western Link will be awarded via the Transportation and Public Realm Consultancy Services Framework 2013. Further consultants involved in stage 0-2 will be re-appointed to support delivery of stage 3 as detailed in 2.2.1. This will allow the project to deliver its required programme whilst maintaining the significant project knowledge amassed through stages 0 -2. Early contractor involvement will continue to be provided by Balfour Beatty appointed via the SCAPE Framework.

Table 10 shows how this route compares with the required outcomes

Table 10: Consultant procurement option against commercial case required outcomes

Outcomes	OJEU tender with competitive dialogue
Cost Certainty	Consultants are tied to framework rates and will be bound by cost caps based on the tenders they have submitted.
Minimise Costs	Framework rates for both TPRCSF and Scape are considered competitive and in line with market rates.
Programme	Provides the quickest route to progression of stage 3 which allows certainty on route alignment to be achieved quickly.
Quality	Consultants on the TPRDSF and Scape frameworks are known to have experience of the successful design of similar schemes.
Continuity of Knowledge	Allows option to maintain current project team to deliver stage 3. This allows project knowledge accumulated to be maintained and strengthens WBC's position in the event of a public inquiry.
Risk	Facilitates a productive working relationship between client consultant and contractor with each contributing to the identification and assessment of risk
Deliverability	Allows contractor input to design at stage 3 leading to more buildable designs being generated.

Source: Mott MacDonald

2.2 Sourcing options

Western link will utilise at least three sourcing pathways through RIBA stages 3, 4 and 5 which are outlined in greater detail below:

- Transportation and Public Realm Consultancy Services Framework 2013;
- SCAPE National Civil Engineering and Infrastructure Framework 2015; and
- Competitive Dialogue Procedure, OJEU, Public Contracts Regulations.

2.2.1 Transportation and Public Realm Consultancy Services Framework 2013

The Transportation and Public Realm Consultancy Services Framework (TPRCSF) is a common procurement route for services within the council. The framework has been established since 2014 and enables quick and efficient provision of expertise up to value of the OJEU funding limits.

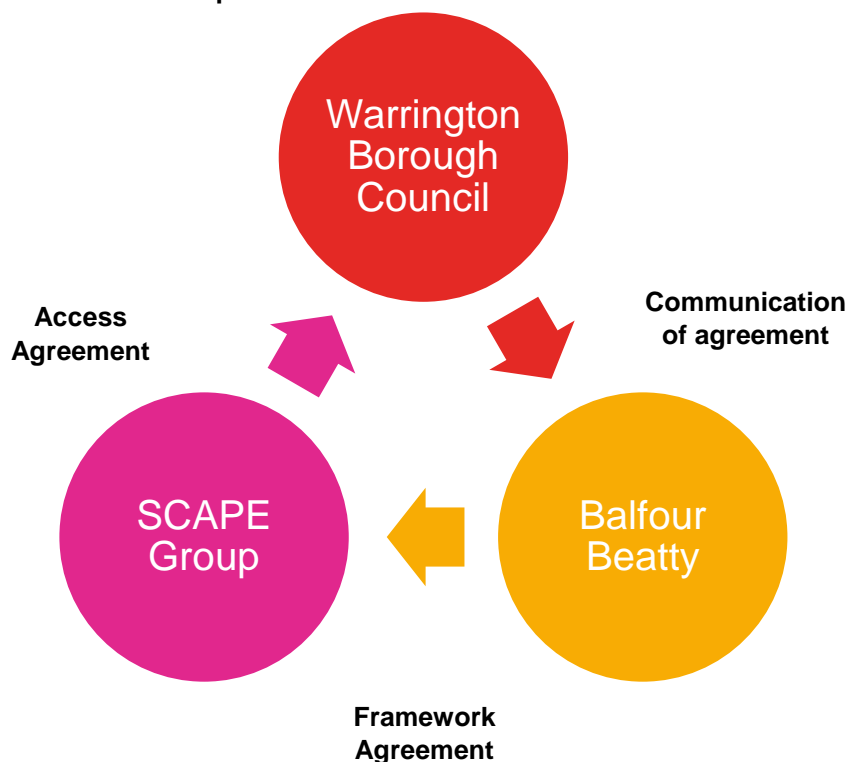
The TPRCSF consists of a group of approved consultants who may be utilised for multi-disciplinary professional and technical advice, design, guidance, negotiation and assistance on transport, construction and public realm projects. Under the TPRCSF, several leading transport consultants are listed. For Western Link, through RIBA stages 0-2 and onward into stage 3, several consultants have been selected from the Framework for their services and they subsequently form part of the project team, this includes:

- Concept Design & Business case
- Scheme appraisal
- Flood risk
- Stakeholder Management.

2.2.2 SCAPE National Civil Engineering and Infrastructure Framework 2015

Warrington Borough Council is entitled to use any of SCAPE's Frameworks. The main construction contract is to be delivered through the SCAPE National Civil engineering and Infrastructure Framework 2015. The schematic below demonstrates the main processes in order to use the SCAPE Framework.

Figure 5: SCAPE Framework process



Source: Mott MacDonald

Project inputs are distributed across three main gateways:

1. Feasibility stage - the development of feasibility design, costs, QRA and related design works are set out;

2. Pre-construction stage - formal engagement with Balfour Beatty and agreement of the work necessary to deliver the contract price; and
3. Construction stage – formal appointment through the SCAPE Framework, the construction contract is signed and commences.

Balfour Beatty is currently the incumbent provider of engineering services on the SCAPE Framework. WBC has the opportunity to go through each of the gateways within the SCAPE Framework, as well as opportunity for WBC to place the scheme on hold if they wish to pursue other procurement frameworks. The SCAPE Framework enables competitively tendered rates up-front and free scheme development advice. WBC intends to use the SCAPE Framework through stage 3, to ensure some effective early contractor involvement, with the option to invite them to tender through the OJEU CDP process at stage 4.

2.2.3 Competitive Dialogue Procedure, (CDP) OJEU

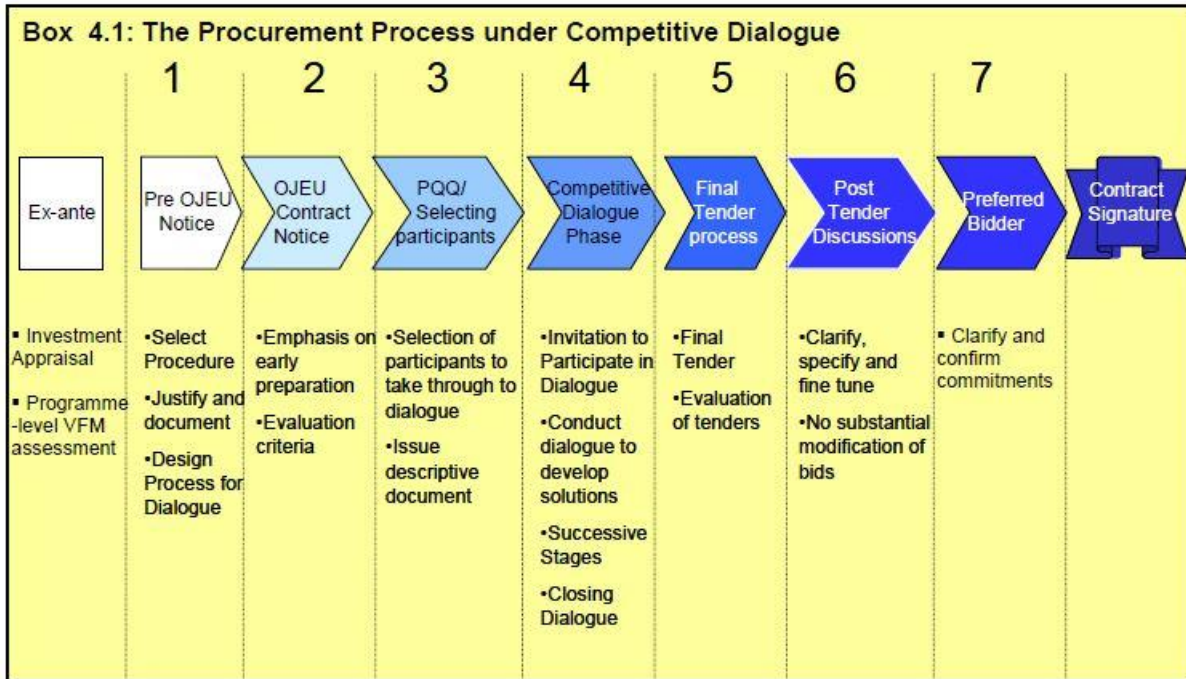
OGC/HMT issues guidance on the use of the CDP. The guidance states that there are a broad number of projects that can be covered by the CDP and there will be an understandable variety in methods. The one key advantage of the CDP is that it can lead to significantly improved quality of outputs for the client, and can be preferable to the outputs achieved during the negotiated procedure with a preferred bidder. However, it does require a higher level of skilled input on the client side, and a commitment to a higher level of time/money input from the client.

The CDP is broken into three key phases:

1. Pre-dialogue activities: project setup, planning and preparation before the contract is advertised;
2. Dialogue phase: dialogue meetings, organisation and resource requirements and the preparation of closure of the dialogue; and
3. Post-dialogue phase: call for final tenders, competition issues resolution and clarification of tenders and letting the contract.

Figure 6 illustrates an outline of the procurement process using the CDP process.

Figure 6: CDP Procurement Process



Source: OGC/HMT 'Competitive Dialogue in 2008'

3 Contract and payment mechanisms

This section outlines the payment mechanisms and providers that have thus far been used to deliver the Western Link, as well as those that will be adopted as the scheme moves forward. The scheme to date has primarily used 2 existing contracts and will use a third to be established under the CDP process; these 3 are:

- SCAPE national Civil Engineering and Infrastructure Framework 2015;
- Transportation and Public Realm Consultancy Services Framework 2013; and
- Competitive Dialogue Process, OJEU, Public Contracts Regulations.

Each of the payment mechanisms are outlined below. For the CDP process, overviews of the potential payment mechanisms are given, with the defined payment mechanism to be confirmed through the bidding process.

3.1 SCAPE National Civil Engineering and Infrastructure Framework 2015

The contract value for the delivery of Western Link will be contained in the contract between WBC and Balfour Beatty. This will be completed once Western Link passes through to Full Business Case and full funding from Warrington Borough Council and Department for Transport has been agreed.

Balfour Beatty are paid monthly and in return detailed invoices in accordance with the terms and conditions of the contract are submitted each month. Payment is processed between Warrington Borough Council and Balfour Beatty for the agreed services.

Any future funding provided by Department for Transport will be filtered through to Warrington Borough Council who will then pay Balfour Beatty.

3.2 Transportation and Public Realm Consultancy Services Framework 2013 (TPRCSF)

The TPRCSF was established in 2013 to give WBC access to five consultancies 'on demand' via a competitive bidding framework using Quotation Request Forms (QRF). The payment terms for the TPRCSF are in arrears within 30 days by invoice. WBC operate a preferential payment arrangement with ongoing suppliers, this entitles them to guaranteed payment within this period. All consultancies on the TPRCSF are on the preferential supplier list.

3.3 Competitive Dialogue Process, OJEU, Public Contracts Regulations

Following the completion of the CDP process, it is likely that WBC would seek to adopt a NEC4 (Option C) contract with a chosen supplier. The NEC4 contract outlines a definitive end-to-end project management process and allows for the delivery of works, services and the supply of goods. WBC would seek to establish the NEC4 on the same basis as the SCAPE Framework, entitling payment in arrears within 30 days.

4 Pricing framework and charging mechanisms

This section outlines the potential pricing framework and charging mechanisms available under all 3 arrangements. As in the above sections, the following contractual arrangements are either being used or, in the case of the 3rd point, are proposed to be used by WBC:

- SCAPE national Civil Engineering and Infrastructure Framework 2015;
- Transportation and Public Realm Consultancy Services Framework 2013; and
- Competitive Dialogue Process, OJEU, Public Contracts Regulations (NEC4).

4.1 SCAPE National Civil Engineering and Infrastructure Framework 2015

This section documents the incentives, deductions and performance targets of Western Link, as it relates to work to be undertaken in stage 3 as part of the SCAPE framework. The SCAPE framework includes two main payment areas:

1. Contractor and their agent payments; and
2. SCAPE Procure Management Team payments

The fee for using the SCAPE framework is set at 0.5% of the total contract value (0.25% at Project Order; 0.25% at Delivery Agreement). The payments direct to the contractors or contractor's agents are determined based on fee quotations or the target contract cost. Balfour Beatty has provided a charging rates schedule to WBC.

In accordance with the SCAPE National Civil Engineering and Infrastructure Framework Schedule 10: Contractor's Fees, Working Area Overhead and People Costs, the following sections of the pricing framework are agreed between Balfour Beatty and Warrington Borough Council:

- Feasibility is to be completed free, with the exception of any required enabling works (paid as short form NEC contract) and PSC contracts (paid as NEC PSC Contracts);
- Pre-construction (ECI Phase) Balfour Beatty staff paid at pre-agreed rates, any required enabling works (paid as short form NEC contract) and PSC contracts (paid as NEC PSC Contracts);
- Model Delivery Agreement, paid as NEC Option A or Option C (client discretion);
 - Direct Fee and Subcontracted Fee percentage agreed at 2.5%;
 - Working Area Overhead agreed at 9%;
 - Working Area Overhead is calculated on all defined cost, not people; and
 - Staff rates are pre-defined for the build-up of the Option A or C Price (actual cost for option C from commencement).
- Regional adjustments to the staff people costs for the North West (-12.23%) to be applied to costs as agreed in accordance with Part 3 of Schedule 10.

An incentive scheme will also be put in place within the contract; Warrington Borough Council will inaugurate incentives for the contractor to deliver on time, as well as incorporating penalties for late delivery based on liquidated damages where financial implications for Warrington Borough Council can be evidenced. This process ensures both parties deliver best value for the

project. The incentives for the schemes will be finalised following discussion with Scape Group Ltd and the framework contractor.

In addition, St. Helens Council intend to include incentives for the contractor to deliver on time, including penalties for late delivery based on liquidated damages where financial implications for St. Helens Council can be demonstrated. Inclusion of these incentives is subject to future discussions with SCAPE Group Ltd and the framework contractor. This is currently being explored by WBC.

WBC will be using the SCAPE framework for the 'pre-construction' phase defined under the SCAPE framework.

4.2 Transportation and Public Realm Consultancy Services Framework 2013

The TPRSf has an agreed pricing and charging mechanism within the contract to allow WBC to make informed decisions on which to engage consultants for service related to Western Link. Each consultant has provided rates for staff on a competitive basis that are eligible for RPI increases each April for the duration of the contract. The rates included in the contract vary by grade, including technical grades E1-4 and management grades M1-2.

4.3 Competitive Dialogue Process, OJEU, Public Contracts Regulation (NEC4)

The procurement is likely to be undertaken on the basis of the NEC4 Engineering and Construction Contract (ECC). There are several options available to the authority detailed options A to F:

- Option A: priced contract with a delivery schedule;
- Option B: priced contract with bill of quantities;
- Option C: target contract with activity schedule;
- Option D: target contract with bill of quantities
- Option E: cost reimbursable contract; and
- Option F: management contract.

The likely form of NEC4 contract would be Option C as this provides a balance of risks between WBC and the contractor during the detailed design stage. A schedule of rates would be provided with the contract, including a target cost. This would include estimates of time required to complete the project to the agreed target cost. The exact pricing of these staff and activities will be subject to the CDP process. An updated target cost will be agreed following the detailed design stage. At this point WBC may either continue with construction works on a target cost basis or convert to option A and a fixed cost.

5 Contract length

It is anticipated the Western Link will procure services using three types of contract at different future stages of the project. Table 11 shows the proposed types of contract used within the project, plus an estimate of use during the relevant stage and the length of time each contract will be used.

Table 11: Proposed contracts for use on Western Link

Contract Type	RIBA Stage	Length
SCAPE national Civil Engineering and Infrastructure Framework 2015	Stage 3 (Matches the 'pre-construction stage' in the SCAPE framework documents)	12 months
Transportation and Public Realm Consultancy Services Framework 2013	Stage 3	12 months However, the contract is due to be re-tendered in early 2018. Will be replaced with TPRSf 2018-2022
Competitive Dialogue Process, OJEU, Public Contracts Regulations (NEC4 Option C)	Stages 4 & 5 onward	4 years

Source: Warrington Borough Council

6 Contract management

6.1 Contract Management

The construction contract is proposed to be a NEC4 (Option C) Contract. As per the timescales identified in the previous chapter, the design and build contractor will be appointed at the end of stage 4A and construction contract is intended to be fully awarded at the end of stage 4 following a period of detailed design.

The NEC suite of contracts are well understood and are a tried and tested set of contracts used on large scale construction schemes. In addition, the implementation of NEC contracts has resulted in major benefits for projects both nationally and internationally in terms of time, cost savings and improved quality. NEC contracts have been uniquely designed using the following three key unique characteristics:

- Proven contract arrangement with many projects successfully being delivered in terms of time, cost savings and improved quality;
- NEC contracts facilitated a good working relationship between the two parties and enable good management of the project; and
- NEC contracts can be utilised in various commercial situations.

The recent update to the NEC4 suite of contracts from NEC3 reflects procurement and project management developments and emerging best practice, with improvements in flexibility, clarity and the ease of administration

In selecting the NEC4 contract, WBC has adopted a 2-stage contract strategy with a break clause after the detailed design phase (stage4). The next stages (stage 5 and onward) are subject to approvals for scheme delivery in terms of planning, land and environment, as well as provision of target costs.

It is anticipated that the contract will be managed by the Transport and Operations Section of Warrington Borough Council. There will be an internal project management team, including a project manager, a project engineer and a project planner. Delegated powers under the NEC4 contract will be passed onto the Senior Responsible Officer (SRO) and project management team to manage the day to day activities of the construction team. The SRO for the scheme is Dave Boyer, Assistant Director, Economic Regeneration, Growth and Environment.

There will be a dedicated engineer on site on behalf of the Council to oversee construction and ensure targets are maintained.

Additional support for the financial management of the contract will be sought from an independent Quantity Surveyor. The Quantity Surveyor will verify accounts, check rates and cost reimbursements to ensure project costs remain within agreed tolerances.

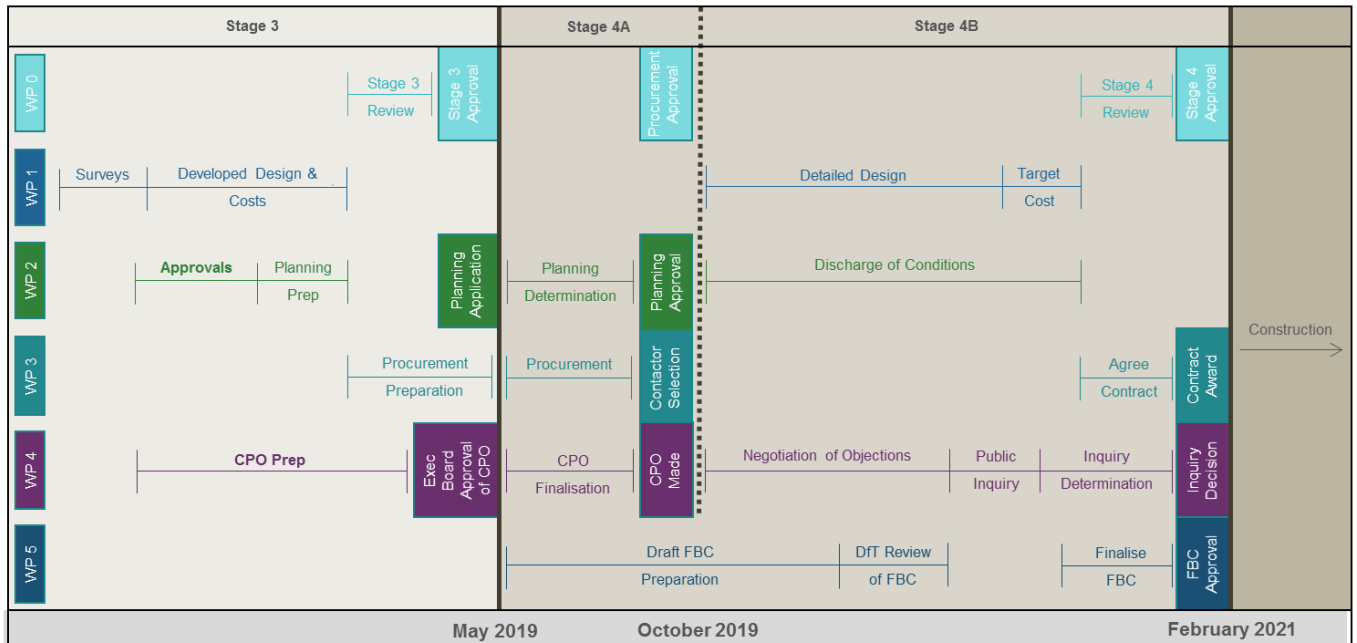
The Programme Manager will provide continuity from scheme development, through to detailed design, construction and final account settlement. WBC as the planning authority will monitor the construction works to ensure any specified conditions are adhered to by the contractor.

6.2 Human Resources

The Western Link is a significant construction project with a considerable human resources requirement. This includes understanding requirements across the WBC client team, the project

team, the design team and the contractor team. The project is split into three remaining key phases, RIBA stages 3, 4 and 5 and six work packages 0-5. Figure 7 shows the high-level programme.

Figure 7: High level programme



Source: Mott MacDonald

The project has the following estimated resource implications up to stage 5. The resourcing implications from stage 5 will be subject to the terms of the NEC4 Option C contract. Table 12 therefore provides an estimate of the resource hours required to deliver stages 3 and 4 of the Western Link project.

Table 12: Human resource implications for stages 3 and 4

Project Resourcing Area	Hours
WBC Resource (Client Project Team)	44000
Design Resource	116700
Planning Resource	4400
Procurement Resource	6000
Land and CPO Resource	14700
Business Case Resource	2500

Source: Warrington Borough Council

WBC will be responsible for oversight of the project on the client side of the delivery arrangement. The relevant professional activities to appropriately resource this aspect of the project include a Scheme Designer, Client Project Manager, a Road Safety Review, ITS Engineer and Planning Inputs. WBC will also appoint a client side project management team to provide a necessary link to the internal WBC processes and teams.

The Scheme Designer will undertake the majority of the work during stage 3. This will require professional inputs from the following (but not limited to) skilled professionals:

- Project Manager;
- Principal Civil Engineer;
- BIM Manager/Professional;
- Highway Design Engineer;
- Structural Engineer;
- Geotechnical Engineer;
- Town Planning Lead;
- Environmental Assessment Lead;
- Landscape Designer; and
- CDM Lead.

The Scheme Designer will be appointed prior to stage 3 of the project. The contractor will be appointed prior to stage 4 and will be responsible for progressing the scheme design up to the construction phase, in addition to undertaking the necessary on-site investigations to inform the construction phase. The contractor will be expected to provide a design team including those disciplines noted above. Additional professional inputs required during stage 4, include (but are not limited to):

- Contract Manager;
- Quantity Surveyor;
- Site Agent;
- Project Planner; and
- Design Manager.

There are no TUPE implications of the project.

A further consultant will be appointed to provide WBC and the DfT with independent project scrutiny. The scrutiny will extend to:

- Scheme technical designs;
- Traffic Modelling;
- Scheme costs; and
- Business Case.

7 Programme implications and risk

This section sets out how the type of risk is shared amongst relevant parties for the Western Link Scheme. It should be noted that a more detailed account of risk management can be found in Section 8 of the Management Case.

Two delivery risk workshops were undertaken with Warrington Borough Council in July and September of 2017 to identify risks and mitigations and assess the likely level of impact in terms of both time and cost. A project risk register was subsequently developed which formed the basis of the Quantified Risk Assessment (QRA). The QRA has provided information to inform the cost contingencies specified in the Financial Case.

The QRA sets out the scheme risks associated with Western link and is found in Appendix N. The assessment identifies the key risks towards the project, each risk has then been identified, recorded and updated continuously through the lifetime of the Western Link Scheme. For each risk, a party has been selected and allocated management of the risk.

The key risks identified in the risk register have been summarised in the table below. Here, the probability of each risk, its impact and rating is displayed.

Table 13: key risks identified in the risk register relevant to the commercial case

Risk	Risk event	Consequence	Mitigation	Probability	Impact	Risk matrix rating
Construction programme risk	The construction of the physical assets are not completed on time or to specification.	The asset delivered is either late or not of sufficient quality leading to delays whilst issues are rectified. Negative impact on achieving scheme benefits and loss of reputation for WBC	Set in place robust reporting and monitoring process during construction phases. Draft construction contract with appropriate share of programme risk. Appoint Clerk of Works to monitor quality and progress	3	3	Yellow
Procurement risk	Procurement of services may not be successful or are delayed	Stage 4 of the project cannot progress without a D&B contractor in place. Scheme progression is delayed	Issue PQQ to shortlist suitable D&B contractors. Undertake competitive dialogue OJEU process to allow discussion of scheme requirements	3	4	Orange
Cost risk	The scheme escalates in cost e.g. cost of materials and infrastructure	Western Link client team required to investigate the provision of additional funds internally or via alternative sources. WBC required to cancel the scheme or agree to additional borrowing	Ensure periodic cost reviews are held and ensure that value engineering is undertaken at key stages of the project	4	2	Yellow
Provider risk	Sub-standard contractor performance	Scheme experiences delays during detailed design or construction due to inadequate performance or management of the D&B Contractor	Ensure that decision making members are well briefed on the reasons for the scheme and any opposition members are kept appropriately informed of the reasons and justifications for the scheme	3	3	Yellow

Source: Mott MacDonald

7.1 Risk allocation and transfer

Warrington Borough Council will retain responsibility for all risks during stages 3 & 4 of delivery. The ownership and management of risks during stages 3 & 4 will be distributed to appropriate work package leads with a requirement to report and escalate to the Project Manager as necessary.

At contract award at the end of RIBA stage 4, the D&B contractor will be assigned risks that encompass design, appropriate planning conditions, estimations of the quantities, mitigation measures and resources of the Western Link scheme. Warrington Borough Council will continue to take responsibility for risks that encompass land, residual planning and environmental permission. Included is the responsibilities of preparing Compulsory Purchase Order and attending Public Enquiry. In addition, all risks on cost overruns remain with Warrington Borough Council.

