

London Borough of Enfield

Cabinet

09 March 2022

Subject: Approval for Award of Rail Main Contractor

Cabinet Member: Cllr Nesil Caliskan

Executive Director: Sarah Cary

Key Decision: 5311

Purpose of Report

1. Cabinet report ref KD 4711 delegated authority to enter into a contract for the HIF works. Given the value and following the conclusion of a competitive tender process, this report seeks approval of the selection of a preferred contractor and entry into contracts for the delivery of rail infrastructure works at Ponders End station, which will enable the increase of rail frequency at Meridian Water station.
2. The Housing Infrastructure Fund Grant Determination Agreement (“**HIF**”) entered into by Council in October 2020 with the Department for Levelling Up, Housing and Communities (“**DLUHC**”) pursuant to which funding will be made available for the delivery of the rail works) requires the Council to complete the rail works by 31st March 2024. The works will be forward funded by the Council and reimbursed by the HIF on a quarterly basis once funding goes unconditional, expected in March 2022
3. This report seeks approval to award a Pre-Construction Services Agreement (“**PCSA**”) and, subject to satisfactory performance of PCSA obligations, a subsequent NEC4 construction contract for the completion of the works.

Proposal(s)

4. Approve the appointment of the preferred contractor, Bidder A, based on GRIP stage 3 design information for the delivery of a programme of strategic rail infrastructure works at Ponders End to facilitate the uplift in train frequency at Meridian Water station as set out in part 2 of this report.
5. Approve the entry by the Council into a PCSA with the preferred contractor.
6. Delegate authority to award the NEC4 contract to Bidder A to the Director of Development subject to (i) unconditional availability of funding from DHLUC under the HIF Grant Agreement, (ii) agreement of design and prices that are

within the required project scope and budget (iii) all necessary licences and approvals for works being granted by Network Rail.

7. Subject to availability of sufficient funds in the approved capital budgets delegate authority to approve and enter into subsequent variations to scope under the contract to the Meridian Water Development Director.
8. Approve for the additional expenditure of £9.3m for the main works to be forward funded in 2022/23 and 2023/24 from the Capital Programme subject to unconditionality of the HIF funding. This is in addition to the previously approved HIF budget. The forward funding will be reimbursed quarterly from the Housing Infrastructure Fund (HIF funding) up to £53.9m until the end of 2023/24. Refer to paragraph 10.

Reason for Proposal(s)

9. Strategic rail infrastructure is required to provide 4 trains per hour at Meridian Water station to facilitate the growth expected at Meridian Water between 2024 and 2041. The agreed approach with relevant rail stakeholders is the introduction of a passing loop at Ponders End station to enable stopping services at Ponders End station to be overtaken by fast services. This allows an increase of stopping services at Meridian Water Station.
10. It is intended that the entirety of the rail infrastructure works will be funded by the HIF grant. It is a requirement of HIF Grant Determination Agreement that the funding is claimed by 31st March 2024. The Council will be unable to claim HIF funding for any works completed after 31st March 2024. The Council therefore needs to appoint a contractor to commence the Strategic Rail Infrastructure Works in time to claim 100% of the funding available to it.
11. The original project programme had GRIP 4 design being completed prior to the appointment of the main contractor and commencement of GRIP 5. However, due to delays of the design to date, alternative methods for delivering the work have been investigated. The preferred method to mitigate design delays is to enter into a PCSA with the preferred contractor to enable critical path activities in the NEC4 contract to be brought forward to protect the funding expiration date of March 2024.
12. Subject to satisfactory performance of the PCSA obligations, the Contractor is expected to be appointed under a NEC4 works contract in the Summer 2022 to build upon the PCSA and commence GRIP 5 design work, with GRIP 6 construction works commencing in early 2023. The construction works are estimated to take around 12 months on site to complete.
- 13.
14. The PCSA period coincides with the preliminary expenditure phase of the HIF agreement which allows the Council to be reimbursed by DLUHC for costs incurred by the PCSA works.

Funding Timeline



Relevance to the Council Plan

15. **Good homes in well-connected neighbourhoods:** The recommendations in this report will enable the delivery of the strategic rail infrastructure works. The construction of these key pieces of infrastructure will allow more frequent train services from Meridian Water in the morning and evening peak times.
16. **Safe, healthy and confident communities:** The HIF Rail Works will include ecological and diversity assessments in line with Network Rail standards. The rail works will contribute to the achievement of long-term carbon emission goals, through improved energy efficiency, helping others make more carbon efficient journeys, which reduces the need to use a car. These works can also contribute to the health and wellbeing of the existing and future communities in the area
17. **An economy that works for everyone:** The delivery of strategic rail works will unlock the Meridian Water area and significantly increase accessibility of the site, especially by public transport. It is expected that increased accessibility will support local businesses, as well as attract new jobs and business growth in the area supporting Enfield residents and the local economy.

Background

18. In July 2018, Cabinet approved the submission of a funding application to DLUHC (formally Ministry for Housing, Communities and Local Government (MHCLG)) for HIF funding to deliver strategic infrastructure works at Meridian Water.
19. The Housing Infrastructure Fund is a government capital grant programme from the MHCLG aimed at unlocking housing sites and helping deliver new homes.
20. In early December 2018 a funding bid for the HIF was submitted to central government by the GLA on behalf of Enfield Council. The HIF is a government capital grant programme from the **DLUHC** aimed to unlock housing sites and help deliver new homes.
21. The scope of works proposed for HIF funding includes rail enhancement works (HIF Rail Works) and strategic road and flood alleviation works (HIF Site Works). These works are required as a first phase of strategic infrastructure to unlock housing delivery in Meridian Water.

22. In August 2019 Central Government announced that the Council's bid had been successful. The grant agreement was entered into between the Council and DLUHC on 30th October 2020.
23. In order for the Council to claim the maximum amount of HIF Grant available to it, all Strategic Rail Infrastructure Works (SRIW) must be completed before the delivery deadline of 31st March 2024. To ensure timely delivery ahead of the funding deadline, the Council has commenced with the necessary procurements in advance of confirmation that all conditions to funding have been satisfied.
24. As this project is being developed as new rail infrastructure, as funded by a third party (DLUHC) and delivered by a non-rail entity (Enfield Council) it was agreed that project governance should be dictated by the Department for Transport process called "Rail Network Enhancements Pipeline" (RNEP). The Network Rail Governance for Railway Investment Projects will be the process for ensuring the third-party design complies and integrates with Network Rail standards. The optioneering stage of the RNEP process is called Scheme Outline Business Case as approved in 2019, and it is with this document that the project and its stakeholders consisting of Network Rail, DLUHC, Greater Anglia, Department for Transport, Transport for London, Greater London Authority and others agreed that the Option called 4A1 – Bronze Option is the most effective and efficient option to take forward.
25. The Outline Business Case was developed through 2020 and approved by Department for Transport in August 2020.

Through 2021 and 2022, the Full Business Case was developed, accompanied by Letters of No Objection from Network Rail and Greater Anglia. The Council expects the Department for Transport to approve the Full Business Case on 20 March 2022. This is the final step of approvals from industry partners for delivery of rail infrastructure. The Council expects the award of the works contract to occur in July 2022. The approval of the Full Business case is a pre-requisite for the Council to enter into the NEC contract.

26. Stakeholders are periodically informed via monthly progress meetings on the programme, progress of procurement, design, land acquisitions and key deliverables as stipulated in the Grant Determination Agreement.

Team

27. The early-stage design, GRIP (Governance for Railway Investment Projects) stage 1-2, was undertaken by:
- Network Rail (NR) as the operator and maintainer
 - CPMS (Egis) as the rail project managers, and
 - OVE ARUP as the business case specialists.

The later stage design, GRIP 3-4 work is being undertaken by:

- NR, as operator, maintainer and design approver

- OVE ARUP as the business case specialists.
- CPC Project Services as the rail project managers, and
- WSP UK Ltd as the designers who will ensure that the passing loop design is formally approved by Network Rail.

28. The Meridian Water Rail Team has appointed a Rail PMO (CPC Project Services), with the expertise and experience to lead the project and support with the project through GRIP 3-GRIP 8

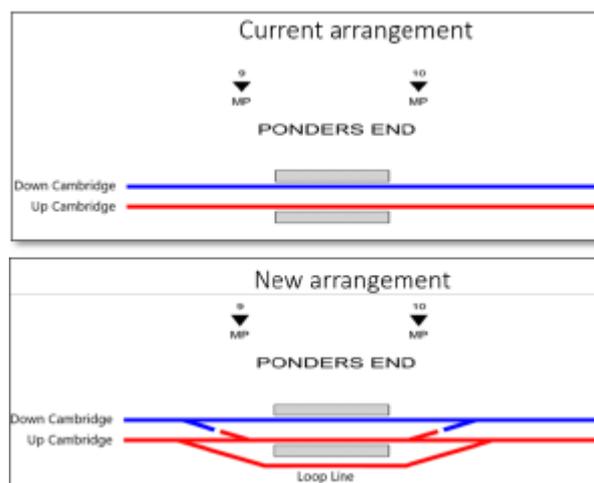
29. A separate procurement has been completed to appoint contract management services for this contract (see KD 5170). This will ensure high quality project and cost management is applied to the construction contract.

30. The contractor procurement was carried out in close collaboration with the Council's internal Legal and Procurement teams. This to ensure the procurement process is carried out in compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

Scope of Works

Currently the rail infrastructure at Ponders End Station consists of 2 main running lines called the Cambridge Up (trains running up towards London) and the Cambridge Down (trains running down towards Cambridge). This only allows a certain amount of trains per hour through the Meridian Water station and Ponders End station.

The intent of the project is to increase the number of trains at Meridian Water station by holding the stopping services at Ponders End station whilst fast trains pass around them. To enable that, the diagram below shows the changes to the rail infrastructure required, most notably the introduction of the loop line around platform 1 and the cross overs from the Down to the Up.



See Appendix 1 for Schematic of Existing platforms with proposed solutions

31. The work to construct the new infrastructure comprises: de-vegetation works, pilling, general site clearance and site spoil removal, sheet and bored piling, overhead line equipment works, Mechanical and Electrical works, signalling works, build and installation of new line and installation of plain line track.

32. A more detailed list of deliverables by the Contractor is provided below:

- a) Surveys—validation and extension of GRIP 4 as deemed necessary.
- b) GRIP 5 –Detailed Design -Individual Discipline Reports
- c) CIVILS – Design, construction, and acceptance of installation of bored and sheet piling for ground retention and overhead line equipment stanchions, site level reduction and spoil removal
- d) M&E – design and installation of mechanical and electrical components
- e) OVERHEAD LINE EQUIPMENT – Design, construction and acceptance of Overhead Line Equipment foundation, heights and staggers
- f) SIGNALLING – Design, construction and acceptance of Signalling Scheme Layout, Specification, Control Tables, Signal Sighting, Signal test strategy, Bonding Plan, Panel Layout
- g) TELECOMS – Design, construction and acceptance of telecommunications (cabling) in compliance with Network Rail standards.
- h) TRACK – Design, construction and acceptance of permanent way / plain line track including ballast.
- i) ERGONOMICS – Design, construction and acceptance of Network Rail signalling personnel ergonomics at the Integrated Electronic Control Centre (Signalling depot).
- j) ELECTROMAGNETIC COMPATIBILITY (EMC) – Design, construction and acceptance of earthing and bonding of new assets installed as part of this contract.
- k) Common Safety Method –Risk Evaluation and Assessment, Safety Justification Report, Safety Assessment Report, Declaration

Licences and Land Transfer to Network Rail

33. The project is being delivered wholly within the rail corridor, as such Network Rail agrees that the works fall under Town and Country Planning Part 18 Permitted Development without prior approval ('notification'). However, proposals with any bridges will require engagement and prior approval Enfield Council during 2022.

34. As of March 2022, all land required for the project that is not owned by Network Rail will be transferred to Network Rail. This process has been managed by Network Rail.

35. Under the Network code as stipulated by DfT, specific licences required to enter Ponders End Station do not exist to carry out works on the station. The process is carried out under the 'Station Change' process as part of the normal rail project processes. Any specific works by the contractor on the station needs to be sufficiently detailed for Greater Anglia to accept prior to works commencing.

Procurement Process and Contract Approach

36. Given the estimated value of works exceeded the public procurement threshold it was determined to go out to tender for the rail contractor. On the 05 of February 2021, the Programme Director - Meridian Water gave approval (MW103);
- a) to proceed with the procurement of a design and build GRIP 5 to 8 contractor via a restricted procedure route.
37. The procurement process was conducted as a two-stage procurement process:
- a) An initial call for competition where a shortlist of bidders is selected in the first stage (determine interest)
 - b) Invitation to Tender (select successful supplier)
38. In January 2021, the Council's rail advisors undertook a market research analysis of the industry to understand the appetite and competence of contractors who would be interested in delivering the Meridian Water rail project. The top 20 contractors within the rail environment were contacted, in particular, contractors that had worked with Network Rail (NR) previously and were on the Network Rail's top 20 contractors list for revenue.
39. The Contract Notice was issued on 15 April 2021. The Contract notice contained the 'Selection Questionnaire' (SQ) for return on 17 May 2021. The purpose of the SQ was to enable a shortlist of bidders.
40. Five bidders returned selection questionnaire on 17 May 2021. The return was evaluated by Enfield Council's Rail Programme Manager, the rail PMO for the Council technical and delivery expert), the rail PMO for the Council (Technical and commercial expert), Enfield Council's Sustainability Lead and Enfield Council's Social Value Lead.
41. Three bidders were subsequently shortlisted to proceed to the ITT stage.
42. See Confidential Appendix for scores.
43. The final Tender was issued on 06 October 2021 and returned on 13 December 2021. The tenders were evaluated against criteria below:

Criteria	Weight
Technical score (including Sustainability and EDI)	70%
Price (comprising 5% robustness + 25% pricing submission)	30%

44. The tender return was evaluated by panels comprising senior officers in the Meridian Water Team and Enfield's professional consultants. Separate evaluation panels were set up for the Technical Section, Social Value, Sustainability and Price. Evaluation panel members were briefed on the evaluation process.

Evaluation Panels included:

- Meridian Water Rail Lead;
- PMO Project Lead

- PMO Senior Project Manager
- Specialist sustainability and social value officers in the Meridian Water team and from the PMO
- External consultants including: Commercial Manager and a sustainability expert
- Procurement oversaw the process and carried out moderation meetings on the tender returns to agree the scoring.

Two bids were received from bidders which have relevant experience and are suitable to carry out the Strategic Rail Infrastructure Works. The third shortlisted bidder withdrew during the process for commercial and technical reasons. Each provided compliant bids and met the Council's minimum requirements. Bids received included technical responses on quality and resource, as well as proposed programmes, risk and opportunities registers, and sustainability component. The bidders provided a social value score using the social value portal.

45. See Confidential Appendix for scores.

Main Considerations for the Council

46. The current design, procurement works and PCSA are covered by the agreed preliminary cost phase and draw down of this money is ongoing. The Council will be unable to claim HIF funding for any works completed after 31st March 2024 or for works which do not comprise part of the Council's HIF bid.
47. Following award of the contract the newly procured rail contractor will work in collaboration with Enfield Council and the PMO to drive the delivery of the HIF Rail Works under the contractual arrangements of the contractor's appointment and within the context of the Council's vision and objectives.
48. The project programme requires the rail contractor to be appointed under the PCSA prior to 20 April 2022 and under full contract by 15 August 2022. It should be noted that the introduction of a PCSA at this stage is beneficial to the project as it brings forward critical path activities such as de vegetation and site clearance, ordering of long lead items such as plain line rail, securing of key equipment such as in demand engineering trains and booking of possessions required to do the works.
49. For context, there are only 11 x 52 hour or long possessions (periods of time where trains do not run, allowing construction work to take place) per year positioned sporadically through the calendar. The contractor will prepare for these possessions at least 52 weeks in advance. Planning on the railways dictates the major works required for the project take place inside these long possessions so construction work can carry on without live electricity in the overhead line equipment and the danger of running trains through the works site. If a PCSA were not to be entered into, the organising of the long lead items, site clearance, planning for engineering trains etc could not commence until the late summer 2022, a delay of 4-5 months. The implication is that if the project were to miss opportunities to book engineering trains (generally 12

month lead time), the sporadic nature of the 52 hour possessions could mean the project is delayed by 5-7 months.

50. The successful bidder has demonstrated the required expertise and experience to deliver the tasks set out in this report.
51. As explained in Relevance to the Council's Plan, this appointment is critical to unlocking development that contributes to the Council's priorities.

Safeguarding Implications

52. The recommendations in this report do not have any safeguarding implications.

Public Health Implications

53. Climate change has been described as the greatest threat to public health in the 21st Century. With that in mind, Meridian Water is committed to zero-carbon construction, renewable and sustainable resources and to generate more energy than it uses. This is in line with Enfield Council's pledge to become a carbon neutral local authority by 2030.
54. The appointment of a rail contractor will enable the Council's pledge by bringing understanding and best practice to the delivery of zero carbon construction. The Tender documentation includes mandatory biodiversity requirements in line with Network Rail environmental standards as well as the Meridian Water Environment and Sustainability Strategy. The appointment of the rail contractor therefore has positive public health implications.

Equalities Impact of the Proposal

55. The Council has a duty to promote equality, diversity and inclusion, and it recognises the issue of diversity specifically within the construction sector.
56. The bidders' approach to Equality, Diversity and Inclusion has been assessed as part of the tender process.
57. The Council has a duty to promote equality, diversity and inclusion and wishes to recruit staff and contract with organisations that reflect the Borough's diverse population, it also recognises the issue of diversity specifically within the construction sector. The project has stipulated within the tender documentation that the contractor has an obligation to provide at least:
- 100 hours of community engagement for youth in the Edmonton ward, or wider borough if necessary.
 - 3 x rail apprentices through collaboration with the College of North East London
58. The tenders submitted in response to the Council's ITT were evaluated against price (30%) and quality (70%). 2% of the quality score is attributed to Equality, Diversity and Inclusion and 8% to Social Value

59. Bidders were asked also to complete Equality and Diversity monitoring forms to be submitted as part of their tender response, albeit the information included within the forms did not form part of the assessment.
60. An Equalities Impact Assessment (EQIA) by Ottaway Strategic Management Ltd was commissioned by the Council to consider the impacts of the Meridian Water (Strategic Infrastructure Works) Compulsory Purchase Order. The EQIA concluded that there are no direct negative equality impacts identified against any of the protected characteristics. However, there are some groups with protected characteristics who are likely to experience proportionately higher consequences of the regeneration of Meridian Water and these are:
- a) White other staff, including Eastern European, Turkish and Greek
 - b) BAME Staff
 - c) Women in properties in third party ownership; and
 - d) Older members of the workforce potentially less able to re-engage in the labour market if their jobs are lost to the relocation programme.
61. The EQIA proposed several mitigation measures to address these indirect impacts which the Council intends to implement including the implementation of effective equalities monitoring by the Council and development and construction partners. The EQIA also acknowledges significant potential positive impacts of the regeneration of Meridian Water (including for example, new homes, social infrastructure and employment growth) and that these benefits will likely impact on all the aforesaid groups having protected characteristics.
62. An EQIA was also prepared by the Council's Strategic Planning Team to support the ELAAP submission. The planning application for Phase 2 was also subject to an EQIA. The Phase 2 application was accompanied by a socio-economic analysis as part of the Environmental Statement. No substantive negative impacts to persons or groups with protected characteristics were identified

Environmental and Climate Change Considerations

63. The Council has a goal to become carbon neutral by 2030. Meridian Water aims to use zero-carbon construction, renewable and sustainable resources, generate more energy than it uses, foster active travel and support low-carbon communities. It should be noted that Meridian Water will not have any ownership or influence over the infrastructure assets once it is brought into service. It will be maintained and operated by Network Rail and Greater Anglia.
64. The Rail contractor will not be the sustainability lead for the project but will have a key role working within the project team to deliver a scheme design that meets the objectives set out in the Meridian Water Environmental and Sustainability Strategy (ESS). Accordingly, within the ITT the bidders were asked (having considered the ESS guidance for schemes 'launched' between 2020 and 2024) how they would achieve the ESS objectives in light of the following headings:

- a) Carbon Positive
- b) Environment Positive
- c) Zero Waste and Circular

65. Bidder A's submission demonstrates that they have been active in advising their clients on best practice for reduction of carbon consumption within their development projects. Indicative examples include using composite recycled plastic sleepers carbon offsetting, ecological assessments etc.

Risks that may arise if the proposed decision and related work is not taken

66. **The Council will need to fund (all or part of) SRIW at its own cost.** If no contractor is appointed to commence services/works in relation to the SRIW, this is likely to mean that construction will be delayed such that works might extend beyond 31st March 2024 – the deadline for funding of costs by HIF grant. The Council will be responsible for meeting costs of works that extend beyond 31st March 2024.

67. **The Council may be required in future to pay back any HIF grant advanced and further funding may be withheld.** Infrastructure start on site and completion are milestone dates in the HIF grant contract (GDA) so if the Council fails to meet these dates and DLUHC determines that such failure amounts to a breach of the Council's obligations, then the Council may be required to pay back any grant already advanced and further funding may be withheld.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

68. **Risk: Results of the tender may be challenged**

Bidders may disagree with the Council on evaluation scores, and in particular on the price component. Prices submitted by the bidders were normalised to enable a fair assessment of pricing submissions on an equal basis. Evaluation of the price component was on the basis of these normalised prices. If bidders disagree with how their submitted prices were normalised, they might challenge the results of the tender.

Mitigation: Bidders were informed of evaluation criteria and scoring definitions through the ITT. Bidders were made aware that the prices would be subject to normalisation. The ITT contained description of elements and method of normalisation. Returns were normalised based on post tender clarifications received from the bidders. The project team have evaluated the tender returns and normalised in accordance with the ITT in order to compare the tenders on a like for like basis.

69. **Risk: Impact of late works on the GDA Funding Requirements:**

The Grant Determination Agreement requires the works and therefore all funding to be expended by March 2024. Through the delivery of the project

there may be compensation events due to the contractor that prolong the construction duration period past the March 2024 funding expiration date.

Mitigation: During early 2021, the Meridian Water rail team undertook early market engagement with potential contractors to understand any issues that could discourage bidders or cause risk thereby placing resultant risk on the viability of the project. To manage the risk with regards to programme and funding envelope, robust governance systems continue to be in place to review issues, risks and programme. Ongoing reporting procedures between Council and DLUHC is in place and will continue monthly until the works are complete. Risk reduction meetings will be held to consider ways to minimise change and delays to the project. The current programme estimates that the works will be completed in Q4 2023.

70. **Risk: The appointed contractor does not provide value for money**

There is a risk that the works are not delivered within the budget, therefore Enfield Council is required to fund the difference between the amount stipulated in the Grant Determination Agreement and the out-turn costs of the project.

Mitigation:

1. The NEC A option for delivering the work is based on a fixed price lump sum amount and all relevant risks will be priced and managed by the contractor as is typical under this project's design and build form of contract. Any price adjustments will be in accordance with the contract.
2. The successful bidder is an established rail contracting firm with extensive experience, whom has previously delivered like for like infrastructure for Network Rail in the Anglia region. The Council received further pricing certainty as it is a requirement of the preferred bidder to re-price the works on a GRIP stage 4 design. This is a more robust and detail level of design than their winning bid. Enfield Council's appointed project managers are experienced in delivering rail infrastructure for Network Rail and will provide robust controls to monitor the performance of the successful bidder. Ongoing close management of their performance will provide comfort to the Council that the risk of overspend is reduced to as low as reasonably practicable.

3. **Risk– if funding does not become unconditional, the council may be required to repay to DLUHC all amounts claimed as Preliminary Expenditure.**

4. **Mitigation:** The project has successfully and proactively worked with key rail stakeholders through 2020 to present to demonstrate proper governance and processes for delivering rail infrastructure, particularly through the RNEP and GRIP governance of DfT and NR respectively. Officers hold regular briefing sessions with LUHC to ensure timely satisfaction of condition precedent to funding.

Financial Implications

71. See Part 2.

Legal Implications **MD 28th February 2022**

Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others. It is therefore considered that the Council has sufficient powers for the Council to implement the proposals set out in this report.

Any procurement must be conducted in accordance with the Council's Constitution, including the Contract Procedure Rules, and the Public Contracts Regulations 2015. The manner in which the procurement has been conducted is described in detail in this report and in the Confidential Appendix.

It is intended that the rail infrastructure works will be funded from the Housing Infrastructure Fund (HIF). A grant agreement was entered into between the Council and the DLUHC on 30 October 2020 but as at the date of writing the availability of funding remains subject to the satisfaction by the Council of certain conditions to funding. Any works or services instructed before confirmation of availability of funding (including entry into the pre-construction services agreement ("PCSA") as described in this report) will be undertaken at the Council's risk. In the event that funding under the grant agreement does not become unconditional, then any DLUHC may demand repayment of any funds already paid to the Council. Officers must ensure continued compliance with obligations in the HIF grant agreement relating to the delivery of infrastructure works. The HIF grant agreement requires the Council to fund any cost overrun beyond the total budget allowed for rail works at its own expense.

The Council must ensure that the rail infrastructure works contractor complies with any asset protection agreement entered into between the Council and Network Rail. No works may commence without Network Rail Consent and confirmation that all required parcels of land are within Network Rail's ownership.

The Council must ensure value for money in accordance with the Best Value Principles under the Local Government Act 1999.

All legal agreements arising from the matters described in this report must be approved in advance of contract commencement by the Director of Law and Governance. Contracts whose value exceeds £500,000 are required to be executed under seal.

A guarantee must be provided prior to commencement of the NEC4 main works contract as security for the contractor's obligations under the main works contract. The Council may require a guarantee of the main contractor's obligations under the PCSA.

See also Confidential Appendix.

Workforce Implications

72. Nil

Property Implications

73. Nil

Public Health Implications

74. Nil

Procurement Implications

75. The procurement was undertaken using the E-Tendering Portal (ref DN528259) in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015). The Contract Notice was published on 15 April 2021 on the 'Find a Tender' portal under a Restricted procedure.

Following the Selection Questionnaire evaluation, 3 bidders were shortlisted to tender. The tender was issued on 6 October 2021, one bidder withdrew from the process citing commercial reasons. Two tenders were received on 13 December 2021, and the evaluation was carried out by a carefully selected panel. Moderation meetings were held week commencing 17 January 2022. A tender addendum for the inclusion of the PCSA was issued on 3 February 2022 and returned on 14 February through the E-Tendering Portal. The figures submitted with the PCSA tender addendum were used in the tender evaluation. Procurement Services were involved in the procurement and the process was carried out fairly and transparently.

In accordance with the CPRs the Supplier must be required to provide sufficient security. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. As the NEC works contract is over £1M, the supplier must be required to provide sufficient security in accordance with Clause 7 (Financial Security) of Councils Contract Procedure Rules. The successful bidder has agreed to provide a Parent Company Guarantee as security.

A contract of this size must have a proper contract management schedule and measurable KPI's. This is to ensure that the contract is delivered and value for money is maintained. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the E-Tendering Portal including future management of the contract. In accordance with the Councils CPR's the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the E-Tendering Portal, and that the monitoring requirements are adhered to. The awarded contract must be promoted to Contracts Finder to comply with the Government's transparency requirements.

Risk Management Implications

Nil

Options Considered

76. Do nothing

Doing nothing would leave the Council without the strategic infrastructure and prevent phase delivery at Meridian Water delaying provision of much needed affordable homes.

Conclusions

77. Given the importance of completing rail infrastructure works in time for the Council's priorities, Meridian Water development and meeting HIF funding conditions, it is recommended to approve the appointment of the contractor for strategic HIF rail works.

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Date of report

Appendices

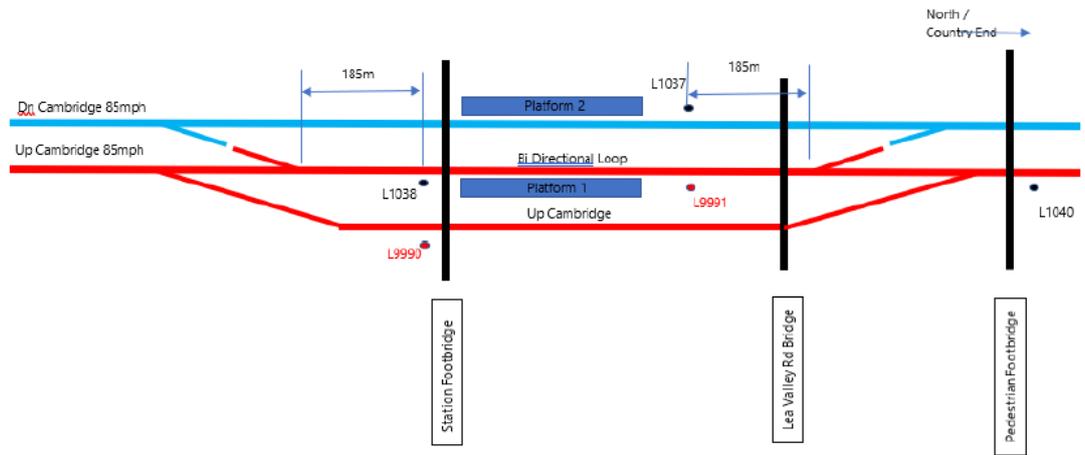
- Appendix 1: Schematic of the project
- Appendix 2: PCSA with scope of works.

Background Papers

The following documents have been relied on in the preparation of this report:

- [KD4711](#)
- [KD5085](#)

Appendix 1 – Schematic of Existing platforms with proposed solutions



Appendix 2 – PCSA Scope of works

The Pre construction services are to enable the main contractor to commence critical path activities whilst GRIP stage 4 design is ongoing. The intent of the activities is to bring forward such work that can be completed in the Spring and Summer of 2022 to protect the December 2023 infrastructure complete date.

The Services shall commence on 04 April 2022 and complete at the GRIP 4 stage gate. Therefore, when pricing these works allow for a period of: 04 April 2022 to 31 July 2022

1. Compile and submit to the Client for acceptance the Management Plans including but not limited to:

- All planned GRIP 5 survey Work Package Plans
- Work Package Plans: Intrusive Surveys, Ground Investigations, Trackbed Investigations, Cable Surveys. Geotechnical Interpretive Design Report. Further surveys may be instructed as required.
- Construction Phase Plan
- Quality Management Plan
- Traffic Management Plan
- Stakeholder Management Plan
- Construction Management Plan
- Engineering Management Plan
- Environmental Management Plan
- Site waste management plan
- Site Safety Plan
- Ecological Management Plan
- Communications Plans.
- De-vegetation WPPs
- ALO plan
- Sustainability Plan
- Temporary works design for Road Rail Access Points (RRAP)
- Production of associated safety document and temporary works design trackers

2. Provision of a watching brief throughout GRIP 4 design to ensure a rapid familiarisation of GRIP 4. This would include primarily engineering resource. Due to this familiarisation process, it is therefore expected that repricing of the GRIP 4 design will be completed within 03 weeks of GRIP 4 IDC/R information becoming available. The resources providing the watching brief may be requested to provide support to the Client to enable the project to benefit from their professional experience when reviewing the GRIP 4 design.

The Contractor should allow for:

1 x Design Manager (CEM) attendance at weekly GRIP 4 design meetings for the purposes of constructability. Note the Client may instruct attendance at other meetings as necessary.

Having attended the GRIP 4 IDC/R and preceding design meetings compile a constructability report considering the approach from GRIP 5 to 8:

Introduction & scope

- Background
- Observations (all disciplines)
 - (a) Design progress meetings
 - (b) IDC/IDR
 - (c) Overall design integration
 - (d) Operations
 - (e) Maintenance
- New emerging risks (incl. proposed management actions/mitigations)
- New emerging opportunities (cost and programme savings)
- Delivery challenges and constraints
- Conclusions – and detailed explanation to any impact on delivery strategy presented in the tender response.

3.1 Management required - Support for booking of Survey Possessions with NR's ASPRO team

3.2 Management required - Booking of required engineering trains in line with the Contractor's proposed methodology

4. Procurement of Long Lead Items: advanced purchase of the required amount of straight rail. Storage location to be nominated by the main contractor. *The contractor is to nominate and price all other long lead items that it believes could be purchased at low/no risk to the project given its stage of design development.*

5. Commence enabling works on site:

- a) Site clearance / de-vegetation to ground level. Root stock to be left in ground until main contract. Site clearance to be undertaken under ecological watching brief. Note, the Client would like to re-vegetate as early in the programme where possible.
- b) Removal and disposal of invasive species (if applicable) in accordance with appropriate regulations.
- c) Advise the client if there is there anything in the programme that prohibits the above.

- d) These are the minimum requirements the council is nominating. Please advise of further critical path works you believe would benefit the programme during the PCSA period.

