

# **Scarborough Borough Council - Runswick Bay Coastal Protection scheme Approach to Procurement and Contributions**

Scarborough Borough Council (SBC) recognises that the key to the successful delivery of the Runswick Bay Coastal Strategy is a partnership between the Client, consultants, contractors, stakeholders and the local community.

The purpose of this paper is to propose a procurement strategy that puts partnering arrangements at the forefront of the process by including the local community within the team, working alongside the client, contractor, designer and supply chain.

## **Construction Partnerships**

In 1994, the Government commissioned a report by Sir Michael Latham, referred to as 'Constructing The Team'. This report severely criticised the construction industry for its lack of efficiency and its adversarial approach in dealing with its employees, clients, sub-contractors and suppliers. The central tenet of the report was that radical change was required in order for construction firms to survive and that the client should be at the core of the process. The general route recommended to achieve client satisfaction was through teamwork and co-operation.

The message from 'Constructing The Team' was further strongly reinforced by the Egan report 'Rethinking Construction' published in 1998. This report concluded that effective projects required clear, well run processes to eliminate waste and inefficiency in order to deliver the client's aspiration for a harmonious building or civil engineering project which also actually worked. The report stated that partnering was integral in helping to deliver such projects and to reduce adverseness.

The adoption of partnering to achieve better working relationships and deliver more efficient construction in terms of quality, customer satisfaction, timeliness in delivery and value for money has been well documented since publication of these reports.

## **Contract Strategy**

The contract strategy adopted by the Council for both its Consultants and Contractors appointments is to use the New Engineering forms of Contract (NEC) making best use of the incentivisation and partnering options available to foster a team spirit.

The principal objectives of the NEC contracts are clarity, flexibility and a stimulus to good management:

- **Clarity:** The NEC uses ordinary language with as few long sentences and legal terms as possible. The actions required by each of the parties are precisely defined so that it is clear who to do what, how and in what timescale.
- **Flexibility:** The contract is structured to be flexible by the use of main and options clauses that deal with variables such as design responsibility, payment basis, risk allocation etc without the need for amendment.

- Stimulus to good management: The procedures within the contract have been designed so that they actively encourage co-operation, and their implementation should contribute to, rather than detract from, the effective and efficient management of the contract. The contract is also written to ensure pro-active participation to give the best indication of outcome at every stage.

### **Consultant Selection**

Scarborough Borough Council recognises that it does not have either the capacity of resources required or the full range of skills in-house necessary for the successful delivery of the coast defence strategy. The Council is currently using the **Yorconsult Consultants Framework Agreement** for the delivery of the Council's strategic coastal objectives as and when required.

Framework agreement tender documents were drawn up on the basis of the NEC3 Contract which incorporated the NEC3 Professional Services Contract as the basis for any call-offs under the framework. All pricing options were included from lump sum and target cost through to time charge to allow the Council flexibility in how it commissions its services.

As each scheme arises, it is proposed to hold a mini tender competition between the Framework Consultants for the provision of services for the full delivery of the coastal schemes, including design, procurement, project management and supervision.

As above, tenders will be analysed on cost and quality and the appointment will be on the basis of the NEC3 Option C Target Cost Contract.

### **Contractor Selection**

The Council recognises that to achieve its objectives full "buy-in" is required from all parties, including the main contractor and his supply chain.

Once appointed, prior to undertaking any major design, the Consultant will commence the process of the procurement of a Principal Contractor in two stages to ensure Early Contractor Involvement (ECI). The greatest scope for certainty of delivery and cost savings is at the pre-contract stage, and ECI involves engaging the Main Contractor as a partner at the outset for input on buildability, programming, pricing etc during the design.

This has the advantage of achieving commitment to the proposals as they have been jointly developed with the Contractor, and also providing greater certainty on cost and programme.

The form of contract proposed for the Main Contractor will be the NEC3 Engineering and Construction Contract Option C (target cost).

Due to the likely value of any Works coming forward from the strategy, the procurement of a Main Contractor will strictly follow the EU Procurement rules, again using the restricted procedure.

Following pre-qualification, the shortlisted tenderers will be invited on the basis of a two stage tender, with the first stage seeking tenders on:

- NEC3 conditions of contract (contract data parts one and two)
- NEC3 Fee percentage
- Fee for participation in ECI stage
- Works Information (Outline design proposals, outline specification etc.)
- Site information (GI report, stats services plans etc.)
- Preliminaries
- CDM 2015 Pre-construction Information
- Quality submission (previous experience, method statement, H&S for CDM in accordance with managing health and safety in construction, L153)

Tender submissions will be analysed on Cost and Quality and a single appointment will be made for participation in the ECI stage of the project.

During the ECI stage, the selected Contractor will work with the design team to develop the project. Items which will be jointly developed during this stage include:

- Collection and consideration of any further Site Information
- Design Development of Works Information
- Development of Risk Register
- Development of an NEC compliant contract programme
- Environmental Impact Assessment
- Site access proposals
- Traffic management proposals
- Site establishment proposals
- Phasing proposals
- Full preliminaries proposals
- Development of KPI's and incentivisation
- Engagement of materials and sub-contractor supply chain
- Preparation of work packages and obtaining competitive tenders from sub-contractors.
- Negotiation of NEC3 Option C Target Cost Contract Sum.

Following the negotiation of the Target Sum, this will be verified for best value by an independent third party cost audit by an independent Chartered Quantity Surveyor.

### **Community Engagement**

Throughout the UK generally, a trend has been observed in the decline of seaside towns, and Scarborough was no different. However in 2003 Scarborough became a 'Renaissance Town', and this has recently seen the successful delivery of many projects which have involved a high level of public participation.

Scarborough BC recognises that coast defence projects are important. Consequently, alongside the design and ECI phase, there will be full public engagement and consultation to assist in shaping the project and to enable the construction team to develop an understanding of the key issues of the local community.

It is the intention of the Borough Council to form a Key Stakeholders Group to help guide the project. This body will be comprised of local Councillors and residents, Environment Agency, Natural England, National Park, community groups and other stakeholders.

Their brief will be to work with the team to identify any potential problems early on for resolution and continue input throughout construction.

The design approach will be carefully considered and receive extensive input from all scheme partners, including the general public at key stages in its development.

### **External Contributions**

It is through liaison with scheme partners such as local residents that private funding has been raised. At the project funding group meeting (held on 6th March 2014) a declaration by the Runswick Bay Coastal Protection Trust indicated that a significant contribution could be made available towards a capital scheme option. It is understood that the amount being proposed is currently £100,000, and that a Charity Trust has already been set up to manage the local contribution.

Yorkshire Water installed and now maintain the foul water pumping station located on the seawall. In addition they have pipework within the foreshore to which they would lose some access if the preferred scheme option was taken forward. Consequently Yorkshire Water have proposed re-locating their pumping station inflow pipework to within the proposed works footprint, although the existing storm water overflow pipe would remain. The new pipework will be designed in tandem with the scheme and will be protected by the scheme. Yorkshire Water would pay for the re-location work as a contribution in kind.

Whilst no firm estimate has been developed, based upon preliminary discussion a budget cost of £200,000 to undertake the works has been included in the strategy. Optimism Bias at 30% has been added to this figure to give a cash cost of £260,000. As Yorkshire Water are proposing to cover this cost by not charging for the works, an equivalent amount, £260,000, has been included as a contribution as well.

No other contributions have been sourced at this stage and whilst no monetary contribution commitment from Yorkshire Water has yet been received, SBC are confident that both the financial contribution from the residents and the contribution in kind from YW will materialise. This is based on:

- Agreement at the meeting 9<sup>th</sup> October 2015 that YW will continue to progress the design of the sewer relocation and will complete this by end of November 2015.
- Agreement that the sea defence must contain at least 2m minimum cover for the sewer relocation.
- Agreement that options for extending the sea defence to fully protect the pumping station should be submitted to YW by SBC and will be agreed with the YW project team.
- Agreement that protection of the outfall during construction, should be designed into the SBC scheme.
- Agreement that YW would aim to start sewer relocation by late September 2016. YW will confirm estimated period of time for reconstruction as part of design confirmation (Nov 2015).
- Agreement that YW will send a further letter confirming commitment to delivering the scheme once design and costs have been agreed (early 2016).

Correspondence with the Runswick Bay Coastal Protection Trust (letter dated 15 Aug 2014) and Yorkshire Water (letters dated 27 Oct 2014, email dated 27 Jan 2015 and letter dated 21 Oct 2015) is attached overleaf.

### **Emergency Intervention**

Scarborough Borough Council's coastal team and workforce are based in Scarborough and are therefore well placed to respond to any emergency on frontages within its jurisdiction. In addition to village residents, other members of the public, and SBC staff who work on the sea front, regularly report defects to the coastal team. Early intervention can often avoid failure and the need for an emergency response.

The SBC coastal team undertake annual sea wall and cliff inspection. As part of the routine maintenance strategy, inspections are also carried out following a storm event to identify damage. Repairs are then prioritised accordingly. Following an assessment by the coastal team of a collapse or partial collapse (toe failure), the site (seawall) can normally be temporary secured (fenced off) within 5 hours by SBC workforce who are currently based one hour away from the village. At this stage the Area Flood Regional Manager (AFRM) would be informed of the situation and any potential applications for retrospective bids for grant under section 5(6) of the Coast Protection Act (1949).

If required our term contractor can respond within 24 hours to provide either more permanent security fencing and/or commence emergency works. This response would apply to a failure of the coastal defence structures and would normally entail replacing like for like. Should it be recommended that additional work is required, for example additional rock armour to protect the toe from future scour, then this would be carried out as urgent priority work and not emergency work.

If the failure was believed to be caused by instability issues, our consultant would be commissioned to advise on any emergency, urgent and/or priority work required. During previous emergencies our consultants have been on site within 48 hours. Significant land instability issues often require extensive ground investigation to determine an appropriate course of action. Consequently it can take several months before work can actually commence.