

CABINET MEETING – 17 JULY 2013

EXECUTIVE SUMMARY SHEET- PART I

Title of Report:

SSTC – New Wear Crossing

Author:

Deputy Chief Executive

Purpose of Report:

The purpose of the report is to inform Cabinet of the outcome of the current procurement process for the New Wear Crossing scheme (“the Scheme”) and to seek approval for the next steps for the delivery of the Scheme on the basis of simplifications to the bridge design.

Description of Decision:

Cabinet is recommended to:

- Agree that the current procurement process should be brought to an end on the basis of unaffordability;
- Approve the commencement of a new procurement process for the design and construction of the Scheme on the basis of a simplified bridge design;
- Agree to receive a further report on the outcome of the new procurement process in due course;
- Agree that the Deputy Chief Executive, Executive Director of Commercial and Corporate Services and Head of Law and Governance should continue to take all necessary action to implement the Compulsory Purchase Orders (CPO) for the Scheme and to acquire title and/or possession of the CPO land; and
- Authorise the Deputy Chief Executive and Executive Director of Commercial and Corporate Services in consultation with the Portfolio Member (City Services) to appoint all necessary external technical support and advisers for the continued delivery of the Scheme.

Is the decision consistent with the Budget/Policy Framework?

Yes.

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason for Decision:

To enable the necessary actions to take place to continue to implement the approved SSTC – New Wear Crossing Scheme and to deliver the significant economic, regeneration and transport benefits to the City.

Alternative options to be considered and recommended to be rejected:

To not continue with the New Wear Crossing Scheme and to progress no further towards its implementation. However this is not recommended as it would not deliver the significant economic, regeneration and transportation benefits of the Scheme to the City.

Impacts analysed;

Equality N Privacy N Sustainability N Crime and Disorder N

Is this a “Key Decision” as defined in the Constitution?

Yes

Is it included in the 28 Day Notice?

Yes

Scrutiny Committee

SSTC – NEW WEAR CROSSING

Report of the Deputy Chief Executive

1.0 Purpose of the Report

1.1 The purpose of the report is to inform Cabinet of the outcome of the current procurement process for the New Wear Crossing scheme (“the Scheme”) and to seek approval for the next steps for the delivery of the Scheme on the basis of simplifications to the bridge design.

2.0 Description of Decision

2.1 Cabinet is recommended to:

- Agree that the current procurement process should be brought to an end on the basis of unaffordability;
- Approve the commencement of a new procurement process for the design and construction of the Scheme on the basis of a simplified bridge design;
- Agree to receive a further report on the outcome of the new procurement process in due course;
- Agree that the Deputy Chief Executive, Executive Director of Commercial and Corporate Services and Head of Law and Governance should continue to take all necessary action to implement the Compulsory Purchase Orders (CPO) for the Scheme and to acquire title and/or possession of the CPO land; and
- Authorise the Deputy Chief Executive and Executive Director of Commercial and Corporate Services in consultation with the Portfolio Member (City Services) to appoint all necessary external technical support and advisers for the continued delivery of the Scheme.

3.0 Background

3.1 On 15th February 2012 Cabinet was notified of the Department for Transport’s (DfT) conditional funding offer of £82.563m in respect of the Scheme and endorsed the continued delivery of the Scheme through to full implementation.

3.2 A procurement process was subsequently commenced for the appointment of the works contractor for the delivery phase of the Scheme. The invitation to tender (ITT) was issued on 31 October 2012 to the shortlisted bidders with an initial submission date of 20 March 2013. However, following two requests for an extension of time from bidders, the tender return date was extended to 22 May 2013.

4.0 Outcome of the procurement process

- 4.1 Having undertaken an assessment of the tender documentation returned, the Evaluation Team and members of the New Wear Crossing Board have concluded that the Scheme in its current form is unaffordable, as there were no tenders returned that were priced within the current funding availability and approved budget for the Scheme. In addition, it would not be viable to pursue additional local or national funding in order to enable the Scheme to continue in its current form given the significant additional funding required.
- 4.2 Accordingly the Council is not in a position to conclude the procurement process and award a contract for the delivery of the Scheme in its current form. It is therefore proposed that the tenderers are notified that the current tender process for the New Wear Crossing in its current form is to be terminated.

5.0 Next steps

- 5.1 The City Council remains committed to the implementation of the Scheme and the approved wider Sunderland Strategic Transport Corridor (SSTC) programme. As Cabinet is aware, the construction of Phase 1 of the SSTC project, which comprises the realignment of St Mary's Way, began in May 2013 and is due to complete in November 2014.
- 5.2 It is essential, therefore, that the Council continues to implement the New Wear Crossing Scheme, which forms phase 2 of the SSTC programme, in order to ensure the benefits of the full programme are realised and its strategic objectives are delivered.
- 5.3 The New Wear Crossing will provide the critical capacity required to enable Sunderland city centre to grow and for activities at the Port of Sunderland to expand. It will also provide a vital means of access to strategic development sites along the river corridor, providing the infrastructure for their ongoing economic regeneration. Linking the north and south banks of the River Wear, the city centre and the Port of Sunderland to the national road network will unlock strategic brownfield sites and enable significant growth in the whole economy of the city.
- 5.4 There has been no change to the strategic objectives for the Scheme, which remain the same as those expressed within the 'Best and Final Bid' submitted to DfT.
- 5.5 In order to continue with the delivery of the Scheme, Cabinet is recommended to approve the commencement of a new design and build procurement process on the basis of a simplified cable stayed bridge form that will enable a new bridge across the river to be delivered with similar quality thresholds, and within the current funding limits approved by Cabinet within the capital programme.

5.6 The new cable stayed bridge would retain those aspects and characteristics of the previous design that would facilitate an expeditious transition to a new bridge form, such as the horizontal and vertical alignment; central pier, intermediate pier and abutment locations; and deck environment (including road, footpath and dedicated cycleway configuration). The bridge will adopt a more conventional form, however, with the result being a simplified design, procurement and construction process.

5.7 The timetable for the proposed new procurement process for the Scheme is as follows:

Milestone	Start
Issue Prior Information Notice (PIN) to market	August 2013
Market Sounding	September 2013
Publication of new OJEU Notice and PQQ	October 2013
Issue bid documents	December 2013
Final Tender Return	April/May 2014
Tender Evaluation	June 2014
Cabinet Report	July 2014
DfT Full Approval	September 2014
Contract Award	October 2014

5.8 Cabinet should note that the Council is in discussion with DfT regarding the above timetable.

6.0 Land Acquisition

6.1 In order to ensure that access to the site is unhindered in advance of the proposed contract award in October 2014, it is necessary for the Council to continue to acquire the land required for the Scheme through the implementation of the confirmed Compulsory Purchase Orders (CPO) for the Scheme. The proposed amendments are to the bridge design only, and will not alter the land requirements of the Scheme and the approved red line boundary of the Scheme. The costs of the land acquisition can be met from within the resources approved for the Scheme within the capital programme, although as before it should be noted the land acquisition costs will be incurred before receiving full approval from the DfT.

6.2 The reasons for the compulsory acquisition of the Scheme land were set out in the previous Cabinet reports dated 8th April 2009, 2nd November 2009, 17th June 2011 and 2nd December 2011 and the Council's subsequent statements of case to the Secretary of State in respect of the confirmation of the Scheme orders. There remains a compelling case in the public interest to acquire the relevant land interests required for the Scheme through the implementation of the CPO as the Scheme remains deliverable for the reasons stated in this report and given the significant economic, regeneration and transport benefits of the Scheme.

7.0 Reason for the Decision

7.1 To enable the necessary actions to take place to continue to implement the approved SSTC – New Wear Crossing Scheme and to deliver the significant economic, regeneration and transport benefits to the City.

8.0 Alternative Options

8.1 To not continue with the approved New Wear Crossing Scheme and to progress no further towards its implementation. However this is not recommended as it would not deliver the significant economic, regeneration and transportation benefits of the Scheme to the City.

9.0 Impact Analysis

9.1 The relevant impact assessments for the Scheme will be undertaken in conjunction with the development of the design of the bridge.

10.0 Other Relevant Considerations / Consultations

(a) Financial Implications

The financial implications are contained within the main body of the report.

(b) Legal Implications

The Council has the power to cancel the current procurement process in the absence of any acceptable and affordable tenders for the construction of the Scheme in its current form. The approved budget for the Scheme was publicised to the market through the Council's Best and Final Bid Submission to DfT in advance of the procurement process and the Council has continued to act transparently throughout the process regarding the funding position of the Scheme. As part of the process, bidders agreed to bear their own costs in respect of participating in the process.

11.0 Background Papers

11.1 Relevant Cabinet reports in respect of the Scheme dated 15th February 2012, 2nd December 2011, 20th July 2011, 17th June 2011, 2nd November 2009 and 8th April 2009.