

Report to **Policy & Resources Committee**
Date **27 Jun 2024**
By **Procurement Manager**
Title of Report **Centurion Way Contract Procurement**
Decision

Recommendation: The Committee is recommended to:

- 1. Approve the commencement of a procurement process leading to the appointment of a contractor to undertake construction of Section 5 (Wellhanger Copse) and Section 6 (Littlewood Farm) of Centurion Way Phase Two Extension.**
 - 2. Delegate authority to the Chief Executive to award a contract for the above, following a competitive process as described in this report.**
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I. Background and update on the project (by the Project Manager)

- I.1 Centurion Way (CW) is an identified priority scheme in the SDNPA Corporate Plan 2020-25, and Delivery Action AN2 within the SDNPA Cycling and Walking Strategy. It is also included as a key scheme in the West Sussex County Council Walking and Cycling Strategy and Sustrans National Cycle Network 20-Year Strategy. The path provides safe, sustainable access for visitors and the local community.
- I.2 The Centurion Way currently provides a segregated, shared-use path of approximately 9km, predominantly on the alignment of the former Chichester to Midhurst railway, from Chichester into the National Park terminating at West Dean. SDNPA constructed the northern extent of the current route in 2015, which terminates at a newly improved access ramp in West Dean just short of the southern portal of West Dean Tunnel. Planning permission was granted in 2019 to extend the route from the northern portal of West Dean Tunnel to Cocking Hill, extending the route further into the National Park and linking it to the South Downs Way.
- I.3 When complete, the whole CW Extension will connect with the South Downs Way National Trail at Cocking in the heart of the National Park, extending approximately 14-15 km from Chichester. It will require the continued support of major landowners – The Edward James Foundation (West Dean Estate), National Trust and Cowdray Estate. There is an aspiration to extend the route to Midhurst long-term, linking to wider potential networks within the National Park.
- I.4 Appendix I contains a map showing an overview of the strategic and aspirational routes (such as Centurion Way) extracted from the Cycling and Walking Strategy. Appendix 2 provides an overview of the whole Centurion Way Extension, detailing the construction sections.
- I.5 Construction of two sections of the route are complete, approximately 11km long comprising of the West Dean to Singleton section and the Cucumber Farm section (Sections 3 and 4). Extensive enabling works have been completed on other sections and significant ecological

and arboricultural assessments and surveys are ongoing in preparation for future enabling clearance.

- 1.6 The total funding secured for the new extension is £1,893,509, drawn from a number of funding sources such as the SDNP Trust, SDNPA CIL and SDNPA funding. The current expenditure and commitment for the extension is £908,989, leaving a current working capital of £984,520 to cover planned construction works for 2024/25. The contract value for the construction work is estimated at approximately £700,000 based on adjusted cost estimates from Schofield Lothian, the project design consultancy
- 1.7 Construction plans for 2024/25 include improvements to the A286 Footway through West Dean linking the south section of the route to the new extension. There is also a programme of work to improve the Station Site to enhance future public access. Three further sections of the route (approximately 2.1km) are also planned, subject to budget constraints. This includes; the section south of Singleton Station, Southwest and Bridges and the two sections to the north of Cucumber Farm which transit Wellhanger Copse and pass Littlewood Farm. The forecast costs for these sections are in place.
- 1.8 It had been previously reported to the committee (Ref: NPA22/23-21 Agenda Item 9) that there was an opportunity to continue construction of the route north from Cucumber Farm onto the Wellhanger Copse and Littlewood Farm Sections which would have negated the need for the current contractor to demobilise. Given the advantages this would have afforded, approval was sought and given for a direct award to the contractor on site.
- 1.9 Due to additional ecological constraints subsequently identified prior to the route clearance it was not possible to maintain this momentum and the contract could not be awarded. A further requirement to re-build a bridge along this section has also been identified and has increased the value of the contract. As there is no longer an advantage or justification for a direct award, approval for a competitive procurement process is now requested to appoint a contractor for the Wellhanger Copse and Littlewood Farm sections.

2. The Procurement Route

- 2.1 The Procurement Bill, which will reform the existing Procurement Rules, will come into effect on 28 October 2024. With Committee approval this procurement process will use the existing legislation.
- 2.2 The indicative contract value of £700,000 for the construction element of Section 5 (Wellhanger Copse) and Section 6 (Littlewood Farm) falls significantly below the threshold set out in the Public Contracts Regulations 2015 for works contracts. The threshold applying from 1 January 2024 is £5,372,609 (including VAT). The Regulations, other than Chapter 8, will not therefore apply to this procurement process. (Note – Indicative contract value is derived from adjusted Schofield Lothian cost estimates)
- 2.3 Contract Standing Orders (CSO 10) applies to this contract above £75,000 but less than the relevant GPA threshold (incorporated into UK law) and states that tenders should be invited from at least five companies. It is intended in this procurement to use the Open Process and advertise this contract on our own website and nationally using the Contract Finder public procurement portal.
- 2.4 According to the Terms of Reference of Policy and Resources Committee, and SDNPA's Contract Standing Orders, where a proposed contract is of a value greater than £200,000 but less than £1 million, and before inviting expressions of interest from bidders, a decision authorising the commencement of the procurement process from the Policy and Resources Committee shall be obtained.

3. Tender evaluation

- 3.1 Although SDNPA commonly uses the single stage or open process for receiving tenders, as recommended by the Cabinet Office for low value tenders, evaluation of tenders is carried out in two stages.
- 3.2 The Selection Stage is where we evaluate the capability of the contractor to satisfactorily carry out the contract. This involves looking at the financial strength and other resources

of the company, including its previous experience in carrying out similar works. There is no weighting or scoring in this stage of an open tender; contractors can either do the work or they can't, so this is judged on a pass or fail basis. As the selection criteria are described in the tender, it is unusual for companies to fail at this stage, generally if they don't meet the criteria then they won't submit a bid.

3.3 The Award Stage is carried out using the Most Economically Advantageous Tender (MEAT) criteria for awarding the contract, using a combination of quality factors, such as Approach to the Contract, Project Resourcing as well as price. The evaluation panel will be looking at the sustainability aspects of any approach as well as looking for proposals that will add social value to the contract.

3.4 Evaluation is carried out by a number of officers scoring independently, before meeting on a panel basis. The evaluation programme will also allow for a process of clarification on all aspects of bids and due diligence before the award is made.

4. Outline Timetable

4.1 With Committee Approval, it is intended to publish the Contract Notice and release the Invitation to Tender at the end of September 2024, allowing for critical lead-in times.

4.2 The tender process will take eight weeks. Three weeks has been allowed for evaluation, including clarifications and due diligence, leading to award in late November 2024, with a view to completing the construction of these Sections by spring 2025.

5. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	SDNPA has sufficient resources in place, in term of staff qualified to undertake the procurement exercise.
How does the proposal represent Value for Money?	The competitive tender process is aimed at delivering value for money for SDNPA
Which PMP Outcomes/ Corporate plan objectives does this deliver against	<p>SDNPA Partnership Management Plan 2020-25</p> <p>Outcome 5: Outstanding visitor experiences are underpinned by a high-quality access and sustainable transport network, supporting improved health and wellbeing.</p> <p>Priority Programme 5.2: Improve accessibility through a network of high quality routes connecting communities with the landscape, heritage, attractions and transport hubs and gateways.</p> <p>Note: Centurion Way is an identified priority AN2 - Develop the network of Non-motorised user (NMU) leisure paths along former railway alignments as opportunities and funding permits, within the SDNP Cycling and Walking Strategy 2017-24</p>
Links to other projects or partner organisations	Centurion Way is an identified scheme in the West Sussex County Council Walking and Cycling Strategy and Sustrans National Cycle Network 20 Year Strategy.

	When complete, Centurion Way will provide a strategic link to the South Downs Way National Trail.
How does this decision contribute to the Authority's climate change objectives	Centurion Way is identified in the Authority's Climate Change Action Plan, Programme: Transport and Sustainable Access. The creation of off- road active travel infrastructure such as the Centurion Way supports the shift to low carbon travel.
Are there any Social Value implications arising from the proposal?	Tenders will be evaluated partly on the basis of the social value the bidding organisations are prepared to deliver.
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	The procurement exercise and the terms of the subsequent contract will meet the terms of the Authority's equalities duties and be carried out in accordance with the SDNPA Equality and Diversity Policy.
Are there any Human Rights implications arising from the proposal?	The selection process will examine the bidding companies' compliance with the laws on Modern Slavery.
Are there any Crime & Disorder implications arising from the proposal?	The probity of the companies bidding for the contract will be examined as part of the selection process.
Are there any Health & Safety implications arising from the proposal?	The works contractors' Health and Safety policies and record will be examined during the selection processes.
Are there any Data Protection implications?	No

6. Risks Associated with the Proposed Decision

Risk	Likelihood	Impact	Mitigation
<i>Commercial Risk:</i> That either the price objectives aren't achieved up front or there are other costs that arise during the contract that diminish the overall benefits. Construction contracts are particularly susceptible to price overruns.	Possible	3	The schedule of rates has been drawn up by Scofield Lothian. The detailed design will be agreed by the Client and further alterations, which can add significantly to the tendered price, will be kept to a minimum. The construction work is likely to be carried out during a period of severe economic downturn and insolvency on the part of the contractor is a significant risk. There will be provisions within the Terms and Conditions of Contract to allow insolvency situations to be managed and financial standing will form part of the due diligence process. Neither of those is sufficient to eliminate this risk.

<i>Technical Risk</i> – This concerns the difficulty in being able to specify the desired outcome and on the market being able to deliver to the specification	Rare	1	SDNPA will use a model works contract to manage the delivery of the works.
<i>Performance Risk</i> – This concerns the ability of suppliers to perform consistently over the life of the contract to deliver the planned benefits.	Possible	2	Stage payments and regular supervision will provide the necessary incentives for the timely completion of the work to the required standard. However, see insolvency risk above.
<i>Contractual Risk</i> This covers things like being able to remedy the shortcomings in the contractors' performance without severely damaging the contract and about avoiding reliance on the contracted supplier as the contract develops.	Possible	2	There is obviously a reliance on the main contractor in any construction process and it is important to ensure intelligent and active contract management.
<i>Legal Risk</i> , there is also the risk where a procurement is found unsound in law, either through the remedies directive or the public procurement rules.	Rare	2	In Public Procurement, The application of the Public Contract Regulations to a works contract of this value is limited and the use of professional procurement staff will help ensure that the contract process complies with the procurement rules and with best practice.

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