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Joint Procurement Strategy Volume 1: Summary

West of England Authorities

September 2011



West of England

Bath & North East
Somerset Council



North
Somerset
Council

South Gloucestershire
Council

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1 Key Messages

1.1 INTRODUCTION

1.1.1 The West of England Authorities commissioned WSP to support them in producing a Joint Procurement Strategy, for its three Rapid Transit schemes, namely:

- Ashton Vale to Temple Meads (AVTM) Rapid Transit;
- North Fringe to Hengrove (NFH) Package; and
- South Bristol Link (SBL).

1.1.2 This report (Volume 1) provides a summary of the Strategy, which is reported in full in Volume 2. It should be noted that the Bath and Weston Packages are not addressed directly within this Strategy for the following reasons:

- Both schemes, whilst part of the strategic case for meeting West of England travel objectives, are geographically separate from the three rapid transit schemes in terms of achieving any procurement related benefits;
- The Weston Package has a well advanced procurement programme and reduced scale of construction cost when compared to the three rapid transit schemes; and
- The Bath Package has a specific focus on Bath and its scale and context to the three rapid transit schemes means that in terms of procurement it can best be delivered separately.

1.1.3 A procurement strategy seeks to realise the cost and process efficiencies as reflected in the current bid submissions and manage quality and risk. It also aims to deliver consistent quality standards that would result in a coordinated rapid transit network.

Overall the procurement strategy addressed the following main themes:

- The major schemes programme will in all of its procurement and associated commercial activities ensure that optimal Value for Money solutions are adopted;
- The programme will develop and maintain efficient and effective procedures and processes to support the Value for Money objective described above;
- The PDB will maintain governance through appropriate systems ensuring that the programme is delivered in line with the Value for Money objective; and
- The PDB will provide for delivery and operation of a coordinated rapid transit network.

1.2 SECURING VALUE FOR MONEY

1.2.1 Securing Value For Money would be achieved by the following:

-
- Adopting rapid transit network-wide programme synergies;
 - Letting packages of works which maximise supply chain efficiencies and their interest;
 - Use of existing and new framework contractor/supplier agreements to maximise flexibility and responsiveness in delivery;
 - Using forms of contract which support risk management and transparent payment mechanisms based upon Office of Government Commerce best practice and enhanced to incorporate lessons learned from other major schemes;
 - Using an Area wide Quality Partnership Scheme (QPS) which allows maximum flexibility to provide new, and enhance existing, Rapid Transit and bus services; and
 - Developing a West of England ticketing and information strategy building on established procurement processes.

1.3 PROCEDURES AND PROCESSES

1.3.1 Developing and maintaining efficient and effective procedures and processes would include:

- Use of a package approach with joint delivery and governance;
- Identification of supply chains that allows for early contractor involvement;
- Building on lessons learned from other Rapid Transit (RT) schemes and the Greater Bristol Bus Network (GBBN) major scheme;
- Contractor and operator engagement to provide advice and best practice; and
- Combined procurement for maintenance and operations.

1.4 GOVERNANCE

1.4.1 Governance revolves around the West of England Programme Delivery Board (PDB) and its role in:

- Overseeing clear accountabilities for package delivery for all parties;
- Managing the ongoing refinement and implementation of the procurement strategy; and
- Developing and steering the operational protocol for the Rapid Transit network:

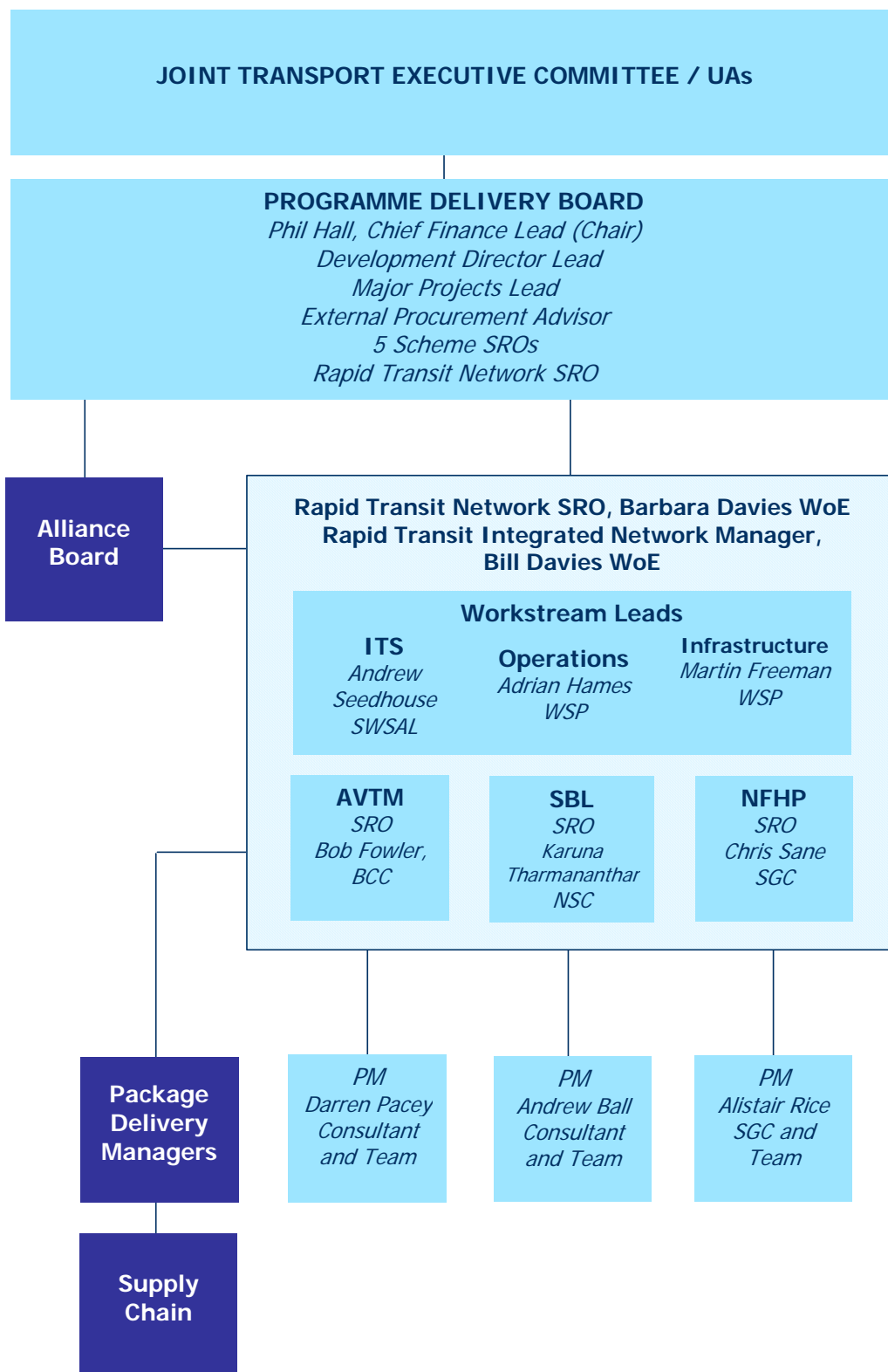


Figure 1: Programme Delivery Board and Contractor Management

2 Key Outcomes

2.1 ALLIANCE CHARTER

2.1.1 An 'Alliance Charter' is proposed to be signed by all the delivery partners and will describe the overarching behaviours and performance criteria for the delivery of design, construction and maintenance of infrastructure, installation and maintenance of hardware and the provision of Rapid Transit and bus service operations required across the programme.

2.1.2 This Alliance Charter will consist of but not be limited to the following:

- Delivery Programmes and key milestones;
- Common Incentives;
- Key Performance Indicators;
- Penalties and rewards; and
- Resolution of disputes procedures.

2.1.3 The Alliance Charter will be managed through an Alliance Board chaired by a nominee of the Programme Delivery Board and including contractor representatives.

2.2 PACKAGE APPROACH TO CONSTRUCTION PROCUREMENT

2.2.1 The proposed sourcing options take into account the combined programme synergies of the three Rapid Transit Schemes. The procurement of detailed design services and works will utilise existing frameworks available to the West of England Authorities such as the Regional Improvement and Efficiency Programme (RIEP) framework, for design services and contractor services and will be shared across authorities

2.3 MERGE MAJOR SCHEME PROCUREMENT WITH RENEWAL OF EXISTING CONTRACTS

2.3.1 The overall packaged approach will enable the procurement of new and refurbished infrastructure across the three schemes to be combined achieving benefits of scale and administration savings. The utilisation of existing and future replacement term contracts and frameworks across the three authorities will help the work to be packaged and managed in a phased manner.

2.4 NETWORK RAIL STRUCTURES AND THE HIGHWAYS AGENCY

2.4.1 The Network Rail bridges are being considered separately to the other bridges in the joint procurement strategy.

2.4.2 The reason for this is that they have been identified as significant risks for Network Rail and the authorities' which will need to be managed in the most effective way. There has already been and will continue to be significant open dialogue with Network Rail and the 'DfT Rail' department. This has centred on an optioneering process for procurement options for each railway bridge. The railway overbridge Stoke Gifford is well developed and may be pulled out from the combined Network Rail bridges strategy and local authorities' are undertaking further detailed assessments with respect to the SBL railway underbridge in conjunction with Network Rail prior to concluding the optioneering work.

2.4.3 The works in NFH on the M32 slips and junction bridge improvements is also excluded from the main structures package. These works will be carried out by the Highways Agency using their current Asset Support Contract (ASC).

2.5 RAPID TRANSIT NETWORK WIDE QUALITY PARTNERSHIP SCHEME

2.5.1 The procurement strategy for the rapid transit and feeder bus operations will deliver the network vision for rapid transit to provide a step change improvement in the quality and reliability of bus travel, emphasising the nature of the three Rapid Transit Schemes and taking a combined network approach supported by an operational protocol and overseen by the Programme Delivery Board. It will also build on the GBBN scheme currently underway to create an umbrella strategy for the West of England area.

2.5.2 The strategy will place a degree of control with the local authorities whilst making sure the bus operators provide suitable levels of quality. With this in mind a Quality Partnership Scheme (QPS) would be established under legislation included within the Local Transport Act 2008. The QPS will be underpinned by individual operator agreements and covers commercial and targeted tendered bus services and is enforceable by the Traffic Commissioner through bus service and operator licensing legislation. A QPS provides:

- Network Branding – to ensure consistent rapid transit branding across all three rapid transit routes;
- Fares – to ensure fares levels are attractive to passengers when compared with other travel options and meet local aspirations for make public transport accessible to all sectors of the community;
- Vehicle Quality – to ensure scheme objectives are met and high standards are consistently provided by bus operators;
- Infrastructure Control – to ensure bus services of the appropriate quality have dedicated access to infrastructure, which is maintained to an agreed standard; and
- Integration between rapid transit services and other parts of the network in terms of ticketing, transport network connectivity, information and accessibility.

2.6 RAPID TRANSIT NETWORK WIDE SMARTCARD SERVICE WITH FUTURE PROOFING

2.6.1 The Ticketing Strategy is in line with DfT guidance and policy by seeking to build upon existing ITSO ticketing architecture. Ticketing will be implemented via a platform Host Operator or Processing System (HOPS) and Card Management System (CMS) already supported by all of the commercial and tendered service operators of the West of England. A Back Office Card Based (euro Pay, Mastercard, Visa - EMV) will also be installed. The Strategy is based upon enhancing existing functionality rather than introducing a new ticketing platform. This carries less risk, is more affordable and is more flexible. The authorities will continue to work closely with DfT and South West Smart Applications Ltd (SWSAL) to ensure that the strategy builds upon wider initiatives and embraces the latest smartcard developments.

3 Procurement Strategy

3.1.1 The procurement strategy for infrastructure is set out below.

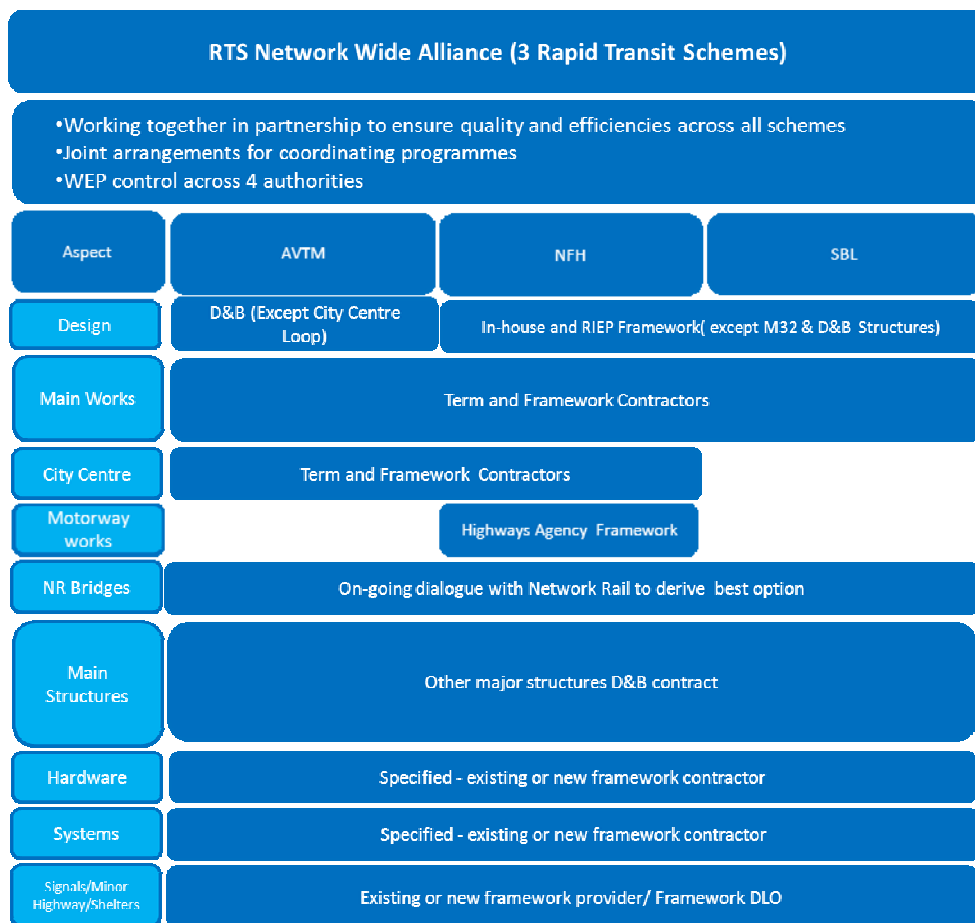


Figure 2: Infrastructure Procurement Strategy

3.1.2 The procurement strategy for rapid transit and feeder bus operations is set out below.

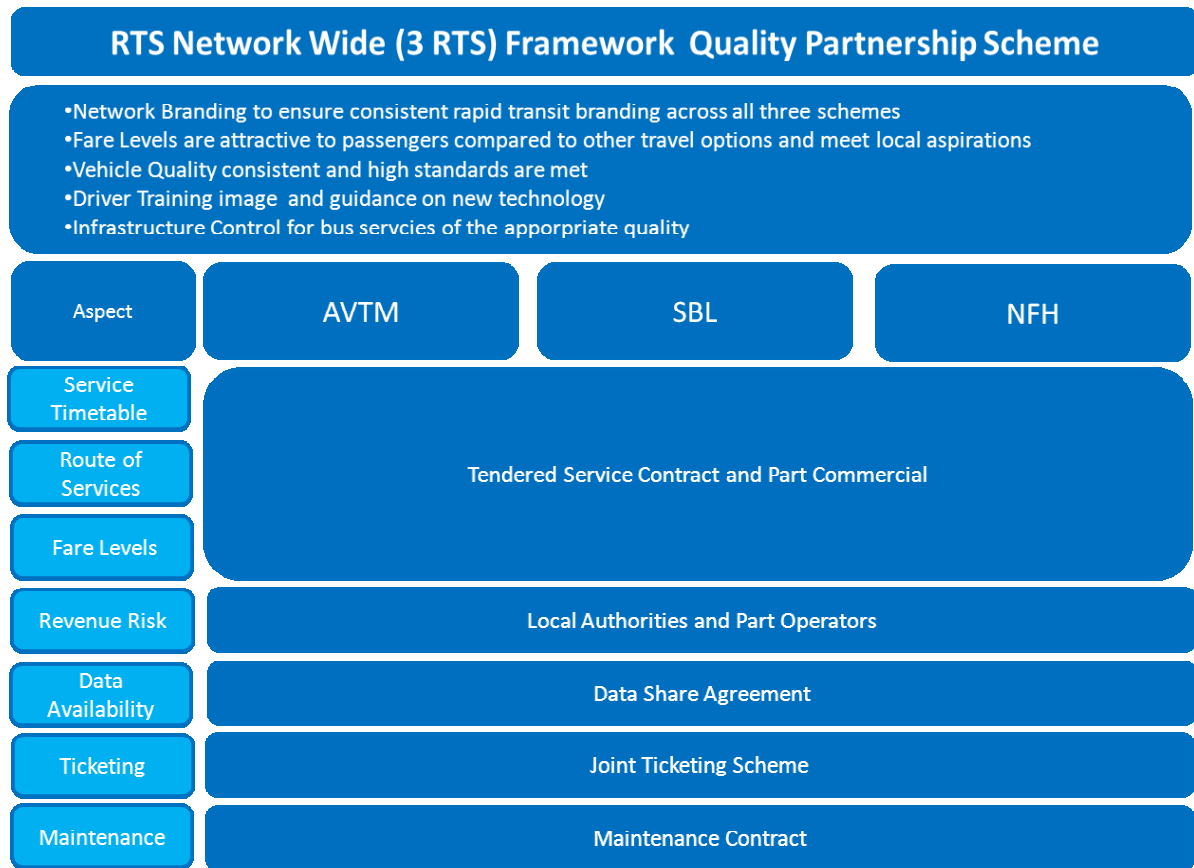


Figure 3: Rapid Transit and Feeder Bus Operations

4 Key Issues

4.1 CAPACITY, CAPABILITY AND INTEGRATION

4.1.1 The Joint Procurement Strategy will be supported by appropriate capacity from the full range of resource pools available to deliver the major scheme programme. The WoE has demonstrated a commitment through the Programme Delivery Board to assign dedicated resource to deliver the packages of works and services across all the three schemes. The Joint Procurement Strategy has flagged that the resource pools for design have capacity in most areas and will be enhanced where there are any shortfall through sharing of cross authority expertise. The capacity in the supply chain will be managed through the procurement of new contracts and enhanced across authorities where there are current capacity shortfalls.

4.1.2 The capability of the key people that will manage and deliver the three Rapid Transit schemes is backed up by the key Senior Responsible Owner roles (see Figure 1) where these individuals have been committed throughout their careers to the delivery of quality highway and transport infrastructure. The capability in the supply chain will be tested through the procurement of new contracts.

4.2 WORK IN PROGRESS ON KEY ISSUES

4.2.1 Work is already progressing at a level in excess of that to be expected of schemes yet to secure (or re-affirm) Programme Entry status; for example detailed discussions with network Rail and the Highways Agency, procurement of in-house and consultant resource to secure Full Approval, work to secure statutory consents and permissions.

5 Next Steps

5.1.1 Key next steps in the procurement programme are shown in the following Gannt chart. These activities are the 'must do' activities going forward to June 2012.

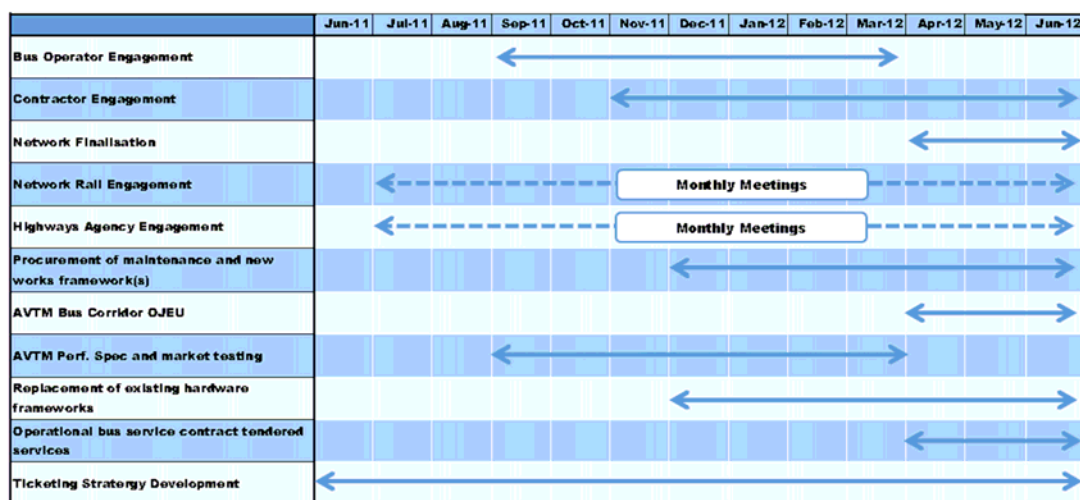


Figure 4: Next Steps 'Must Do' Activities