

North West Crewe Package

Procurement Strategy Report

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1 Introduction

1.1 General

The Leighton West area on the edge of Crewe includes the Leighton Strategic housing sites all of which were located in the Local Plan. The allocation was supported by a proposal for new highway infrastructure required to provide additional capacity on the highway network and access to the new sites. This is referred to as the North West Crewe Package.

The proposal is included in the Infrastructure Delivery Plan and includes; a north-south Spine Road, the realignment of Smithy Lane, an east-west Link Road from the A530 to the Spine Road and a series of associated junction improvements.

North West Crewe (Leighton West) project has been identified as a strategic site within the Local Plan (Designated Site LPS 4) to promote growth and development within Crewe. It is proposed to develop the area, located approximately 3km North West of Crewe town centre, with the following objectives:

- provide room for Leighton Hospital to expand,
- provide an estimated 1350 new homes to include homes for key workers at the hospital,
- provide a new primary school,
- provide a new play area,
- provide a new public house,
- provide community facilities.

The North West Crewe Package forms a key part of the Local Plan infrastructure programme for wider Crewe, which will deliver an improved highway network for the town. The benefits of the North West Crewe Package also extend to unlocking a number of other housing and employment Local Plan allocation sites by improving wider traffic movements and transport links, particularly in North Crewe.

The Package of measures include:

- a new north-south Spine Road to connect the east-west link road to the new hospital access and to provide access to the Leighton West Strategic site;
- a realigned Smithy Lane to connect the new roundabout above to the A530 and provide a new access to the hospital;
- a new roundabout on Flowers Lane to serve the Leighton Development;
- a new east-west link road to connect Minshall New Road to the A530; and
- a remodelled junction between Flowers Lane and the A530 and Eardswick Lane.

A schematic arrangement of the proposals is contained within Appendix B of this report.

The proposal is subject to planning approval and it is envisaged that all 3 phases will be delivered in a single implementation phase, subject to funding availability.

The first phase of the package for the delivery of the north-south Spine Road, realigned Smithy Lane and associated junction improvements, comprises two main sections (approximate total length – 1.8km). Section one is approximately 1100m long and runs in a general north-south direction between Smithy Lane and Minshull New Road. This section of highway is generally located at grade with minor embankments and cuttings in the order of 1.0m in height. Section two comprises a realignment of Smithy Lane and is approximately 700m in length with minor earthworks.

The second phase of the package, for the delivery of the east-west Link Road, is approximately 730m long and generally runs east-west from the A530 to a connection with the first phase. Section one, within this section there are embankments which are up to 3.0m high.

Sections one and two cross what is primarily green field land. Section three previously crossed two historical landfill sites, Pym's Lane Landfill Phase 2 and Crewe Borough Council Refuse Disposal Works. This section of the scheme has been moved north out of the boundary of the land fill, a risk remains that the boundary of the landfill has not been accurately mapped.

The third phase of the package consists of junction improvement works associated with the scheme.

It is envisaged that all three phases will be designed, procured and constructed as one project package, subject to detailed planning and funding approval.

This report makes recommendations regarding the method of procurement and the type of contract to be entered into by Cheshire East Council in order to deliver the North West Crewe Package of work.

1.2 Aims and Objectives

The principal aims of this report are to advise Cheshire East Council on the most favourable route for the procurement of the construction works associated with the North West Crewe project. This report will specifically address the following in terms of the procurement options that are available to Cheshire East Council:

- assess the pros and cons, opportunities and risks associated with each of the potential procurement options;
- analyse the potential programmes associated with each of the procurement options and whether they could be achieved given the milestone dates on the project; and
- assess the ways in which the services of a contractor could be secured – i.e. via a framework or the open market.

Conclusions are reported in Section 3 and recommendations in Section 4 of this report.

2 Procurement Strategy

2.1 Procurement – Options for Contract Type & Form of Contract

The New Engineering Contract (NEC) is a family of standard contracts which stimulate good management of the relationship between the two parties to the contract. This Form of Contract was conceived by the Institution of Civil Engineers and is maintained by them. It is entirely suitable for the North West Crewe Package and has recently been selected for use on similar schemes within Cheshire East Council including the Crewe Green Roundabout Project. It is a clear and simple document and has become widely accepted for the vast majority of civil-engineering projects. The NEC contract complies fully with the Achieving Excellence in Construction (AEC) principles. The Efficiency & Reform Group of The UK Cabinet Office recommends the use of NEC contracts by public sector construction procurers on their construction projects. The latest version of NEC was issued in June 2017.

The use of a traditional lump sum or re-measurement type contract for the project may provide relative cost certainty for the Council and transfer identified risk to the contractor, however for this type of contract pricing method to be effective project risks and details will need to be fully defined at the time the contract is awarded. Currently this may not be compatible with project programme and timescale aspirations.

A target-cost type contract will provide a reasonable share of risks and incentivises all parties to maximise benefits to outcomes throughout the project, this will result in a competitive price with early certainty. A fully detailed scheme does not need to be in place in order to award under this type of contract pricing mechanism. This contract type also encourages efficiency and early completion which will be particularly important for the North West Crewe package due to the tight programme timescale.

An NEC Target Cost contract is therefore recommended as the form of contract to be used, with a choice to be made on whether the pricing basis is an Activity Schedule (Option C) or a Bill of Quantities (Option D). A decision on this should be based upon how well the detailed breakdown of the works to be executed, suit an established Method of Measurement for the production of a meaningful Bill of Quantities when the scheme is fully developed.

Within the NEC Form of Contract, the following options exist with regard to the degree of Design and Design advice that can be requested from the Contractor. These options include the following:

- Design and Build – Scheme fully or partly designed by contractor as part of the awarded contract.
- Early Contractor Involvement (ECI) – Advice afforded to the design team in terms of constructability and construction types by the contractor and / or part of the project designed by the contractor.
- Construction Only Contract – No design carried out by contractor and no design or constructability advice given within the design and development process.

The type of project and current project stage of the North West Crewe Package of infrastructure work supports the use of all three types of contract. The choice of type of contract should be based upon ability to administer the contract and assignment of risk.

It was concluded that an Early Contractor Involvement Contract would be the preferred procurement option for the form of contract. The reasons for this are described below.

2.1.1 Design and Build.

This option would allow a competitive tender price to be obtained and enable the start of the construction phase at the earliest opportunity. The Design and Build tender would provide a reasonable level of cost certainty. Design and Build contracts offer early price certainty and risk transfer to the contractor, however the control over the design that is afforded to the Client in this form of contract is limited and interfaces with 3rd parties generally prove problematic as they are outside the influence of the contract. This can lead to a large variation in tender prices returned and may not reflect the outturn cost of the contract. This approach would require the Council to develop full tender documentation prior to commencing procurement which is not considered practical due to current project programme constraints.

2.1.2 Early Contractor Involvement (ECI)

The use of an ECI procurement route using an NEC Option A Lump Sum or Option C Target Cost Contract negotiated after the completion of the Planning Process for the scheme is deemed to be the most favourable contract procurement option. ECI would provide some price and programme certainty, as the design and construction programme is better developed. There is greater opportunity to reduce risk prior to starting on site through the inherent collaborative approach to developing the scheme with the contractor. However, unlike the Design and Build Option, the price would be a negotiated price, and likely to be higher than the Design and Build and Construction only options but would better reflect the outturn cost of the scheme for the Council.

2.1.3 Construction Only Contract

A construction contract (NEC ECC Type A or C) was rejected because of the increased programme duration due to protracted tendering requirements. Although Tenderers would be pricing a fully developed design, providing certainty of price, the design of the scheme would not be complete until after the planning process resulting in a delay to the project construction start date as the tender process could not begin until after the completion of the design.

2.2 Procurement – Options to Secure the Services of a Contractor

A potential option to deliver the scheme via the existing Highway Service Contract has been explored, but has been discounted on legal and procurement advice that a direct award by this route of a contract of this scale and value could be successfully challenged on the basis that it is beyond the intended scope of the existing contract.

As such the following four options were identified for procuring the services of a contractor on the North West Crewe project:

- OJEU Notice - Restricted Procedure.

- OJEU Notice – Open Procedure, open to all contractors.
- Use of a Framework to which CEC has access i.e. Highway England's Collaborative Delivery Framework.
- Use of the existing national SCAPE Framework.

An assessment of the risk for each procurement option has been undertaken and is detailed in Section 2.3.4 of this report.

It was concluded that the use of the existing SCAPE Framework was the preferred method to procure the works. The reasons for this are described below.

2.2.1 OJEU Notice - Restricted Procedure

The restricted procedure requires tenderers to prequalify by submitting a Selection Questionnaire (SQ) which limits the number of tenders submitting a price. The SQ would enable an appropriate tender list to be drawn up, of tenderers interested in the work, and who Cheshire East were likely to want to appoint. However, this procurement method because of the SQ process would be protracted in terms of programme, potentially delaying the start of the construction of the project on site and may not meet the funding requirements of any NPIF contributions in terms of required spend. This would expose the Council to the risk of underspend within the funding period.

2.2.2 OJEU Notice – Open Procedure

An open OJEU procedure is open to all contractors and this option was dismissed because of the potentially large number of tenderers to be assessed and the protracted tender procedure that would be required, potentially delaying the start of the construction of the project. A delay to the start of the project may also miss identified potential funding windows of opportunity.

2.2.3 Use of the Highways England CDF Framework

North West Crewe, with a current construction estimate of circa £26M for phases 1 to 4 would fall into the CDF Lot 3a high value construction work category ("schemes between £25m and £40m, may be extended to £300m"). Should the cost estimate of the works be less than the current estimate the scheme may fall into the scope of a lower value lot.

Although CDF could potentially reduce the tender programme, it was not considered sufficient to allow construction of the project by the required date. There is a risk to the Council that Highways England may not allow access to the framework as they may wish to leave capacity to deliver their own projects within the £5bn OJEU limit. The framework will not be renewed until after November 2018. This procurement route will delay the programme as the Council will have to apply for access to the CDF with Highways England and subsequently run a tender process including compiling and issuing tender documentation, contractors' tender period and adjudication.

2.2.4 Use of the SCAPE Framework

SCAPE is a public-sector owned organisation that has in place a number of national procurement frameworks for use by the public sector. The relevant framework for the North West Crewe Package is the Civil Engineering and Infrastructure

Framework. The current provider for civil engineering on the Framework is Balfour Beatty. It has a four-year duration and an overall value of £1.5 Billion and is available to all public bodies in the UK. The nominal project value for contracts is between £1M and £40M (The NWC project estimated to be in the order of £26M); however, SCAPE is not capped at that value and is being used on contracts up to £79m. The framework uses NEC options A or C and is fully OJEU compliant. Cheshire East Council has the flexibility to choose Option A or C under the framework when the level of project detail and risk to the Council is better understood.

The framework allows a project to be developed from inception to post completion with the contractor being involved in the early stages of projects. This format facilitates delivery of true Early Contractor Involvement within a collaborative whole team approach.

It offers a quick way to market with individual packages of work being 100% market tested and managed using an open book approach with full visibility for the Council. It encourages early supply chain engagement, supporting value engineering and risk reduction. The framework contractor was also procured through a competitive OJEU compliant procurement process.

The framework also includes cost planning and risk management. SCAPE is a collaborative arrangement and the core management team and supply chain is selected from all parties in the contract. There is a management fee for using the framework which is currently defined as 0.5%.

The Scape Framework is currently being used successfully by the Council for the procurement and delivery of the Crewe Green Roundabout project.

This framework is also being used by other public sector local authorities in the North West to develop projects similar to North West Crewe, including Warrington Borough Council, St Helens Council and Stoke City Council.

2.3 Comparison of Traditional OJEU Options, CDF and SCAPE Framework

2.3.1 OJEU Notice

Positives	Negatives
<p>Appropriate for D&B and ECI contracts using NEC Options A or C.</p> <p>Not limited to number of contractors and may attract high profile UK and EU contractors who would be expressing a definite interest in the scheme and result in a potentially a more competitive price due to larger market.</p> <p>Cheshire East Council can use its own tendering system.</p> <p>Open OJEU procedure available.</p> <p>Price/Quality ratings to suit with no restrictions.</p>	<p>OJEU process can typically take 6 – 9 months.</p> <p>Tender documentation needs to be developed by the Council and ready before the contract OJEU notice is published.</p> <p>Potential 3-5 months' delay if SQ cannot commence until after Planning Decision with start on at least site 3 months later.</p> <p>Open OJEU procedure onerous because of the potentially large number of tenderers to be assessed. With a potential 4-month delay on construction.</p> <p>If SQ cannot commence until after Planning, there is greater likelihood that early ecological work would start later and miss ecological windows.</p> <p>Outturn costs often do not reflect submitted tender prices.</p>

2.3.2 Highways England Collaborative Design Framework (CDF)

Positives	Negatives
<p>Shorter procurement period than OJEU of between 3-5 months. Saving time and money.</p> <p>Some form of pre-market engagement held including a Contractor awareness day, shorter than SQ.</p> <p>Access to nationally well-known contractors that have already been through a vetting procedure.</p> <p>Contractor interest gained through contractor awareness day.</p> <p>Appropriate for D&B and ECI contracts using NEC Options A or C.</p> <p>CEC can use its own tendering system.</p> <p>Price/Quality ratings can be altered.</p> <p>Tender documentation needs to be prepared at ITT.</p> <p>The CDF framework can be used with minimal Highways England input (other than adherence with and reporting on Key Performance Indicators (KPI's)).</p>	<p>Risk that Highways England may or may not approve access to the framework.</p> <p>Restricted to 5 previously identified tenderers.</p> <p>No real feel for their 'appetite' at time of making bid even if they say they are keen now and risk that insufficient number of tenderers will bid.</p> <p>If OJEU process is commenced prior to the inquiry, there is no time saving in the CDF approach.</p>

2.3.3 SCAPE Framework

Positives	Negatives
<p>Fully OJEU compliant.</p> <p>Typically, 6-9 months saving on programme compared to OJEU.</p> <p>100% market testing of supply chain packages with full access by the Council to supply chain prices and selection.</p> <p>Council have full control of supply chain selection.</p> <p>Supply chain interest gained through supply chain awareness day.</p> <p>Fully open and transparent.</p> <p>North West Crewe project programme and budget fully validated through a well-defined SCAPE process.</p> <p>Demanding Key Performance Indicators and delivery commitments with stringent controls in place, independently monitored by SCAPE on behalf of Cheshire East Council to demonstrate value.</p> <p>Mandated targets for social value, training and apprenticeships.</p> <p>Ability to engage contractor immediately, saving procurement time and cost and achieving start on site to meet funding requirements.</p> <p>Local supply chain and SME targets are mandated by SCAPE, retaining investment locally.</p> <p>Access to nationally well-known contractor that have already been through a vetting procedure.</p> <p>Appropriate for D&B and ECI contracts using NEC Options A or C, with flexibility for the Council to decide on form of contract best suited to the project.</p> <p>Greater likelihood that early ecological work would start earlier and achieve critical ecological survey windows.</p> <p>Construction can be programmed to suit a phased delivery.</p>	<p>Restricted to 1 identified tenderer / contractor.</p> <p>Few examples of schemes of this size being procured under the SCAPE framework. CEC do have experience of procurement through this framework but on projects of a smaller scale.</p> <p>4-year framework with final date to place a contract of January 2019. If programme slips this option may not be available or alternatively the Council can choose to complete the project with the new framework contractor (however if a delivery agreement is signed prior to this time, then the works may continue to completion under specific contract provisions such as the X23 clause).</p> <p>Delivery Agreement would need to be in place for all phases, but with no obligation to proceed to construction phase. There are no penalties payable by Cheshire East Council if the Council decides the project does not proceed to the construction phase.</p> <p>There is a SCAPE fee of 0.5% and Contractor fee of 2.5%.</p>

2.3.4 Risk Analysis of Procurement Routes

The procurement options identified have been assessed by means of a qualitative RAG rated assessment of the relative strengths and weaknesses of the route options against the principal risks associated with the project in terms of Quality, Time and Affordability. Risks associated with the project in terms of Health and Safety and Environment are similar in all the procurement options considered and as such have not been included with the risk profile assessment.

The assessment criteria used for the RAG scoring is detailed within the following table:

Assessment Criteria for RAG Scoring			
RAG SCORE	Quality	Timely Completion	Affordability
Green	Identified Contractor with potential for Early Contractor Involvement (ECI) and demonstrable track record in quality delivery.	Procurement timescale achieves or is close to achieving required programme and the procurement route provides for demonstrable programme benefits.	Can be proven to provide value for money and is fully market tested.
Amber	Contractor selected from restricted list with demonstrable track record in quality, minimal opportunity for Early Contractor Involvement (ECI).	Procurement timescale does not achieve required programme but the procurement route provides for demonstrable programme benefits.	Can be show indirectly to represent value for money but cannot be fully market tested.
Red	Contractor unknown, quality of delivery cannot be assessed, little opportunity to realise benefits of Early Contractor Involvement (ECI).	Procurement timescale does not achieve required programme and provides little to no opportunity to benefit project programme.	Cannot be proven to provide value for money and cannot be market tested.

The assessments of each of the identified procurement route options are detailed in the following tables:

Procurement Option	Risk Profile		
	Quality	Timely Completion	Affordability
SCAPE Framework	<p>Provides for Early Contractor Involvement to inform the detailed design and minimise cost and delay risks.</p> <p>Has been used successfully on a recent similar scheme delivering on time and on budget. (Warrington) – Client references are very good.</p> <p>The supplier is a recognised experienced contractor with a track record of delivery locally and nationally via the framework.</p> <p>Is being used on current Council scheme to good effect.</p> <p>Comprehensive suite of Key Performance Indicators independently monitored by SCAPE.</p>	<p>Facilitates early diversion of utilities during the detailed-design phase, hence not delaying the works.</p> <p>Speed of procurement much quicker than OJEU procedures.</p> <p>Has been used successfully on a recent similar scheme delivering on time and on budget. (Warrington) – Client references are very good.</p> <p>Is being used on current Council scheme to good effect.</p> <p>Product of the Scape process is a robust whole project programme.</p>	<p>Low cost of transaction. SCAPE fee is 0.5% with a Contractor Fee of 2.5%.</p> <p>The Scape framework ensures that the market is tested and value achieved via tendering the majority of works to local supply chains with a minimum of three quotations.</p> <p>Has been used successfully on a scheme of similar nature and value delivering on time and on budget. (Warrington) – Client references are very good.</p> <p>Provides for the use of NEC target costs form which incentivises cost minimisation and shares risks.</p> <p>Is being used on current CEC schemes.</p> <p>SCAPE is restricted to a single contractor and as such may be seen as less competitive when compared to other forms of procurement. However, SCAPE rates have been market tested against other procurement options and have been found to be competitive.</p>
	Green	Green	Amber
Overall RAG Assessment = Green			

Procurement Option	Quality	Timely Completion	Affordability
Highways England Collaborative Delivery Framework	<p>The suppliers will be recognised experienced contractors with a track record of delivery via the framework.</p> <p>Possibility for Early Contractor Involvement but to a limited extent depending on programme.</p>	<p>No pre-qualification process required.</p> <p>Speed of transaction quicker than OJEU, but Council would have to apply to HE for access to the framework and await approval.</p> <p>Requires a mini-tender which would take a minimum of 8 weeks.</p> <p>Also requires the Council to develop tender documentation (which can be a lengthy process).</p> <p>Requires a period of time for assessment of mini tenders and award of the contract.</p> <p>The Framework could reach capacity and close before it could be used for this Project.</p> <p>4-year framework with final date to place a contract of November 2018. If programme slips this option may not be available. However new framework will be in place.</p>	<p>Restricted to 5 contractors.</p> <p>Value-for-money will be uncertain on a scheme of this scale and is dependent on the level of supplier interest at mini-tender stage.</p> <p>No certainty of outturn cost.</p>
	Green	Amber	Red
Overall RAG Assessment = AMBER			

Procurement Option	Quality	Timely Completion	Affordability
OJEU Open Procedure	<p>Provides the opportunity to select a good-quality delivery team.</p> <p>Potential lack of local knowledge with some tendering companies.</p> <p>Minimal opportunity for Early Contractor Involvement given the project time constraints.</p>	<p>Procedure is far too long to achieve the Project delivery deadline taking approximately 7 months.</p> <p>Could result in large number of tenders returned requiring lengthy evaluation process.</p>	<p>May provide good value for money as there would be more competition.</p> <p>Interested, viable contractors will apply potentially from across the EU.</p> <p>Expensive in terms of preparing documents; administering the process; and evaluating tenders.</p> <p>There could be a very large number of tender returns requiring assessment.</p> <p>Burden of tendering effort may reduce interest in bidding from contractors available through other routes.</p> <p>Some smaller companies will be deterred from bidding as they normally operate as supply-chain partners.</p> <p>No certainty of outturn cost.</p>
	Amber	Red	Amber
Overall RAG Assessment = AMBER			

Procurement Option	Quality	Timely Completion	Affordability
OJEU Restricted Procedure	<p>Provides the opportunity to select a good-quality delivery team.</p> <p>No opportunity for Early Contractor Involvement as it is now too late to procure this via OJEU.</p> <p>No pre-existing Communications and Stakeholder Management.</p>	<p>Procedure is far too long to achieve the Project delivery deadline because of the extra SQ stage of at least 2 months making approximately 9 months in total.</p>	<p>Less resource-hungry and expensive for tenderers compared to the OJEU Open Process.</p> <p>May provide good value for money as there would be focussed competition.</p> <p>Interested, viable contractors will apply.</p> <p>Expensive for CEC in terms of preparing documents; administering the process; and evaluating tenders.</p> <p>Supervisory and contract administration required adding a financial burden to CEC and the Project.</p> <p>No certainty of outturn cost with risk of change sitting with CEC.</p>
	Amber	Red	Amber
Overall RAG Assessment = AMBER			

2.3.5 Programme

Appendix A includes an order of magnitude comparative programme which compares the timescales of the different procurement options. These are split into the following options:

- Option 1A – OJEU Notice – Restricted Procedure.
- Option 1B – OJEU Notice – Open Procedure.
- Option 2 – Collaborative Design Framework (CDF)
- Option 3 - SCAPE Framework

3 Conclusions

This report has reviewed the options for selection of a contract type and the various methods of procuring a contractor for the North West Crewe project which is being promoted by Cheshire East Council (CEC).

The results of the analysis and arguments detailed in the report conclude the following:

- A construction contract (NEC ECC Type C) in the most favourable contract form to be used to deliver the North West Crewe Package of strategic infrastructure, although an Option A arrangement would provide Cheshire East Council with greater cost certainty should the first phase of the package be fully developed at the time of contract award. A new version of the NEC contract was issued in June 2017 and the use of this new version of the contract should be confirmed with Cheshire East Council and the tendering contractors before contract formulation and award.
- Both D&B and ECI provide acceptable methods for procuring the work, however, it is considered that overall, the ECI option would give Cheshire East Council best value for money, and earliest programme completion. The ECI option also provides better programme certainty, and more flexibility in dealing with any programme slippage, but is likely to result in a greater cost (I.e. ECI has greater programme certainty but less cost certainty than a D&B contract).
- Both tendering using the CDF and following the OJEU procedure offer acceptable means of procuring projects. Using the CDF has the advantages of using nationally well-known contractors that have already been through a vetting system and provides a much shorter procurement period and tender documents do not need to be available until Instructions to Tender. There is a small risk that not all contractors would wish to tender. The OJEU route would open up the contract to other high profile UK and EU contractors who would be expressing a definite interest in the scheme.
- The tender process is longer with the OJEU route and there is a requirement for the tender documents to be available at publication of the OJEU Notice. If SQ can start in advance of planning, then both the OJEU and CDF routes will achieve the same programme, however, if SQ starts after Planning, contract award would be three months' later.
- CDF is 4-year framework with final date to place a contract of November 2018. It is doubtful that the project will be available for Tender before this date and as such this procurement option by means of the current framework may not be available. However, a new framework should be place before the current framework expires.
- The OJEU route offers a wider range of contractors when compared to CDF and SCAPE.
- The SCAPE framework offers a good alternative to both CDF and the traditional OJEU route that offers a fast route to market with cost planning and risk management at an early stage, although not cost certainty. Although

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the framework has a notional value of between £1m and £40m, it has been used on contracts greater in value. It is limited to delivery by a single supplier, however recent experience through Crewe Green Roundabout suggests that market competition can be demonstrated. The SCAPE process allows Cheshire East Council to retain sufficient control in the procurement and implementation process, including the selection of the management team.

- The current SCAPE Civil Engineering & Infrastructure Framework ends at Midnight of the 30th January 2019. There are 3 possible routes open to ensure continuity/completion of any SCAPE project beyond January 2019. These options include:
 1. Enter into a Project Delivery Agreement (as in the normal SCAPE process) on or before the 30th January 2019.
 2. Using the framework NEC X23 clause whereby the Council can sign the Project Delivery Agreement before or during the Stage 1 Preconstruction phase. There are no penalties payable if the project does not proceed to Stage 2 - construction. This NEC option mirrors the standard SCAPE process.
 3. It is envisaged that the new Civil Engineering & Infrastructure Framework Partner will be appointed in November 2018. Therefore, for approx. 3 months (from November 2018 until the 30th January 2019) the two Frameworks (new and old) will be running concurrently. Consequently, the Council will have a choice of Framework at that time. I.e. either remain with the incumbent Framework Partner (Balfour Beatty) or choose to complete the project with the new Framework Partner which may be a different contractor.

Council and Legal approval will need to be obtained regarding selection of contract form, contract type and, procurement route.

The final decision for the procurement strategy sits with Cheshire East Council, and the choice of option depends on whether price or programme (cost or programme certainty) is more important to Cheshire East Council and the project. However, it is to be noted that programme in this instance seems to be the overriding factor in terms of the optimum procurement route selection.

4 Recommendations

Having considered the issues which have been raised within this report and subsequent discussions with members of the Cheshire East project team, in order to best meet the aims and objectives of Cheshire East Council the following recommendations are made:

1. Procure the construction works for North West Crewe Package on an ECI contract utilising a NEC Option C Target Cost Contract with Activity Schedule.
2. Obtain Cabinet and legal approval to appoint SCAPE and commence the ECI process as soon as practicable in order to sufficiently inform the ongoing design as part of the ECI process.
3. Review the performance of the SCAPE framework in terms of contracts and projects that are currently being carried out under this framework directly for the Council and for others.

Appendix A. North West Crewe Package Procurement Option Comparative Programmes

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Appendix B. North West Crewe Package Schematic Arrangement

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