

Divisions Affected – Grove North, Wantage and Grove Brook, Wantage Charlton

CABINET MEMBER FOR TRAVEL & DEVELOPMENT STRATEGY

–7 September 2023

Delegation to the Corporate Director of Environment and Place to approve the issuing of a Notice to Proceed to Stage 2 (Construction) under the Contract dated 22 July 2022 with Galliford Try Infrastructure Limited in respect of the Wantage Eastern Link Road scheme

Report by Corporate Director of Environment & Place

RECOMMENDATION

1. The Cabinet Member is RECOMMENDED to

Delegate authority to the Corporate Director of Environment & Place in consultation with the Director of Finance and the Head of Legal Services & Deputy Monitoring Officer to approve the issuing of a Notice to Proceed to Stage Two (Construction) under the NEC4 ECC Option C contract awarded to Galliford Try Infrastructure Limited in July 2022 (the value of the Stage Two works is for £4.53m inc VAT) in relation to the construction/delivery of the Wantage Eastern Link Road (WELR) scheme.

Executive Summary

2. This report seeks to ensure that delegated authority is in place for the Corporate Director of Environment and Place to approve the issuing of a Notice to Proceed to Stage Two (Construction) under the NEC4 ECC Option C contract awarded to Galliford Try Infrastructure Limited (the “Contractor”) in July 2022 (the value of the Stage Two works is £4.53m inc VAT) in relation to the construction/delivery of the WELR scheme.

Background

3. The WELR scheme comprises a new highway link that will extend between the A417, east of Wantage (West Lockinge junction) and A338, north of Wantage (Mabley Way/A338 roundabout).

4. The WELR scheme comprises three sections, whereby St Modwen – as master developer of the Crab Hill residential development (1,500 homes) – is currently delivering sections 1 and 2 at either extent of the new road. The Council is responsible for delivering the middle section (3) of the WELR scheme, which is planned to open in Summer 2024.

5. The scheme will support planned growth in both housing and employment and, importantly, support/facilitate sustainable and active travel in the local and wider area. The WELR scheme will:
 - Help to unlock development sites as the scheme will also provide the Grove Airfield development (known as “Wellington Gate” – up to 2,500 homes) with access to/from A417 (east).
 - Reduce congestion and provide essential relief to Wantage town centre and surrounding road junctions by creating a ‘bypass’ route.
 - Provide high-quality pedestrian/cycle infrastructure
 - Improve air quality and reduce HGVs and LGVs entering Wantage town centre.
6. The Council entered into an NEC4 ECC Option C (Target Cost) contract with the Contractor on 22 July 2022 in respect of WELR3. The contract is a two-stage design and construction target price contract, which includes:
 - Stage One: Early Contractor Involvement (ECI) and design
 - Stage Two: Construction of WELR3 based on an agreed target price and fee schedule
7. Detailed design is nearing completion (to be finalised in August 2023), and the Council has now begun early phase works on site during Stage 1 in order to achieve efficiencies and mitigate programme and cost risk’s related to adverse weather conditions associated with earthworks in Winter.
8. The purpose of this report is to obtain a delegation to the Corporate Director of Environment and Place to approve the issuing of a Notice to Proceed to Stage Two (Construction) under the NEC4 ECC Option C contract awarded to the Contractor in July 2022 (the value of the Stage Two works is £4.53m inc VAT) in relation to the construction/delivery of the WELR scheme.
9. The Contractor will construct/deliver the WELR scheme on behalf of the Council acting in its capacity as Highways Authority under the Highways Act 1980.

Key Issues

10. It is essential that this decision is made in order that the Council can proceed to issue a Notice to Proceed to Stage Two Galliford Try to ensure that the construction/delivery programme is not adversely affected.
11. Circa £1m of efficiencies have been gained by accelerating the programme and undertaking earthworks during Stage 1. Any unnecessary delay in issuing a Notice to Proceed to Stage 2 would result in loss of time in the programme and prelim cost stand down due to a mobilised Contractor.

Financial Implications

12. The £4.53m (inc VAT) cost for Galliford Try Infrastructure Limited to construct/deliver the WELR scheme on behalf of the Council falls within the ‘approved budget’, which was approved by Cabinet in April 2023.

13. The project is part funded by Housing Infrastructure Fund (HIF) – Marginal Viability Funding (MVF) via Homes England. To draw down the full £1.951m, a milestone has been set on the Council to issue the Notice to Proceed to Stage Two by October 2023. The Project team is on track to issue such Notice to Proceed by October 2023, subject to approval.

Comments checked by: Prem Salhan, Finance Business Partner
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Legal Implications

14. On 22 July 2022 the Council entered into a NEC4 ECC Option C Contract with Galliford Try Infrastructure Limited following a call-off under the Midland Highways Alliance MSF3 Framework. Under the contract the Contractor delivers Stage One services (early contractor involvement and design). If agreement is reached on a target price, the Council issues a Notice to Proceed to Stage Two to the Contractor, which triggers the commencement of the Stage Two construction works.

Comments checked by: Jayne Pringle, Principal Solicitor – Contracts and Conveyancing (Legal Services)
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Staff Implications

15. There are no staff implications.

Risk Management

16. If the Council does not issue a Notice to Proceed to Stage Two to the Contractor under the contract, construction/delivery of the scheme cannot commence which could thwart the Council's ability to draw down the HIF MVF funding that has been allocated to the scheme. Furthermore, the Contractor has mobilised for early phase earthworks will not be able to further progress the works as per the latest programme until Notice to Proceed to Stage Two has been issued, which could have financial and time implications.

Bill Cotton, Corporate Director of Environment & Place

Annex: Nil

Background papers: Nil

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