

Bristol City Council Clean Air Plan Outline Business Case

Commercial Case

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Bristol City Council

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Acronyms and Abbreviations

AED	Approved Enforcement Device
ANPR	Automatic Number Plate Recognition
BCC	Bristol City Council
CAF	Clean Air Fund
CAP	Clean Air Plan
CAPEX	Capital expenditure
CAZ	Clean Air Zone
EU	European Union
HGV	Heavy Goods Vehicle
JAQU	Joint Air Quality Unit
LGV	Light Goods Vehicle
NO ₂	Nitrogen Dioxide
OBC	Outline Business Case
OPEX	Operational expenditure
PCN	Penalty Charge Notice

4. Commercial Case

4.1 Introduction

The Commercial case will set out all the procurement options we have considered, in order to identify the most efficient route to market for all CAZ related workplace packages. In line with JAQU Guidance, the Commercial Case builds on the Strategic Outline Case (SOC) by making recommendations about the optimal way to procure all necessary resources for successful delivery of this project. Best practice will be followed where possible and practical.

4.2 Procurement specification

In order to deliver the Hybrid option consisting of 2 operational zones, the following measures will need to be procured:

- Design (including specification);
- Approved Device (included ANPR cameras, back office system and comms);
- Infrastructure (on road);
- Traffic Management;
- Back office system;
- Enforcement;
- Operations – staff; and
- Communications and Engagement activities and resources.

The following measures will be required in support of the CAZ, requested as part of the CAF bid and will be procured once funding is sought and provided.

- Provision of grants for taxi, private hire and LGV drivers to upgrade and / or retrofit their vehicles;
- A loan scheme to assist businesses replace their vehicles;
- A scrappage scheme for diesel car drivers;
- Easton Way walking and cycle scheme, completion from Stapleton Rd Junction to J3, M32;
- Walking and cycling scheme;
- Bedminster Bridges walking and cycle Improvements (part of the Cumberland Rd bus lane scheme);
- Other additional walking and cycling schemes;
- Increase, Improve, update Legible City Signage;
- Additional electric vehicle charging points;
- Expansion of Portway P&R site (550 spaces with 350 additional to be unlocked);
- Mobility credits and/or subsidised bus travel for certain demographic or income groups;
- Business support including personalised travel planning, targeted door knocking and roadshows, travel plan support and CAF scheme promotional publicity;
- Demonstration EVs for small businesses; and
- Micro-consolidation unit with cargo freight bikes.

This list will be reviewed between OBC and FBC as detailed design and stakeholder engagement continues/evolves.

4.3 Procurement Options

With a complex scheme of this nature all procurement options have been considered for each of the work packages within the project. There are specific challenges to the deliverability of the diesel car ban element of the Hybrid option; Government/Minister has committed to supporting BCC in obtaining the authorities required. This is being discussed with DfT and JAQU, should it not be taken forward other options including the benchmark option would be considered for delivery; CAZ D+.

There are four primary routes available to deliver the scheme:

- Utilising relevant current BCC contracts;
- Through existing BCC frameworks (which are detailed further in the procurement strategy);
- Through frameworks commissioned by other conveners such as Crown Commercial Services (CCS), ESPO the UK Government's professional procurement service for the public sector; and
- Open tender through the Official Journal of the European Union (OJEU), or as otherwise instructed post Brexit.

The procurement options listed above were all considered for each of the work packages to identify a preferred approach for the OBC. Our preferred approaches are detailed below and in the Procurement Strategy.

4.3.1 Bus Lane Enforcement

Collaboration with the Bus Lane Enforcement Team to set up a standalone project has taken place, approved by the Corporate Leadership Board in recognition of the synergies and efficiencies in purchasing cameras required for both schemes through one combined process.

4.4 Recommended Procurement Strategy

Using the wide range of existing contracts and frameworks, as detailed in the Procurement Strategy and referenced in section 4.3 above, will provide the appropriate project assurances which are:

- To meet the tight and challenging timescales of the project, utilising existing arrangements or frameworks will provide a compliant procurement process in the shortest timeframe;
- These contracts were competitively tendered and were awarded on MEAT (Most Economically Advantageous Tender) criteria ensuring both quality and value for money;
- By utilising current technology, existing operations can maintain business as usual and minimise disruption;
- Existing supplier relationships will allow for swift project on-boarding and encourage innovation; and
- Current technology deployed which is utilised to also support the CAZ will offer savings on licences, providing budget savings for both BCC and JAQU.

Although it is envisaged that BCC contractual arrangements will be able to fulfil the majority of the work packages, it is acknowledged that some agreements may not be completely suitable but we believe this only applies to small number of work packages. Further details for how this would be addressed should this occur are set out in the Procurement Strategy.

Table 4.1 summarises the CAZ work packages and how BCC will achieve these.

The proposed procurement route for each item listed in the table, and is described in more detail in OBC 32 'Procurement Strategy' of this OBC.

Commercial Case

Table 4.1: CAZ work packages and procurement route

	Package	Procurement Route
CAZ System & Implementation	Design (including specification)	BCC Highways consultancy framework (current expires Dec 2019 but new Framework in place for Jan 2020, which is being re-tendered by the West of England Combined Authority (WECA).
	Approved Device	Current BCC contract or CCS Traffic Management Technology 2 Framework
	Infrastructure (on road)	Current BCC contract or BCC Highways Framework
	Traffic Management	Current BCC contract or CCS Traffic Management Technology 2 Framework
	Back office system	Part of the Approved Device
	Enforcement	Current BCC contract (expires 2021, we will either extend now through TMT2 or re-procure)
	Operations (staff)	In House provision using BCC existing resource and contracts as required
	Communications and Engagement	In House provision using BCC existing resource and contracts as required
Additional Measures	Provision of grants for taxi, private hire and LGV drivers to upgrade and / or retrofit their vehicles	Use framework developed for other CAZ schemes.
	Demonstration Electric Vehicles for small businesses	Use framework developed for other CAZ schemes.
	A loan scheme to assist businesses replace their vehicles	Use framework developed for other CAZ schemes.
	A scrappage scheme for diesel car drivers	Use framework developed for other CAZ schemes.
	Easton Way walking and cycle scheme, completion from Stapleton Rd Junction to J3, M32	BCC Highways framework (BHAMA AWF)
	Walking and cycling scheme	BHAMA AWF
	Bedminster Bridges walking and cycle Improvements	BHAMA AWF
	Other additional walking and cycling schemes	BHAMA AWF
	Increase, Improve, update Legible City Signage	BHAMA AWF
	Additional electric vehicle charging points	BCC Highways framework or ESPO Vehicle Charging Infrastructure Framework (636_17)
	Expansion of Portway P&R site (550 spaces with 350 additional to be unlocked)	BHAMA AWF
	Mobility credits and/or subsidised bus	In House provision using BCC existing resource

Table 4.1: CAZ work packages and procurement route

	Package	Procurement Route
	travel for certain demographic or income groups	and contracts as required
	Business support including personalised travel planning, targeted door knocking and roadshows, travel plan support and CAF scheme promotional publicity.	In House provision using BCC existing resource and contracts as required
	Micro-consolidation unit with cargo freight bikes.	In house provision using BCC existing resource and contracts as required.

4.4.1 Payment Mechanisms, Pricing Framework and Charging Mechanisms

Confirmation of the financial arrangements to implement the CAZ for Bristol City Council will be confirmed following supplier engagement, where required, as part of the Full Business Case (FBC) which is due to be submitted at the end of February 2020.

BCC arrangements will have pre-defined payment terms and deliverables will be awarded based on the pre-existing terms. New agreements will be based on the pre-defined payment terms of the framework where an open tender has been completed on the standard payments terms of BCC, which are 30 days from receipt of an undisputed invoice. For services and works this is in arrears following satisfactory completion of the work. Stage payments will be applied where appropriate.

4.4.2 Risk Allocation and Transfer

BCC has identified where procurement risks can be mitigated by the procurement approach and/or by the contractual terms applied to the agreements. Using existing contracts or established frameworks provides mitigation. Table 4.2 shows procurement risks and mitigation.

Table 4.2: Procurement risks and mitigation

Procurement Risk	Likelihood	Impact	Mitigation
Lack of clarity in scope of what is to be procured (e.g. back office systems / signs)	M	H	Be clear on the scheme, so the scope of the system can also be clear. Agree scope with all stakeholders, including Smart Cities and Highway Signage teams. Utilise JAQU specification guidance for the enabling technologies.
Delays in BCC internal approvals from Procurement Board to progress with planned procurements.	M	H	Procurement engaged early in the OBC process. Obtain the necessary internal approvals to progress procurement in line with OBC submission. System in place to fast track through existing processes where barriers to delivery are raised to Project Board.
Delays in procuring approved ICT hardware, e.g. secure managed network switches.	M	M	Agree scope early with BCC ICT. Use existing approved hardware where possible. Corporate Leadership Board supportive of the demands of the CAZ project and in fast tracking processes.
Unsuccessful contractors	M	M	Follow a robust procurement process and be

Table 4.2: Procurement risks and mitigation

Procurement Risk	Likelihood	Impact	Mitigation
challenge procurement process			clear on what is being asked and how it will be evaluated. Seek early input from Procurement teams.
No clear plan or budget for decommissioning on street equipment when not required anymore (5-year life / large signs?)	L	M	Plan for decommissioning, including a suitable budget with protections to ring fence it
Procurement of signs for neighbouring local authorities / HE – not covered by the BCC Framework.	M	H	Engage with HE and neighbouring LAs to agree procurement routes. Colleagues already liaising with HE and LAs to ensure this risk is mitigated.
Multiple LA tenders mean small number of suppliers too busy to submit, or take a commercial decision not to tender as small potential return, or a lack of resources.	M	H	Ensure market know the scale and scope of BCC project. Ensure contracts have robust penalty clauses for late delivery. Early contact with suppliers is already taking place.

A lower risk profile is established when using current arrangements, as robust contract management is already in place and poor performance would affect ongoing relationships and could trigger non-performance or service level failure conditions within the agreements (Table 4.3).

Table 4.3: Procurement challenges and risks

	Procurement challenge	Legislative risk	Design	Implementation delays	Supplier ceases trading
Authority	X	X	Achieving NO ₂ reduction		
Contractor			Achieving output	X	
Shared			X		X

4.4.3 Contract Length

A project plan for delivery of CAZ/P has been developed for the implementation and is further detailed in the 'Project Plan' in Appendix OBC 34 of this OBC.

It is envisaged that the implementation works will commence in early June 2020 with the scheme becoming operational in March 2021.

Contracts to maintain the supporting technology and infrastructure are further detailed in the 'Procurement Strategy' in Appendix OBC 32 of this OBC.

4.4.4 Human Resources

No relevant personnel, people management or trade union implications, including Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) have been identified for this project.

4.4.5 Contract Management

Contracts will be managed as appropriate depending on what the contract is for, whether it's BCC framework contracts or external, its value and length. Where they are BCC framework contracts, existing systems and processes will be utilised including approvals, scrutiny, assurances and management drawing on our extensive experience in the management of major contracts/projects e.g. Metrobus, Better Bus Area, GUL, CAF etc.

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