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**CARDIFF CROSSRAIL – Phase 1 Tender**

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*Please note Appendix 1 of this report is not for publication as it contains exempt information of the description in paragraph 14 (Information relating to the financial or business affairs of any particular person including the authority holding that information) of Part 4 and satisfies the public interest test in paragraph 21 Part 5 of Schedule 12A of the Local Government Act 1972*

**Purpose of the Report**

1. To provide Members with an update in relation to the next steps to deliver the Cardiff CrossRail prior to it being considered at Cabinet on 21<sup>st</sup> March 2024
2. The draft report to Cabinet titled “CrossRail Phase 1 Tender” is attached at **Appendix A**, and outlines the reasons for the reports to Cabinet as being:
  - i. The need for Cabinet agreement to begin an Early Contractor Involvement (ECI) for Phase 1a of the project;
  - ii. To seek delegated powers for the Director, Planning Transport & Environment to award the tender to the successful bidder, for stage 1;
  - iii. To note that stage 2, will need further Cabinet approval, dependant on the outcome of Stage 1.
  - iv. To delegate authority to Director of PTE (as Senior Responsible Owner (SRO) and Programme Board Chairperson) to move forward with all consultation and engagement process associated with the CrossRail
  - v. Phase 1 Project.
3. Also attached to the papers are the following appendices:
  - Appendix 1** – CONFIDENTIAL procurement review’
  - Appendix 2** - Single Impact Assessment
  - Appendix B** - Presentation.

## Scope of Scrutiny

4. During this scrutiny, Members have the opportunity to explore the proposed phased approach to the delivery of Cardiff Crossrail, and risks and challenges associated with delivery.

## Background

5. The 10 year Cardiff Transport White Paper outlines ambitious targets to change the way people travel within and across the city. The Cardiff CrossRail is a key east-west route to support this with the aim of also improving connectivity and accessibility of services.
6. The achievement of the Transport Paper modal shift targets also support the aims of the One Planet Cardiff strategy.
7. Funding totalling £100m to support the project has been secured following a partnership bid between the Council and Transport for Wales to the UK Governments Levelling Up fund ( £50k to be spent by mid 2026 ) which has been matched by Welsh Government ( to be released in four equal annual instalments, £12.5m, from 2026 ).
8. Ideally, rail services would be up and running in time to support the European Football Championships in 2028, although this is not a requirement of the funding.
9. **Point 11** details the process that needs to be undertaken to meet the funding deadline requirements, which refers to an Early Contractor Involvement (ECI) tender and the evaluation criterion for the tenders being 70% cost, 20% quality and 10% social value, and the tender being split into two stages, 'Design & Cost' followed by 'Construction'.
10. This approach has been independently evaluated as having the greatest outcome for the delivery of the project.

## Challenges and Issues

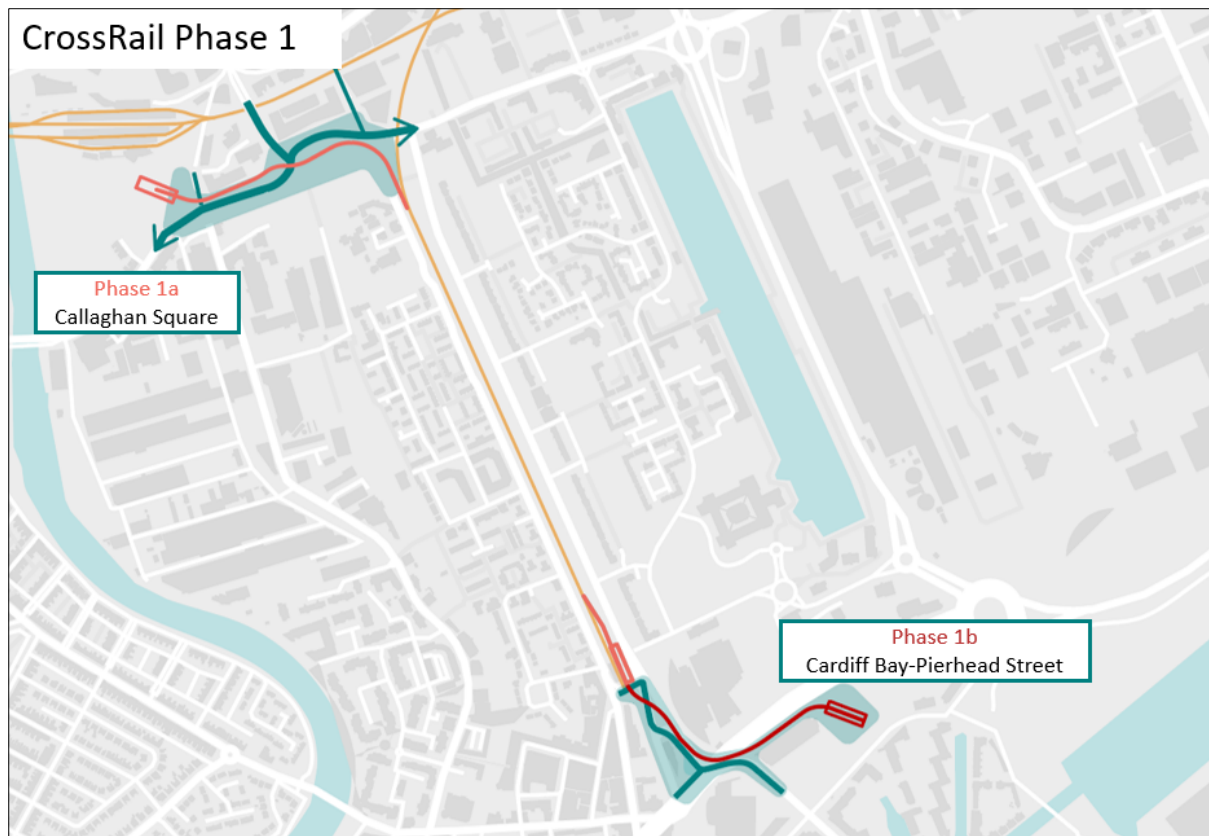
11. The Cabinet reports lists the following as current challenges and issues:
  - i. UK Government spend deadline; and the need to start the project
  - ii. Programme; the delivery of an ambitious project
  - iii. Design Integration; within the existing infrastructure
  - iv. Delivery; by awarding the contract to a single contractor

- v. Network congestion & pinch points; the impact on the current network
- vi. Integration with other developments; including
  - Metro Central enhancements,
  - Current & Future Development sites i.e. Central Quay, Callaghan Square, Cardiff Bay
  - Transport Network developments, including cycle lanes and bus priority schemes.

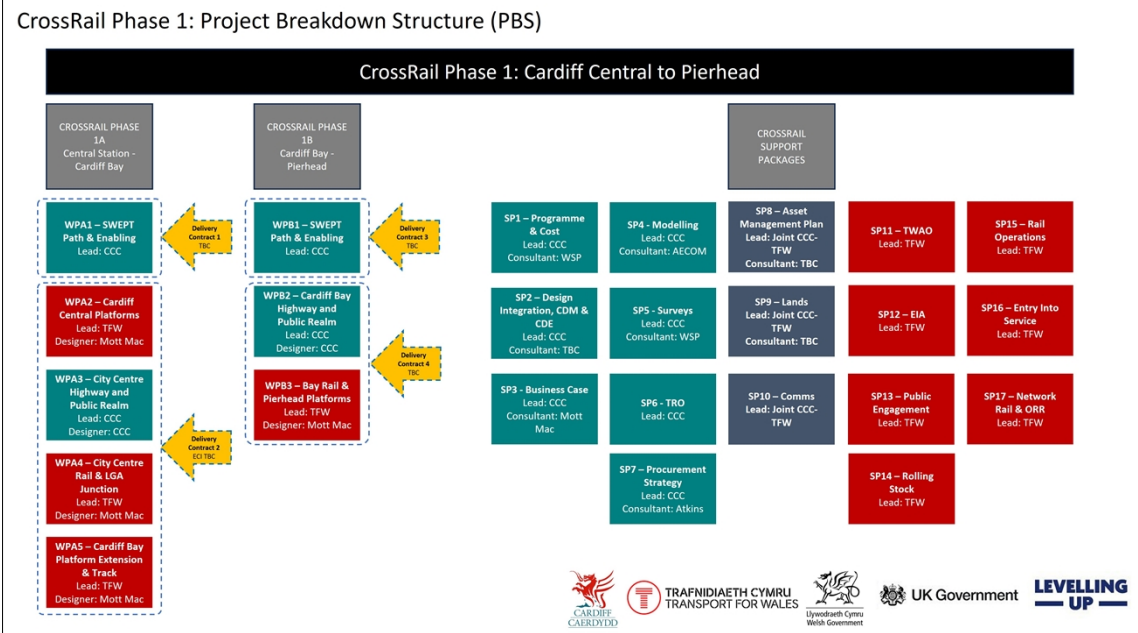
## Project Overview

12. Phase 1 of the programme has been divided into two delivery phases as shown in the diagram below, **point 19** provides further details:

- i. Phase 1a: Cardiff Central to Cardiff Bay Station
- ii. Phase 1b: Cardiff Bay Station to Pierhead



The delivery of the project is complex and to make certain that both Cardiff Council and TfW are clear about their respective roles and responsibilities there are a range of 'support package' that sit alongside the programme. These are outlined in the diagram below. Point 20 notes that Cabinet approval is only required for the consultation and engagement stage at the moment.



13. The **governance** arrangements for the project are outlined in **points 22 – 26** and note that as the Council 'owns' the funding and the business case for the project and therefore is the 'lead client' under Construction Design & Management regulations, Cabinet approval will be needed for all delivery packages, including proceeding to tender and awarding the tender.

14. A Programme Board has been established that includes representatives from Cardiff Council, TfW and Welsh Government, and is chaired by the Senior Responsible Officer (the Director, Planning Transport & Environment).

15. Both Cardiff Council and TfW will work jointly in the 'delivery phase' with an '*externally appointed consultant commercial management team*', who will report to the Programme Board.

16. The three main **risks** identified are the following:
- i. Inability to spend £50m UK Government funding by 2026;
  - ii. Not finishing Phase 1a by mid 2028;
  - iii. Cost of both Phase 1a and b being greater than the £100m available.

17. To mitigate against these risks:

- i. a specific **risk management plan** will be developed;
- ii. **lessons learnt** from cities where tram trains are usual have been held;
- iii. specific expert **external consultancies** are being used to advise on specific elements of the project;
- iv. the preferred **tender** process, Early Contractor Involvement (ECI) offers the best opportunity to get started as early as possible.

18. The next steps for the project are broadly set out as:

- April 2024: Submit Outline Business Case to UK Government
- Spring 2024: Launch Stage 1 ECI Tender for Phase 1A
- Summer 2024: Stakeholder Engagement and Public Consultation
- Autumn 2024: Award Stage 1 ECI Tender for Phase 1A
- Autumn 2024: Possible start of Enabling Works Package for Phase 1A
- Winter 2024: Submit Full Business Case to UK Government
- Summer 2025: Further Cabinet Approval to Award tender for Stage 2 ECI Tender (Construction)
- Autumn 2025: Construction start for Phase 1A Main Contract

19. Approval is also sought for authority for the Director, Planning Transport & Environment to take forward the support packages the support the project.

20. Public and Stakeholder Engagement will be required at various stages during the project including the implementation of Traffic Works Act Orders (TWOA) and Traffic Regulation Orders (TRO).

21. Engagement with local members, stakeholders and public consultation is noted as part of the normal Transport Project process, and will undertaken at the appropriate time.

22. No Council funding has been identified to support the scheme, only the £50m in principle Levelling Up Fund (LUF) and the £50m Welsh Government monies.

### **Financial Implications**

23. A maximum of 10% of the LUF is able to be 'drawn down' to support the development of the scheme, which is estimated to be £7-10m. Issues in relation to WG funding are to be determined.

24. The report notes to potential for 'abortive costs' to be incurred during the development and design stage of the process and for future Cabinet reports to be clear about any future financial commitments.
25. Also noted is the need for the future business case to be clear about the operating costs and responsibility for these going forward, including asset ownership, liability, and future financial implications.
26. **Legal Implications** are noted as being provided by Blake Morgan LLP.
27. They state that there will be a proposed phased approach to the process under the Crown Commercial Services framework (CCS Framework), including early contractor involvement:
- i. Stage 1 will be an NEC4 ECC option E (cost reimbursable)
  - ii. Stage 2 will be an NEC4 ECC option C (Target Price with potential profit share for both the Council and the Contractor)
28. The proposed 'mini competition' procurement process complies with Public Contract Regulations 2015.
29. The **confidential appendix 1**, provided by Faithful& Gould/Atkins Realis supports the decision to use the CCS framework, which would allow bespoke amendments.
30. To safeguard the risk to the Council for the duration of the contract and to include TfW requirements, Blake Morgan LLP are preparing bespoke amendments to the NEC forms of contract.
31. After the contract for both stages of work has been awarded there can be no renegotiation of terms and any contractual risks must be upheld for the duration of both stages of the work.
32. Stage 1 of the process allows the successful contractor to carry out site investigation and develop a 'target price' for stage 2, following which if the Council are happy, they will issue a 'notice to proceed' (NTP) onto stage 2 of the works.
33. The council can chose not to issue the NTP and would be able to use any designs from stage 1 to retender stage 2.
34. No **HR** or **Property implications** are noted.

## **Way Forward**

Cllr Dan De'Ath, Cabinet Member for Transport & Strategic Planning and Andrew Gregory, Director, Planning Transport & Environment have been invited to make a statement and answer Member's questions. They have been asked to make a brief presentation followed by Member's questions.

## **Legal Implications**

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations

## **RECOMMENDATION**

The Committee is recommended to:

- i) Consider the information in this report, and the presentation and any further information presented at the meeting;
- ii) Determine whether they would like to make any comments, observations or recommendations on this matter; and
- iii) Decide the way forward for any future scrutiny of the issues discussed.

**LEANNE WESTON**

**Interim Deputy Monitoring Officer**

**8<sup>th</sup> March 2024**