



Provision of Rail Welding Services – award of contract

Committee Strategy & Programmes

Date of meeting 10 May 2019

Date of report 24 April 2019

Report by Senior Director

1. Object of report

To recommend for approval the award of a single supplier framework contract for the provision of rail welding services to Renown Consultants Ltd.

2. Background

2.1 Requirement summary

The rail infrastructure on which the trains operate is vital to Subway Operations. In order to ensure on-going integrity of the rail infrastructure, and hence availability of the system for safe operation, there is a requirement to maintain, repair and/or replace sections of running rail, conductor rail, and Switches and Crossings (S&C).

Rail replacement requirements arise primarily as a result of metal loss incurred through corrosion and wear, as identified through inspection. These are perpetual threats to rail condition resulting from the tunnel environment and vehicle loading. It is essential to ensure that rail replacement activities are planned and executed with due consideration of such time dependent degradation mechanisms, ensuring that the rail is always fit for service. Such an approach results in a typically predictable and prioritised rolling programme of rail replacement.

Specialist welding services are an integral part of rail replacement activities, providing the permanent links between adjoining rail sections. In the system joints are made by aluminothermic welding processes during night time possessions.

SPT expects to introduce new rail delivery plant in 2019 that will facilitate delivery into the system of longer rail lengths in contrast to current plant which limits deliverable rail length to 38ft. This presents the opportunity to join rails (supplied in 60ft lengths) by means of flash butt welding in the depot prior to transporting them into the system. This depot based welding could be undertaken outside of night time in-system possessions, improving on productivity and value to SPT.

Specialist welding services (namely electric arc welding methods) are also essential in maintaining and restoring rail and crossing profiles through S&C, when required. Rail welding is safety critical, with a high quality of workmanship essential.

2.2 Aims and objectives

The overall aims and objectives of the welding services contract are:

- To ensure availability of competent specialist welding resource to support required rail replacement and maintenance (planned and unplanned) over the next 4 years;
- To achieve best value and cost saving in procuring required welding services; and
- To ensure welding services are delivered with the high level of quality necessary to guarantee safety and maximise asset performance and availability, thereby reducing lifecycle costs.

3. Outline of proposals

3.1 Scope of works

SPT invited contractors to tender for a three-year contract, with the option to extend for a further 12 months at SPT's sole discretion. The services included under the scope of supply are:

- Joining of rail by aluminothermic welding;
- Joining of rail by flash butt welding;
- Restoration of rail profile by electric arc welding; and
- Restoration of S&C profiles by electric arc welding.

The tender sought a rates based framework structured to facilitate planned welding activities, with a standard notification period of 7 days. It also makes provision for the contractor to respond to urgent, arising requirements within 12 hours.

3.2 Tender assessment process

This Invitation to Tender (ITT) was issued by SPT as an open OJEU tender procured in accordance with the Public Contracts (Scotland) Regulations 2015.

Four tenders were returned. All tenderers met the minimum requirements for bidders in the European Single Procurement Document (ESPD). The tenders were evaluated against pre-determined award criteria defined in the tender documents in order to determine the Most Economically Advantageous Tender (MEAT). For the purpose of evaluation, weightings were: 40% price and 60% quality. As the contract is a framework, to facilitate commercial evaluation tenderers were required to provide rates based on typical/expected volumes of each type of service. The tender quality submission required tenderers to detail their experience, capability, proposed quality control procedures and management proposals, and to detail understanding of the brief.

The evaluation results are:

Supplier Name	Quality Score	Price Score	Total Price + Quality
Renown Consultants Ltd*	52.17	40.00	92.17
VolkerRail Specialist Businesses Ltd	52.17	38.92	91.09
SW Global Resourcing Ltd	60.00	29.75	89.75
McGinley Support Services	53.92	26.27	80.19

**Trading as Renown Railway Services and Renown Rail Welding*

All tenderers were able to demonstrate the expertise and experience necessary to provide SPT with confidence that they could deliver the range of welding services to the required quality, in line with industry standards and taking account of the specific demands of the subway environment.

4. Conclusion

The submission by Renown Consultants Ltd was assessed to be the most economically advantageous tender taking account of both quality and price as outlined in the tendering criteria.

5. Further information

Based on current and future work forecasts, it is anticipated that a total budget of £700,000 will be required over the four years' duration of the contract. The framework nature of the contract however allows flexibility on the actual spend. Effective management will be in place to ensure that call offs against the contract are delivered efficiently and within the approved budget.

6. Committee action

It is recommended that the Committee approves the award of a single supplier framework for welding services to Renown Consultants Ltd with an estimated spend of £700,000 over four years.

7. Consequences

Policy consequences	<i>None identified.</i>
Legal consequences	<i>Contract will be awarded subject to observing a successful Standstill period and agreed terms and conditions of contract.</i>
Financial consequences	<i>The call-off works are already budgeted in the 2019/20 capital and revenue budgets and will also be included within budgets for future years.</i>
Personnel consequences	<i>None identified.</i>
Equalities consequences	<i>None identified.</i>
Risk consequences	<i>This is a critical service for the on-going operation of the Glasgow Subway.</i>

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