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Award

## **Lower Thames Crossing - Tunnelling and associated works activities (Spoil Disposal from North Portal)**

Highways England

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-008811

Procurement identifier (OCID): ocds-h6vhtk-02a9dc

Published 23 April 2021, 10:55pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Highways England

Woodlands, Manton Lane

BEDFORD

MK41 7LW

#### **Contact**

[cip.procurement@highwaysengland.co.uk](mailto:cip.procurement@highwaysengland.co.uk)

#### **Email**

[cip.procurement@highwaysengland.co.uk](mailto:cip.procurement@highwaysengland.co.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UK - United Kingdom

**National registration number**

9346363

**Internet address(es)**

Main address

[www.highwaysengland.gov.uk](http://www.highwaysengland.gov.uk)

**I.4) Type of the contracting authority**

National or federal Agency/Office

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Lower Thames Crossing - Tunnelling and associated works activities (Spoil Disposal from North Portal)

#### **II.1.2) Main CPV code**

- 45221247 - Tunnelling works

#### **II.1.3) Type of contract**

Works

#### **II.1.4) Short description**

Highways England (HE) is the government company charged with operating, maintaining and improving the majority of England's motorways and major A roads. We have a huge road investment programme to deliver and want to engage with suppliers to inform our approach to procuring a contractor to dispose of spoil arisings from construction (tunnelling) activities.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

#### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £43,600,000

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 45112500 - Earthmoving work
- 45222110 - Waste disposal site construction work
- 90531000 - Landfill management services

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

Main site or place of performance

Thurrock

#### **II.2.4) Description of the procurement**

The Lower Thames Crossing project comprises of two bored tunnels beneath the River Thames with interconnecting link roads to the M25, A13 and A2. At 16 metres in diameter, the tunnels will be some of the largest bored tunnels in the world. The crossing will feature three lanes in both directions with a maximum speed limit of 70mph the Lower Thames Crossing is the largest single road investment project in the UK since the M25 was completed more than 30 years ago.

At circa 2.4 miles each the tunnels will be the longest in the country.

The tunnel's north portal site (the "North Portal") will be located on the north shore of the Thames east of the old Tilbury B Power station site and south of the Tilbury loop railway line. The north Portal structure and its approach ramp is to be constructed within a sizeable excavation. Approach roads to the North Portal construction continue at ground level north towards the proposed viaduct over the Tilbury loop railway line.

Highways England tested the market for interest by way of a PIN (2020/S 027-063332) ("PIN") and there was limited market interest and limited response rates to the PIN. All interested parties were invited to discuss their capabilities to provide the services described within this opportunity in a manner that is likely to be compliant with the proposed constraints of the Development Consent Order ("DCO") under a non-disclosure agreement. This was in order to ascertain the market's capabilities and finalise an appropriate procurement strategy. The process identified only one interested supplier who was able to demonstrate their capabilities and relevant skill and experience in performing the required services in a manner that was compliant with the likely obligations of the DCO. Highways England has therefore concluded that Ingrebourne Valley Limited ("IVL") are only suitable supplier for receiving spoil arising from the North Portal and tunnels excavation and its subsequent disposal, and Highways England intend to award a contract to IVL for these services.

The award will consist of two contracts which together cover the scope of the PIN: (i) an enabling works contract to allow site preparation necessary to prepare the site and to carry out the spoil disposal services to take place prior to the DCO being granted (value up to c. £1m); and (ii) a spoil disposal services contract.

The scope of works will require IVL to take delivery of spoil from the working area on the north bank of the Thames. Highways England will not be providing marine transport and

IVL will be required to provide transportation from the working area to its proposed disposal site.

Indicative quantities of inert spoil is circa 2,000,000 m<sup>3</sup> (noting that spoil from the tunnelling activity will be in a post treated state). Inert spoil management strategy is vital to the success of the Lower Thames Crossing Tunnels contract. Early mitigation of project risk around the spoil disposal activity is attractive and is being explored now. The works are to be undertaken in accordance with the constraints of a future DCO.

The DCO submission will seek to minimise the environmental/carbon impact of the spoil disposal activity, therefore, the movement of spoil by heavy goods vehicles on local roads and the strategic road network are likely to be heavily constrained within the DCO. The anticipated terms of the contracts are: (i) enabling works contract (circa two years); and (ii) spoil disposal services contract (circa six years).

Whilst the overall duration of the enabling works and spoil disposal services contracts are envisaged to be longer than the duration set out in the PIN, in line with the PIN, the majority of the spoil handling services (c. £32.6m) will occur during a three year period (between 2024 – 2027). It is envisaged that the spoil disposal services will taper off, with landscaping & demobilisation taking place between 2027 – 2029 (c. £10m).

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## Section IV. Procedure

### IV.1) Description

#### IV.1.1) Type of procedure

Negotiated without a prior call for competition

- The works, supplies or services can be provided only by a particular economic operator for the following reason:
  - absence of competition for technical reasons

Explanation:

The Authority considers that there are grounds to award a contract directly to IVL under Regulation 32(2)(b)(ii) of the Public Contract Regulations 2015 (“PCR”) on the basis that only IVL would be able to provide the spoil disposal services. This is because competition is absent for technical reasons and no reasonable alternative or substitute exists. There are constraints on access to the North Portal (due to third party land rights), transportation of spoil from the North Portal site and there are expected to be a number of environmental and/or other constraints on the transportation of spoil due to the DCO. Following market testing, the Authority considers that IVL are the only contractor able to provide a technical solution to handle and dispose of spoil arisings from the North Portal site within the expected access and environmental constraints. IVL has demonstrated that it has the required capabilities to undertake the scope of services by describing how it operates a spoil disposal facility and by demonstrating that it provides similar spoil disposal services to other major projects in the London area and possesses the required licenses and capacity to receive the required quantities of spoil arising from the Lower Thames Crossing tunnelling contract. Given their operation at the North Portal site falls within the DCO planning area and is adjacent to the main works area, IVL was also able to demonstrate how it would comply with the expected DCO constraints.

The Authority tested the market by publishing a PIN on 5 February 2020. The PIN advised the market that there would be a call for competition in relation to this procurement and that all interested parties should register their interest through the Authority’s e-tendering portal by 13 March 2020. The PIN was also advertised in the trade press, including the New Civil Engineer and GE Plus.

A total of eight (8) companies expressed an interest in the PIN, and all parties were invited to participate in a one to one meeting with the Authority to identify whether the contractor could offer a credible technical solution(s) to satisfy the scope requirements and associated constraints of the procurement under a signed non-disclosure agreement. Only IVL accepted an offer of a one to one follow up meeting with the Authority arranged

through Bravo. No other supplier responded to Highways England or engaged in detailed dialogue with the Authority, despite the Authority offering an extension to the deadline to express an interest in participating in a one to one meeting. The fact that no other contractor engaged in dialogue with Highways England indicates that no reasonable alternative or substitute contractor with appetite exists and that IVL is the only contractor which has the technical capability and appetite to deliver the scope of services in accordance with the Authority's access and environmental requirements. Furthermore, IVL highlighted they were the only supplier with the required licenses at the site location which are needed for undertaking some of the services required under this procurement.

The issue of a VEAT notice notifies the market of the proposed direct award to IVL via a negotiated procedure.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

#### **IV.2) Administrative information**

##### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2020/S 027-063332](#)

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### **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

#### **V.2) Award of contract/concession**

##### **V.2.1) Date of conclusion of the contract**

23 April 2021

##### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

##### **V.2.3) Name and address of the contractor/concessionaire**

Ingrebourne Valley Limited

Cecil House, Harlow Common, Harlow, Essex

CM17 9HY

Email

[info@ingrebournevalley.co.uk](mailto:info@ingrebournevalley.co.uk)

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

Yes

**V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession: £43,600,000

**V.2.5) Information about subcontracting**

The contract/lot/concession is likely to be subcontracted

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## Section VI. Complementary information

### VI.4) Procedures for review

#### VI.4.1) Review body

Highways England

Woodlands, Manton Lane

Bedford

MK41 7LW

Email

[cip.procurement@highwaysengland.co.uk](mailto:cip.procurement@highwaysengland.co.uk)

Country

United Kingdom

Internet address

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