



Rail Welding – award of contract

Committee Operations

Date of meeting 28 April 2023

Date of report 5 April 2023

Report by Director of Subway

1. Object of report

To recommend that the Committee approves the award of a single supplier framework for rail welding to Shorterm Limited.

2. Background

2.1 Requirement summary

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

Rail replacement requirements arise primarily as a result of metal loss attributed to 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 plan and execute rail replacement activities with due consideration of such time dependent degradation mechanisms, ensuring that the rail is always fit for service. Notwithstanding limitations in recent years as a result of external factors (principally the Covid-19 pandemic), this 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. Specialist welding services 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 rail welding framework are:

- To ensure availability of competent specialist welding resource to support required rail replacement and maintenance over the next 8 years;
- To achieve best value in procuring required rail welding services; and
- To ensure rail welding activities achieve the required high level of quality, thereby maximising asset performance and availability.

3. Outline of proposals

3.1 Scope of services

SPT invited contractors to tender for an eight year framework, with the option to break after the initial four years at SPT's discretion and based on contractor performance. The services included under the scope of supply are:

- Joining of rails by aluminothermic welding; and
- Restoration of rail and S&C profiles through weld repairs.

The tender seeks 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.

Since June 2019, rail welding services for the Subway have been supplied through a single supplier framework with Renown Consultants Limited. This framework expires in June 2023 and has typically cost around £50,000 per annum on a call-off basis across the past 5 years. This report seeks authority for approximately £100,000 per annum reflecting an increase in requirements and inflationary pressure on costs. However, Members should note that this is a call-off framework arrangement and as such, there is no minimum contractual commitment being entered in to.

3.2 Tender assessment process

In January 2023, SPT advertised the opportunity for contractors to tender for an eight year framework via Public Contracts Scotland - Tender (PCS-T) and adverts were published in Find a Tender and in the Public Contract Scotland portal under the Utilities directive. The opportunity was issued through a single stage Open Accelerated Procedure.

Three tenders were returned. All tenderers were confirmed to meet qualification requirements as set out in the form of a Single Procurement Document (SPD). The tenders were evaluated against 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 an anticipated volume of welds. The tender quality submission required tenderers to detail their resources and capabilities, to propose quality control procedures and approach to framework management, and to identify and propose means to mitigate risks to successful framework delivery.

One tender was set aside as the tenderer was unable to accept the terms and conditions. The evaluation results for the remaining two submissions was as follows:

Supplier name	Weighted Score - Quality	Weighted Score - Price	Total Price + Quality
Shorterm Limited	60	38	98
GPX Engineering Limited	47	40	87

When assessed against the tender award criteria, the Shorterm Limited tender was deemed to be the most economically advantageous submission.

4. Committee action

The Committee is recommended to approve the award of a single supplier framework for welding services to Shorterm Limited with spend up to £800,000 over eight years with opportunity to break after the initial four years.

5. Consequences

Policy consequences	<i>None identified.</i>
Legal consequences	<i>Contract will be awarded subject to the conditions of contract contained within SPT's ITT.</i>
Financial consequences	<i>The costs for welding associated with rail renewal will be accommodated within the capital budget, under project 10375 "Tunnel and Infrastructure Works". This project is funded from the Subway Infrastructure Fund (General Fund – Earmarked Reserve).</i>
	<i>The costs for rail weld repairs will be accommodated within the revenue budget each financial year.</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>
Climate Change, Adaptation and Carbon consequences	<i>None identified.</i>

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