



TRAFIKVERKET

Crosslink Södertörn

With the results of the market dialogues' questions, the Swedish Transport Administration can now provide information on a more comprehensive picture of the market and, from that perspective, highlight certain important issues for future procurements.

*Conclousions from Market dialog
TSE202 Interchain Masmø*

April 2024



Conclusions from dialougs

1. Change the type of contract
2. Reduced climate impact
3. Start of Contract works
4. Procurement (tendering)
5. Risks and attractiveness of the contract
6. Other



1. Type of Contract

TSE202 Masmö interchange is sandwiched between two tunnels and includes, among other things, a large two-level interchange. Glömstavägen, which passes through TSE202 and are used by more than 24 000 vehicles per day will be kept open during the construction period. A new tramway, Tramway South, will partly be included in the contract and some parts of the tramway will need to be completed by TSE202. Due to the complexity this entails, the dialogue on the form of contract being opened up.

Answer:

The market is divided regarding the most suitable type of contract for TSE 202. Some prefer performance (Bid and Build) contracts, some prefer turnkey contract while others favour performance contract with embedded parts in a turnkey contract. The market agrees that for construction works there is little room for creative change. But the contractors have confidence in The Swedish Transport Administration's choice of the most suitable type of contract, and all emphasise the importance of well-prepared documents in the tender. The dialogues on the type of contract resulted in discussions on participation in the early stages.

The attraction of the contract is recognised more in the possibility to influence constructability at an early stage.

2. Reduced climate impact

The Swedish Transport Administration has a significant role in both the long-term and short-term climate goals. With the goal of a climate-neutral infrastructure by 2040 and emissions reduced by at least 30 percent by 2025, it is important that the contract contributes to reducing climate through, for example, electrified transport, good material choices and fossil-free fuels.

Answer:

The contractors' unambiguous wish is for the Swedish Transport Administration to have clear climate requirements in the procurement. Successive requirements facilitate availability and delivery times. The market is ready to adapt and develop towards a climate-neutral infrastructure. Without requirements, the cost consequences of transition are too great for contractors to implement it independently. It is a clear opinion from most contractors that it should be the Swedish Transport Administration that ensures that there is enough electricity and charging facilities..

HVO is widely used by contractors and requirements for a renewable fuel for diesel engines can already be met today.

With regard to material requirements, the Swedish Transport Administration currently imposes many high requirements that make reduction or replacement difficult. Ideas about lower requirements in how things are constructed and to participate in planning and construct at an earlier stage emerge as possible solution.

3. Start of Contract work

TSE202 Masmo motorway interchange contains many complex coordination elements and contracts that intersect. To create the conditions for good implementation, contractors need to be involved some time before the start. Allocating time in contracts for the planning phase is considered important.

Answer:

Reasonable time for planning is at least 6 months for construction contracts and 9 months for turnkey contracts.

Co-operation between the Swedish Transport Administration and the contractor is highlighted as the most important factor in creating the conditions for successful project. Appointing key people who are on site during the planning phase is an important prerequisite for good co-operation.

4. Procurement (tendering)

The Swedish Transport Administration's starting point is that the number of prequalification's and tenders should be unlimited.

Answer:

Only a few contractors felt that the number of pre-qualified contractors should be limited. The reason given by those who wanted to limit the number of bidders was some concern about a time-consuming process. Contractors also highlighted that it can be an advantage internally for them to be authorised to bid for the tender if they know the maximum number of constructors they will be competing against.

Procurement with added value results in more elaborate and qualitative tenders. In order to capture the best price/Quality ratio, the dialogues reveal that experience is important. Requirements for completed reference projects and requirements for employees are considered too strict in these procurements with long execution times. Where reference assignments are to involve large contract sums and complex work, it should be possible to provide ongoing projects as reference, and the requirements should be set at company and not individual level.

The following areas were highlighted as potential added value: Work on technical solutions, calculation, planning, purchase, follow-up, quality, environment and working environment. The unified picture is that organisation and cooperating weigh heavily in order to archive high quality and progress in a project.

The time to prepare a detailed tender for a turnkey contract is estimated at around 9 months and for construction contracts at around 6 months. A timetable for the procurement with partial deadlines for the publication of prequalification and submission of tenders need to be available well before the process starts.

Dialogue with tenderers during the tender period through project reviews is welcomed. A detailed price list and clear specification of the content of the tender are requested as part of the tender documents in performance contract.

5. Risks and attractiveness of the contract

Answer:

The attractiveness of contracts is determined by the form of remuneration and the possibility to early supplier participation rather than the choice of contract type. The Swedish Transport Administration's intended organisation for running the project is also an important part of the contractor's evaluation of the procurement.

Penalties and bonuses are other things that are seen as both risk and attraction. It is important that there is an even balance between these. Without cap on penalties, very few or no tenders will be submitted. Bonuses linked to physical completion of work provides for an appealing contract and arrangement. It's good if the bonus creates the right incentives in the contract. Change management and time penalties are highlighted as risks.

6. Other

Summarised answers to other questions :

Construction TSE202 Masmo interchange has changed in scale as the surrounding world has been affected by inflation and index. The scope has also changed as local roads have been included in the project. The project was originally included in a major contract with two tunnels and a highway interchange. In order to match the needs of the market, the contract has been divided into three contract parts with their own contracts, TSE201, TSE 202 and TSE203. The design is currently well advanced for all three contracts and it is very likely that the division made will remain. All contracting projects are working to develop model-based documents as far as possible.

Procurement will only take place after a construction start decision from the government has been obtained and is expected to arrive in December 2024. Negotiations with environmental court took place in May and judgement will come in August 2024. Huddinge Municipality and Tramway South will be two actors with side contracts. The coordination of surrounding projects will be provided by the the Swedish Transport Administrations at least until the start of contract. Some preparatory work such as move water piping system, sewage and provide work site with construction power will be carried out before the main contractor is established. The Södertörn Cross Link will have a surplus of masses with different contents of contamination type and degree. To optimise use and minimise waste, the Swedish Transport Administration will own and manage the masses for the Södertörn Cross Link. Transports to and from worksite is the responsibility of each construction contractor. The project includes several concrete structures; the normal length of bridges is between 45-60 metres. The problem of access to cement after 2026 needs to be addressed jointly.