

# ENVIRONMENT CABINET MEMBER MEETING

## Agenda Item 14

Brighton & Hove City Council

**Subject:** Procurement of Minor Highway Works Contract  
**Date of Meeting:** 5<sup>th</sup> June 2008  
**Report of:** Director of Environment  
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**Key Decision:** Yes Forward Plan No. ENV0001  
**Wards Affected:** All

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The report requests approval to procure, through the EU procurement process, a Minor Highway Works Contract for the period 2009 – 2013 with an anticipated value of £16 million its duration.

#### 2. RECOMMENDATIONS:

- (1) To approve the procurement of the Minor Highway Works Contract

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The contract will provide the civil engineering element of highway maintenance works, environmental enhancement projects, traffic management works and traffic signal alterations. It also provides for the resurfacing and reconstruction elements of the highway maintenance programme. Consequently, there can be a variation in the value of Works Orders from about £1,500 to £350,000 (However higher value projects may be included where appropriate) and about 200 orders are issued each year. The location of the work can be anywhere within the City of Brighton and Hove.
- 3.2 The contract will commence on 1 January 2009 and terminate on 31 December 2012. Subject to satisfactory Contractor performance the Contract may be extended annually until 31 December 2014.

A typical annual spend profile is shown below.

Patching of carriageways	£ 225 K
Preventative Maintenance	£ 820 K
Projects	<u>£ 3000 K</u>
Total	£ 4045 K p.a

Therefore the projected value of works issued through this 4 year contract is potentially £16 million ( plus £8 million if a 2yr extension option is taken up at the Council's discretion.)

- 3.3 This will be a Term Contract and the council will approve three Contractors to be considered for works issued through the contract. Payment for these works will be from a call-off Schedule of Rates, with each project being evaluated against the three Contractor's Schedule of Rates. The Contractor offering the Council the most advantageous outcome will then be offered the project. However there is no guarantee of any work for any appointed contractor
- 3.4 Whilst this contract has a predicted value of £16 million, all works undertaken are independently approved through funding streams such as the LTP budget, CDT funding and Highways Maintenance Revenue Budgets.

#### **4. CONSULTATION**

- 4.1 Consultation at this stage as been with Strategic Finance and Procurement.
- 4.2 Strategy and Governance (Legal) will be consulted prior to inviting tenders.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

Capital - LTP funded highway maintenance and Integrated Transport project works are subject to annual award from the Department for Transport and approval to spend is sought annually. Cycling Demonstration Town funding is another major capital funding stream that delivers infrastructure changes.

Revenue - Road and footway revenue funded maintenance schemes are delivered through this contract . In the recent past the existing contract has been used off the highway to deliver works in the parks, allotments, cemeteries, and this can continue.

##### Legal Implications:

- 5.3 Under The Highways Act 1980, the Council has a statutory duty to maintain the public highway and powers to undertake improvements.
- 5.4 Works undertaken through this contract shall, in addition to the legal requirements of the Council's Procurement Code of Practice, have regard to all legislation relating to construction works.

##### Equalities Implications:

- 5.5 The Council's Code of Practice on Equalities and Workforce Matters is enforced in all procurement.

Sustainability Implications:

- 5.6 Sustainability is promoted in all highway engineering contract procurement. Specifications allow for recycling and development of sustainable processes. Contractors are required to have or be actively working towards ISO14001 certification.

Crime & Disorder Implications:

- 5.7 None directly arising from this report.

Risk and Opportunity Management Implications:

- 5.8 There are risks involved in failing to maintain the public highway in accordance the council's approved Highway Maintenance Plan. Failure to improve or maintain the highway adversely affect National Indicators, Best Value Performance Indicators and potential funding.

Corporate / Citywide Implications:

- 5.9 The contract will deliver revenue and Capital funded works across the City and can be utilised by other departments through the Council

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Various procurement options have been discussed with Strategic Finance and Procurement and this form of contract, procured through the EU process is considered most suitable. The use of a term contract with "Call-off", Schedule of Rates, allows market tested competitive rates to be utilised for highway works and by departments throughout the council, without the need for additional tendering.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The Council has a statutory duty to maintain the public highway and statutory powers to undertake improvements. This Contract facilitates both of these requirements for revenue and capital funded works
- 7.2 This contract succeeds the current Minor Highway Works Contract that terminates on 31<sup>st</sup> December 2008

**SUPPORTING DOCUMENTATION**

**Appendices:**

None.

