

Cabinet

8 March 2016

**Name of Cabinet Member:**

Cabinet Member for Public Services – Councillor Lancaster

**Director Approving Submission of the report:**

Executive Director, Place

**Ward(s) affected:** All

**Title:**

**Civil Engineering Support Framework**

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**Is this a key decision?** Yes as it has the potential to affect all wards within the City and expenditure is in excess of £1m

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**Executive Summary:**

Coventry City Councils Highways Direct Labour Organisation (DLO) delivers circa £4.5m of work per year to the City's roads and pavements funded from a number of sources including the Integrated Transport Block, the Highs Maintenance Capital Investment Programme and external grant funding. In order to deliver these works, a multi supplier Minor Civils Engineering Works Framework was established in 2013 for the engagement of the services of suitably experienced Contractors to undertake minor civil engineering maintenance works - typically minor highway maintenance/enhancement schemes. The Framework was set up to support the DLO in the delivery of highways services, to supplement the DLO's own in-house resources and act as a top-up, flexible resource where required through the peaks and troughs of the Highways maintenance season. This allows the DLO to deliver a flexible service without having to recruit additional direct staff.

The current Framework was set up in November 2013 and expected to run for a 4 year period. Due to the additional monies received by the Council from the European Regional Development Fund (ERDF), the framework has been much more heavily used than anticipated. As a result, spend through the framework has reached the value it was procured for before the end of the life of the framework. Continuing use of the current framework until its natural expiry in 2017, could put the Council at risk of procurement challenge.

It is proposed to undertake a restricted tender process to set up a replacement multi-supplier framework for a period of 4 years for a new Civil Engineering Support Framework for the value of £6m. Subject to approval of this report, a tender process will be commenced immediately to ensure that a new contract is in place for the 1<sup>st</sup> August 2016.

**Recommendations:**

**Cabinet is requested to:**

1. Authorise a procurement process to set up a multi-supplier framework for 4 years for a Civil Engineering Support Framework to support the Councils DLO delivery.
2. Delegate authority to the Executive Director Place to agree the award of contract(s) following a Restricted tender process.
3. Authorise the City Council to enter into Contract(s) with the successful suppliers for the 4 year period.

**List of Appendices included:**

None

**Other useful background papers:**

**Proc 2 (Gate 2 – Approval to Procure) – Civil Engineering Support Framework.**

Available by contacting Procurement and Commissioning team on 02476 833537

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or there body?**

No

**Will this report go to Council?**

No

**Report title: Civil Engineering Support Framework**

**1. Context (or background)**

1.1 Coventry City Council's Highways Direct Labour Organisation (DLO) delivers circa £4.5m of work per year. The Framework ensures the DLO can compliantly engage the services of suitably experienced Contractors to carry out the provision of highways and civil engineering minor construction works for transport related schemes, typically minor highways maintenance / enhancement scheme. The works will be packaged into four lots:

Lot 1 - The adjustment and replacement of carriageway ironwork in association with resurfacing;

Lot 2 - Reactive and programmed pothole patching/repair maintenance;

Lot 3 - Civil engineering and traffic safety schemes between the value of £0-250,000;

Lot 4 - Civil engineering and traffic safety schemes above the value of £250,000;

1.2 The Council currently has a framework for Minor Civils Engineering Works which commenced in 2013. Call offs from the Framework have been awarded on the most competitive price in terms of the tendered rates as well as supplier availability.

1.3 The existing framework has 3 lots and it is proposed that a 4<sup>th</sup> lot be added going forward to differentiate larger items of work.

1.4 The works through the current Framework have included ERDF funded work and S278 funded works. The new Framework will reference the potential requirement for future externally funded works to be awarded through the framework.

1.5 As this will be a framework agreement, no guarantee of value or volume is offered. If funding decreases during the period of the agreement resulting in reduced works, there would be no negative impact as a result of the Council.

1.6 The Council's DLO will remain the first point of delivery for Civil Engineering work and the contract form used will ensure that this contract acts as a sub-contract to the DLO rather than a provision for directly approach.

**2. Options considered and recommended proposal**

2.1 This framework is set up as a sub-contract arrangement for when the DLO do not have the capacity to deliver works in the required timescale. Where the DLO can be used, they will deliver in the first instance.

2.2 The Council also uses the Warwickshire County Council Highways Maintenance Contract (HMC) for specific specialist areas of work. The work procured through the HMC are carriageway surface treatments – surface dressing and microasphalt, carriageway retread and footway slurry seal. These processes are Highway maintenance treatments, generally delivered by national contracting companies and would not be covered by any of the proposed lots in this framework.

2.3 The current scope of the HMC does not cover routine maintenance work or footway resurfacing. The HMC is also a direct supplier Contract, whereas this Framework is for the appointment of sub-contractors to the DLO leaving the DLO as Principal Contractor. This arrangement has a proven history of affording greater flexibility and reduced risk of Claims for the City.

- 2.4 A Restricted tender process will be undertaken to procure a new framework. There will be 4 lots within the framework: The adjustment and replacement of carriageway ironwork in association with resurfacing; Reactive and programmed pothole patching/repair maintenance; Civil engineering and traffic safety schemes between the value of £0-250,000; Civil engineering and traffic safety schemes above the value of £250,000.

### **3. Results of consultation undertaken**

- 3.1 As this report proposes a tender process for the minor civil works, no consultation has been undertaken.

### **4 Timetable for implementing this decision**

- 4.1 The current contract has exceeded its procured spend value and so needs to be replaced as quickly as possible. Subject to approval of this report, a tender process will be commenced immediately to ensure that a new contract is in place for the 1<sup>st</sup> August 2016. The contract will run for 4 years until 31<sup>st</sup> July 2020.

### **5 Comments from Executive Director, Resources**

#### **5.1 Financial implications**

This contract will be a framework agreement and as such the value outlined within this document is only indicative of likely spend levels. It is made up of an estimated £500,000 per annum of capital from the annual capital maintenance programme and £650,000 per annum of revenue from the highways revenue patching budget. Actual spend levels will be dependent on budget available and any other projects being delivered in a given year as well as the capacity of the DLO.

#### **5.2 Legal implications**

Highway authorities have a legal duty to maintain the highway under section 41 of the Highways Act 1980 as amended. Further, there are standards of repair that they must follow. For local highway authorities these are set out in Well-maintained Highways: Code of Practice for Highway Maintenance Management, published in July 2005 by the UK Roads Liaison Group (UKRLG).

### **6 Other implications**

N/A

#### **6.1 How will this contribute to the Council's priorities?**

<http://www.coventry.gov.uk/councilplan>

Improved highway maintenance is one of the highest priorities for residents in the City, a fact borne out by Resident's Surveys and public comment in the press and elsewhere. Highway maintenance is of fundamental importance to the achievement of the integrated transport agenda.

The continued delivery of maintenance of Coventry's Highways, is closely aligned with one of the Coventry and Warwickshire Local Enterprise Partnership's (CW LEP) core objectives, to develop Strategic Infrastructure. It is also aligned with the CW LEP's Inward Investment objective; particularly as improved infrastructure will help to open up new employment sites and continue to provide compelling reasons for companies to locate into the region. A well maintained infrastructure is closely aligned with the "Unlocking Growth

Potential” theme of the Coventry and Warwickshire Strategic Economic Plan (SEP), specifically by unlocking the potential for development on key city centre employment sites.

## **6.2 How is risk being managed?**

The contract will be managed from within the Highway’s Commercial Team by the Highway’s Contracts Management Officer, supported by the Highway’s Commercial Manager. All work required will be set and overseen by the Highways Operations manager. Regular meetings with contractors will ensure active monitoring and management. Escalation of issues will be via the Councils Procurement and Commissioning Team.

## **6.3 What is the impact on the organisation?**

None

## **6.4 Equalities / EIA**

This contract will assist the Council in its role as the Highway Authority to maintain the public highways on behalf of all Coventry residents and visitors.

## **6.5 Implications for (or impact on) the environment**

The City Council works with Contractors to ensure that efficient processes for delivery are used and practice is in line with latest industry practice and that Environmental Standards are adhered to. Well maintained roads improve the efficiency of traffic flow and hence reduce emissions to the environment.

## **6.6 Implications for partner organisations?**

Private sector developers stand to benefit from effectively maintained highway infrastructure. Highways maintenance and public realm schemes all contribute to increasing the attractiveness of the city to private sector developers, bringing new employment land forward for development.

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