

Cabinet

7 April 2020

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive

Ward(s) affected:

All

Title:

Civil Engineering Support framework

Is this a key decision?

Yes - the proposals involve financial implications in excess of £1m per annum and are likely to have a significant impact on residents or businesses in two or more electoral wards in the City.

Executive Summary:

Coventry City Council's Highways section manage and maintain a road and pavement network of over 880km. Types of work include pothole repairs, resurfacing of roads and footpaths, highway drainage installations, as well as new civil engineering projects/public realm schemes. This is delivered through planned and reactive programmes of work.

Additional funding may be available from the Council securing circa £43m of funding from the West Midlands Combined Authority and CW LEP, to improve public realm in the City Centre on the run up to City of Culture 2021.

A lot of work can be reactive, leading to peaks and troughs of work volumes. It is in the Council's interest to deal with reactive works as quickly as possible, to mitigate against insurance claims from vehicle damage due to potholes etc.

We currently have a Civil Engineering Support framework in place, which is used to obtain additional resources as and when needed to undertake the work, who have the necessary skills and experience. This avoids having to recruit additional internal staff.

The current projected annual spend is £1.75m, however, there is the potential to allow a total spend of £12m for any additional funding for the duration of contract. This is funded internally and through external grants and income.

This framework is due to expire at the end of September 2020. Highways are satisfied with the current framework and suppliers' performance. Research has been carried out to identify if there are any suitable frameworks that Coventry could potential use, none have been identified. We would therefore, like to tender for a Coventry only framework. This framework will be structured in a way that allows local suppliers and SMEs to apply. As this is a framework, no commitment is given on volumes of work. The intention would be that this could be used by Highways and any other Council Department where the in-house Highways team are unable to carry out the work or do not have the resources.

This report is to seek approval to tender for a replacement 4-year multi-supplier framework for Civil Engineering Support, to commence 1st October 2020. The intention would be to carry out a restricted tendering procedure, to ensure only suppliers meeting mandatory requirements will be considered at tendering stage.

No significant financial implications have been identified.

Recommendations:

Cabinet is asked to:

- 1) Approve the commencement of a competitive procurement process using the restricted procurement process to set up a 4-year multi-supplier Council wide framework for Civil Engineering Support.
- 2) Grant delegated authority to the Director of Transportation and Highways (following consultation with the Director of Legal and Governance Services) to award the Framework to the successful suppliers as well as any subsequent call-off contracts under this Framework.
- 3) Grant authorisation to the Director of Legal and Governance Services to enter into all necessary contracts with the successful suppliers.

List of Appendices included:

None

Background papers:

None

Other useful documents

Proc2 – Titled: Civil Engineering Support Framework
Approval to procurement submitted to Place & Corporate Panel on 10th February 2020 and Procurement Board on 20th February 2020.
Available by contacting Procurement and Commissioning Tel: 024 7697 1417.

Link to previous cabinet paper for the current framework:

<https://internaldemocraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=124&MId=10768&Ver=4>

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 other 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 Operations and Development Team manage and maintain the city's roads and pavements network of over 880km.
- 1.2 Types of work include pothole repairs, resurfacing of roads and footpaths, highway drainage installations, as well as new civil engineering projects/public realm schemes. This is delivered through planned and reactive programmes of work.
- 1.3 Additional funding may be available from the Council securing circa £43m of funding from the West Midlands Combined Authority and CW LEP, to improve public realm in the City Centre on the run up to City of Culture 2021.
- 1.4 Works can be planned or reactive, the reactive works mean it is difficult to predict work leading to peaks and troughs in work volumes. It is in the Council's interest to deal with reactive works as quickly as possible, to mitigate against insurance claims from vehicle damage due to potholes etc.
- 1.5 Therefore, there will be requirements for additional resources to undertake works to maintain the current road network, as well as potential to fulfil new civil engineering work schemes from other Council sections due to external funding grants.
- 1.6 We currently have a Civil Engineering Support framework in place, which is used to obtain these additional resources as and when needed to undertake the work, who have the necessary skills and experience. This avoids having to recruit additional internal staff.
- 1.7 The previous contract awarded in 2013 was renewed earlier than anticipated, as the original contract value was likely to exceed the allowed value early, due to the additional work gearing up to the Olympics in 2015.
- 1.8 The current framework spend for the full 4 years is circa £5.1m. The current projected annual spend is £1.75m, however, there is the potential to allow a total spend of £12m for any additional funding for the duration of contract. This is funded internally and through external grants and income.
- 1.9 The current framework, which commenced in 2016, increased the allowed framework value from £4m to £12m for additional spend if needed.
- 1.10 This framework is due to expire at the end of September 2020. Highways are satisfied with the current framework and suppliers' performance. Research has been carried out to identify if there are any suitable frameworks that Coventry could potential use, none have been identified.
- 1.11 We would therefore, like to tender for a Coventry only framework. This framework will be structured in a way that allows local suppliers and SMEs to apply. As this is a framework, no commitment is given on volumes of work. The intention would be that this could be used by Highways and any other Council Department where the in-house Highways team are unable to carry out the work or do not have the resources.

1.12 This report is to seek approval to tender for a replacement 4-year multi-supplier framework for Civil Engineering Support, to commence 1st October 2020. The intention would be to carry out a restricted tendering procedure, to ensure only suppliers meeting mandatory requirements will be considered at tendering stage.

2. Options considered and recommended proposal

2.1 Options considered include:

2.1.1 Increase current workforce, but not considered feasible due to fluctuations in workloads.

2.1.2 Don't retender and only use current workforce, which would cause delays with projects being completed on time (crucial for City of Culture) and an increase in insurance claims from pothole damage.

2.1.3 Collaborate with other authorities – neighbouring authorities do not have a requirement for this service as structured differently and further afield would not encourage local companies/SMEs.

2.1.4 The Council also used the Warwickshire County Council Highways Maintenance Contract (HMC) for specialist areas of work, such as carriageway surface treatment work, not covered by the in-house Highways section. These tend to be undertaken by large national companies, outside of the scope of the proposed framework. The HMC framework is not used for routine maintenance work, which is managed by the in-house Highways section.

2.2 The recommended proposal is to undertake a Coventry only restricted procurement procedure to create a multi-supplier framework for Civil Engineering Support. The intention would be to divide into 4 lots to cover carriage way ironworks, pothole patching/repairs, schemes up to £250k and schemes over £250k. By breaking into the various lots would encourage SMEs and local suppliers, as well as allowing for bidders to apply for areas of expertise.

3. Results of consultation undertaken

3.1 No consultation undertaken, as this is a framework there is no guarantee of work and will undergo a fair and transparent tendering process.

4. Timetable for implementing this decision

4.1 Proposed timetable:

Area	Start	Day	End
Panel Approval	10-Feb-20	Mon	10-Feb-20
Procurement Board Approval	20-Feb-20	Thur	20-Feb-20
Cabinet paper deadline	09-Mar-20	Mon	09-Mar-20
Cabinet	07-Apr-20	Tue	07-Apr-20
Place OJEU notice <i>(useful if end Wed)</i>	23-Apr-20	Thur	27-Apr-20
Issue SQ <i>(2 days after OJEU)</i>	29-Apr-20	Wed	29-Apr-20
Closing date for SQ	29-Apr-20	Wed	29-May-20
SQ evaluation	22-May-20	Fri	05-Jun-20
Issue ITT	05-Jun-20	Fri	08-Jun-20
ITT return date <i>(useful if Fri)</i> / tender opening <i>(useful if Mon)</i>	10-Jul-20	Fri	10-Jul-20
Individual Panel evaluation by <i>(useful if end Fri)</i>	10-Jul-20	Fri	31-Jul-20
Meeting - Evaluation Panel normalisation and sample eval	31-Jul-20	Fri	31-Jul-20
Briefing to Project Board	14-Aug-20	Fri	14-Aug-20
Liaise with Legal, cabinet report	14-Aug-20	Fri	14-Aug-20
Notify of intention to award (standstill period)	14-Aug-20	Fri	24-Aug-20
Contract Commencement	24-Aug-20	Mon	01-Oct-20

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

Costs incurred through the contract will be funded from within the associated capital programme budgets.

As this will be a framework agreement, any values given within the document are for guidance purposes only. As such no guarantees of level of work or value of spend is given. The volume of works will depend on funding and budgets available at the time.

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 Managed Highway Infrastructure Code of Practice 2016.

The Council as a contracting authority is subject to the Public Contract Regulations 2015 for the procurement and award of contracts for supplies, services and works and shall comply with the duties of transparency, equal treatment and non-discrimination.

6. Other implications

6.1 How will this contribute to the Council Plan (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 Operations and Development Team by the Highway's Contracts Management Officer, supported by the Highway Operations and Development 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 Equality and Consultation Analysis (ECA)

None

6.5 Implications for (or impact on) climate change and 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.

Report author(s):**Name and job title:**

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Place

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Neil Cowper	Head of Highways	Place	20/02/20	25/02/20
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Paul Jennings	Finance Manager	Place	03/03/20	06/03/20
Michelle Salmon	Governance Services Officer	Place	03/03/20	04/03/20
Names of approvers for submission: (officers and members)				
Colin Knight	Director of Transport & Highways	Place	03/03/20	12/03/20
Martin Yardley	Deputy Chief Executive	Place	12/03/20	16/03/20
Councillor J Mutton	Cabinet Member (Strategic Finance and Resources)	-	17/03/20	18/03/20
Councillor P Hetherton	Cabinet Member (City Services)	-	17/03/20	18/03/20
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