

Report to Matt Davey, Director of Highways, Transport and Planning

December 2021

Award of Highways Improvement Contracts, Lots 4, 5 & 6 (Phase 1)

Report by Gary Rustell, Programme Manager

Electoral division(s): All

Summary

West Sussex County Council is a designated Highways Authority under the Highways Act 1980 and has a duty to maintain highways maintainable at public expense.

In January 2019, the Cabinet Member for Highways and Infrastructure approved the commencement of a procurement process for a new Highways Maintenance Term Contract or set of contracts [and delegated authority](#) to the Director of Highways and Transport to finalise the terms of and award the Highway Maintenance Term Contract or set of contracts, at the conclusion of the procurement process.

In November 2019, the Director of Highways, Transport and Planning awarded framework agreements under Lots 4, 5 & 6 under Key Decision [OKD24 19-20](#):

- Lot 4. Carriageway and Footway Resurfacing
- Lot 5. Carriageway Surface Dressing and Carriageway & Footway Treatments
- Lot 6. Infrastructure Improvements - Planned Works

A recent procurement process of mini competitions through the Lot 4,5 and 6 Frameworks has been completed for the delivery of highways improvements under Lots 4, 5 and 6 (carriageways, footways and infrastructure works) to be undertaken during the 2022-23 financial year.

Recommendations

The Director of Highways, Transport and Planning is asked to approve the award of contracts (total value is £9,537,953.12) to contractors to deliver works programmes for Lot 4, 5 and 6 (Phase 1) for highways works during 2022-23, as set out in section 2.4 of the report.

Proposal

1. Background and context

- 1.1 West Sussex County Council (WSCC) is a designated Highways Authority under the Highways Act 1980 and has duty to maintain highways maintainable at public expense.
- 1.2 The decision made by the [Director of Highways, Transport and Planning in December 2019](#) referred to the procurement for the provision of a range of highway services utilising a range of contractual arrangements within six lots.
- 1.3 Single supplier contracts for 5 years with options to extend to a maximum of 10 years, commenced 1 April 2020:
- Lot 1: Core Services
 - Lot 2: Drainage Cleansing
 - Lot 3: Hedge Maintenance & Grass Cutting
- 1.4 Four-year Framework Agreements commenced 1 April 2020 for capital works for highways:
- Lot 4: Carriageway and Footway Resurfacing
 - Lot 5: Carriageway Surface Dressing and Carriageway & Footway Treatments
 - Lot 6: Infrastructure Improvements - Planned Works
- 1.5 For the procurement of services within Lots 4, 5 and 6, WSCC commenced formal procurement (mini tenders) September 2021 for the delivery of works within Lots 4, 5 and 6 (phase 1).

2. Proposal details

- 2.1 Compliant tenders were received and evaluated against Lots as set out below:

Lot No.	Detail	Schemes (up to)
4.13	Footway Reconstruction/Resurfacing/small works	46
5.50	Carriageway Micro Asphalt Local roads	251
5.60	Surface Dressing Principal / Local Roads	47
5.70	Footway Micro Asphalt	21
6.19	Active Travel Fund Cycle Schemes	05
6.21	Highway Improvements (CHS & Safety Schemes)	12
6.22	Local Transport Improvement Schemes	03
6.24	Dropped Crossings	22
6.27	Highway Structures	02

- 2.2 The published evaluation criteria for each Lot stated that the most economically advantageous tender (MEAT) would be recommended for award of the contract. Scoring was originally split 40% Commercial and 60% Technical. Subsequently, 20% of the successful contractors' non-price score carried through to the mini

competitions process which is weighted as 70% Commercial and 30% Technical – 20% carried forward + 10% project specific criteria.

- 2.3 Each Lot was evaluated by a minimum of three subject matter experts from within the service. Following independent evaluation, the evaluators and their scoring were subject to scrutiny and moderation by a senior management panel including a representative from Procurement and Contract Services.
- 2.4 The Director of Highways, Transport and Planning is asked to approve the award of contracts (total value of £9,537,953.12) to FM Conway Ltd, Colas Ltd, Kier Ltd, JPCS Ltd and Landbuild Ltd to deliver the works programmes for Lot 4, 5 and 6 (Phase 1) for highways works during 2022-23, as set out below -

Lot No.	Detail	Successful Bidder
4.13	Footway Reconstruction/Resurfacing/small works	FM Conway Ltd
5.50	Carriageway Micro Asphalt Local roads	Colas Ltd
5.60	Surface Dressing Principal / Local Roads	Kier Ltd
5.70	Footway Micro Asphalt	JPCS Ltd
6.19	Active Travel Fund Cycle Schemes	Landbuild Ltd
6.21	Highway Improvements (CHS & Safety Schemes)	Landbuild Ltd
6.22	Local Transport Improvement Schemes	Landbuild Ltd
6.24	Dropped Crossings	Landbuild Ltd
6.27	Highway Structures	Landbuild Ltd

3. Other options considered

The County Council has a legal duty to maintain highways maintainable at the public expense. Doing nothing is not an option and has therefore been discounted.

4. Consultation, engagement and advice

- 4.1 The Highways and Transport Delivery Programme engaged all asset owners, local transport improvement managers and public rights of way officers within WSCC Highways and Transport.
- 4.2 The procurement process for the delivery of the Delivery Programme has enabled full engagement and consultation through corporate governance.

5. Finance

- 5.1 Capital works for highway services delivered through Lots 4, 5 and 6 in 2022/23 will be funded as part of the Highways and Transport Delivery Programme (HTDP), which delivers highway services to meet the obligations of the Highway Authority. The Capital Programme 2021/22 to 2025/26 approved by Full Council in February 2021 included an allocation of £97.998m for the HTDP (including Additional Highways Maintenance) over 5 years. The HTDP is funded mainly by the Department for Transport's Local Transport Capital

Funding (£20.899m in 2021/22) and also by Corporate Funding and S106 Developer Contributions.

- 5.2 The HTDP 2021/22 approved by Decision Report HI15 (20/21) had a value of £26.775m and the HTDP 2022/23 is anticipated to be of similar value, subject to a decision expected to be taken in January 2022.
- 5.3 The capital funding as set out above in 5.1 provides enough funding to meet tenders received for the frameworks in Lots 4, 5 and 6 and will be let within the annual capital funding allocated.
- 5.4 The effect of the proposal:
 - (a) The implementation of this model of contracting will ensure greater control and visibility in the delivery of critical maintenance operations. This model allows for a direct contractual arrangement with the contractors which has resulted in lower costs as there are no third-party costs included.
 - (b) It is anticipated that the new contract model will provide improved value for money with regard to the delivery of highways works. The way of working and the engagement with contractors within the framework will mature during the life of the contracts and provide an opportunity to explore efficiencies and innovations that will benefit the county council, residents and visitors to the county.
 - (c) The disaggregation of the services, whilst ensuring a closer direct management of the delivery of services on the ground, will be managed within the existing levels of staff resource.
 - (d) Existing systems and established contract management tools will continue to underpin the delivery, governance and data collation for all services provided under the new contracts.

6. Risk implications and mitigations

- 6.1 The authority has moved away from a traditional Highways Term Maintenance contract which would have previously sub-contracted these specialist areas of works. In some cases, contracting directly with a number of these sub-contractors will present new challenges including monitoring contractor performance.
- 6.2 To mitigate most of the risk, the evaluation panel included subject matter experts who would also be monitoring performance of the contractors from the start.
- 6.3 This project applies techniques and strategies to manage and mitigate risk. The status of current identified risks are summarised in a risk register, where they remain until the risk has either been removed entirely or moderated to an acceptable level. The risk register is a live document which is regularly updated and reviewed. There are currently no 'red risks' on this project.
- 6.4 It should be noted that during the current pandemic, potential additional operating costs are likely. These will be managed through standard contractual arrangements. The costed risk is constantly under review alongside the current pandemic situation and resulting restrictions.

6.5 The public sector equality duty will apply to the delivery of the services which fall within the contract, and the terms of the contract will ensure that they enable the County Council to fulfil its obligations through the delivery of the contract and provide sufficient assurance that the duty will be complied with.

7. Policy alignment and compliance

7.1 The proposal has no implications under the Human Rights Act 1998.

7.2 Social Value and Sustainability Assessment

- The new set of contracts has been tendered with consideration as to how contractors will provide added social value, reflecting the County Council's duty under the Public Services (Social Value) Act 2012.

7.3 Crime and Disorder Reduction Assessment

- Crime and Disorder implications are considered in the social, economic and environmental prioritisation of the Highway and Transport Delivery Programme and alongside the design of each maintenance or improvement scheme within the Delivery Programme.

7.4 Our Council Plan: Policy Impact and Context

- The West Sussex Corporate Plan 2021-2025 sets out the priorities for the council over the next four years and the ambitious outcomes for people who live and work in West Sussex. The proposal supports the sustainable and prosperous economy priority in the West Sussex Plan.
- The delivery of critical maintenance and infrastructure build of the highway network assets fundamentally underpin the ability of the Council to meet its vision and strategic aims set out in the Council Plan.

7.5 Where practical and appropriate each contract will be considered against the council climate change commitments. Working with successful bidders, officers will consider innovative approaches and current best practice.

Matt Davey

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Appendix A

List of Contractors and Lot values (Not for publication by virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

(The Appendix is available to County Council Members on request)

Background papers - None