

Report to Matt Davey, Assistant Director (Highways, Transport and Planning)

September 2024

Contract award: Carriageway Surface Dressing Programme 2025/26 (Lot 5)

Report by Gary Rustell, Programme/Framework Manager, Place Services

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 February 2024, the Assistant Director (Highways, Transport and Planning) [appointed contractors](#) to a four-year Framework Agreement, to commence 1 April 2024, for capital highways works (Lots 4, 5, 6 & 7).

A procurement exercise has been undertaken to appoint a contractor from Lot 5 (Carriageway Surface Dressing) to undertake the Carriageway Surface Dressing Programme for delivery during the financial year 2025-26.

This report is about the contract award.

Recommendation

The Assistant Director (Highways, Transport and Planning) is asked to approve the award of contract (total value £4,223,879.83) to Eurovia Infrastructure Ltd to deliver the Carriageway Surface Dressing Programme for delivery during the 2025-26 financial year.

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 In January 2024, the Assistant Director (Highways, Transport and Planning) awarded framework agreements under Lots 4, 5, 6 & 7 under Key Decision [OKD47 \(23/24\)](#).
- 1.3 Four-year Framework Agreements commenced 1 April 2024 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
 - Lot 7: Carriageway Structural Patching
- 1.4 For the procurement of services within Lot 5 WSCC commenced formal procurement (mini tenders) May 2024 for the delivery of works within Lot 5.

2 Proposal details

- 2.1 The proposal is for the delivery of the Carriageway Surface Dressing Programme 2025-2026. The works will be delivered most likely during the summer of 2025.
- 2.2 Three compliant tenders were received and evaluated against the criteria set out in the Framework Agreement.
- 2.3 The rationale for the agreed weighting for bidder to be accepted onto the framework was based upon the need to ensure provision of a quality service and value for money. The split is 30% Commercial & 70% Quality / Technical. 10% for Social Value is included within the Quality/Technical value of 70%.
- 2.4 For the mini tender exercise, the evaluation weighting split is 30% Quality (including 10% social value) and 70% Commercial.
- 2.5 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.

3 Other options considered (and reasons for not proposing)

- 3.1 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 procurement process for the delivery of the Delivery Programme has enabled full engagement and consultation through corporate governance.
- 4.2 The Capital and Assets Board (internal governance) has considered and supports the proposal and no material changes have since been made to the proposal or the recommendations.

5 Finance

- 5.1 Capital consequences
- 5.2 Capital works for highway services delivered through Lots 4, 5, 6 and 7 in 2025-26 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 HTDP will be subject to corporate governance in February 2025 following Full Council consideration of the Capital Programme.
- 5.3 The Capital Programme 2024/25-2028/29 approved by Full Council in February 2024 included an allocation of £32.683m for the HTDP (including Additional Highways Maintenance) for 2025-26. The HTDP core funding is provided via the Department for Transport's Local Transport Capital Funding (block allocation £14.777m in 2025/26 subject to DFT decision) with additional Corporate Funding and S106 Developer Contributions as shown in 5.4.
- 5.4 The capital funding as set out above provides enough funding to meet tenders received for the works in Lot 5 and will be let within the annual capital funding as allocated.

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Capital Budget as per 2024/25 – 2028/29 Approved Capital Programme	32.683	21.659	17.625	14.777
Confirmed Budget	17.906	6.882	2.848	0
Assumed Budget*	14.777	14.777	14.777	14.777
<i>*Budget Subject to DFT approval/decision</i>				

- 5.5 The effect of the proposal:
 - (a) This model of contracting ensures 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 contract model will continue to provide improved value for money with regard to the delivery of highways works.
 - (c) The way of working and the engagement with contractors within the framework continues to mature throughout the life of the contracts provides opportunity to explore efficiencies and innovations where possible, that benefits the county council, residents and visitors to the county.
 - (d) The closer direct management of the delivery of services on the ground, continues to be managed within the existing levels of staff resource.

- (e) Existing systems and established contract management tools will continue to underpin the delivery, governance and data collation for all services provided under the contacts.
- (f) It is anticipated the approach remains manageable for the service within current levels of staffing resource and systems in place.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Funding changes, for example funding increases or decreases in year	Approach allows for adjustment of activity within the awarded contract up and down to minimise risk to the authority.
Roadspace – difficult to secure roadspace for the schemes to be delivered	Work has been undertaken to consider roadspace before entering the procurement process. Forward Notices have been submitted to attempt to mitigate potential issues.
Internal resources - delivery programmes are significant in scale so any change may impact service delivery	Internal resource is around current capacity levels. Reprioritisation of service delivery will be undertaken if significant changes in year
Unforeseen inflationary factors may risk completion of programmes	Procurement approach and contracts help manage unexpected inflationary factors. Worst case schemes will be value engineered or removed from programme is no longer meeting value for money thresholds.

- 6.1 Risk is inherent in all contracted and delivered services and activity. There will be risk to all parties and the terms of contract will endeavour to ensure there is an appropriate balance of risk with each party accepting risk most appropriate.
- 6.2 The Risk Registers established by the service identify and help inform the management of risks and the issues that rest with the County Council.
- 6.3 Each Works Package commissioned under the Framework will be delivered under a standalone NEC4 Contract. Integral to the contract is a specific Risk Register pertaining to the delivery of those works which will establish the identified risk, the party to whom each risk is assigned, and apportionment of shared risk.
- 6.4 The experience of the service over the past four years has been that the model for managing risk has operated as anticipated.

7 Policy alignment and compliance

- 7.1 Our Council Plan (2021-2025) sets out the priorities for the County Council and the ambitious outcomes for people who live and work in West Sussex. This proposal supports the sustainable and prosperous economy priority.
- 7.2 The highways capital programmes are developed employing an asset management approach set out in the [West Sussex Transport Plan](#), and the [Highway Infrastructure Asset Management Strategy](#) to identify schemes assessed on a needs-based priority, that are aligned with the Council Plan.
- 7.3 Legal implications – The Highways Act 1980 sets out the statutory obligations and duties of Highways Authorities to maintain highways maintainable at public expense.
- 7.4 Equality duty and human rights assessment – the implications and impacts will be considered and assessed throughout the design and implementation phases of each scheme at the appropriate time before works are commissioned.
- 7.5 Protecting the environment – Social Value and Sustainability Assessment - where practical and appropriate each contract will be considered against the council's climate change commitments. Working with successful bidders, officers will consider innovative approaches and current best practice to reduce the carbon footprint.
- 7.6 Crime and disorder – implications will be assessed for individual schemes at the design and implementation phases.
- 7.7 Public health – implications will be assessed for individual schemes at the design and implementation phases.
- 7.8 Social value – Social value will be a key element of evaluation score within tenders for service. In line with WSCC corporate directives 10% of the overall tender scores will be awarded against specific social value questions as these procurements offer significant social value opportunities.

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Appendices - none

Background papers - none