

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	04 April 2024
<b>Subject:</b>	Extension of Highway Maintenance Contracts		
<b>Report of:</b>	Assistant Director of Place (Highways and Public Protection)	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Locality Services - Deputy Leader		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To seek approval to amend the end dates of three Highway Maintenance Service Contracts.

### Recommendation(s):

That Cabinet:

- (1) Agree to extend Highway Term Maintenance Contract HM01 (Carriageway resurfacing) until 31<sup>st</sup> July 2026.
- (2) Agree to extend Highway Term Maintenance Contract HM08 (Surface treatments) until 31<sup>st</sup> August 2026.
- (3) Agree to extend Highway Term Maintenance Contract HM10 (Highway Maintenance) until 30<sup>th</sup> September 2026.
- (4) Authorises the Assistant Director of Place (Highways & Public Protection), in consultation with the Chief Legal and Democratic Officer, to formally extend the contracts to the revised dates.

### Reasons for the Recommendation(s):

To align the end dates with the delayed start dates of the contracts.

### Alternative Options Considered and Rejected: (including any Risk Implications)

All three contracts are currently due to end on 31<sup>st</sup> March 2026, as per the original contract documents, and the Council could decide not to change this date.

In accordance with the provisions with the Contract, the Council agreed 2-year contract extensions with the Contractors. However, as the commencement dates were delayed when the original contracts were issued in 2016, recent advice has highlighted that the

current end dates would result in the contracts running for a shorter term than tendered for. Therefore, not changing the end dates to align with the actual commencement of the contracts could result in challenge, a need to re-negotiate rates and potential compensation events.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

All revenue costs will be contained within existing budgets.

**(B) Capital Costs**

A substantial proportion of the works will be funded from allocations in the Transport Capital Programme. The funding for this element of works has been secured for the next 4 years and is based on estimates generated from the current contracts.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
None.	
<b>Legal Implications:</b>	
None.	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Impact on Children and Young People:</b>	
No.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
Officers are working with the contractors to encourage innovation and works on carbon saving materials and projects. Warm-mix asphalts are, for example, now the default material for resurfacing works on residential streets.	

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: Maintenance of the Highway helps keep the highway safe for vulnerable users.
Facilitate confident and resilient communities: The effective repair and maintenance of the highway network will assist communities

across the borough.
Commission, broker and provide core services: Highway Maintenance is a statutory duty of the Council.
Place – leadership and influencer: Taking a leading role in the development and delivery of maintenance regimes will always be in the best interest of Sefton Council and its residents
Drivers of change and reform: To support reactive maintenance activities across the Council's respective highway networks, development of annual works programmes provides an opportunity for a wide range of conventional and proprietary surface treatments to be used, which leads to continuous improvements and reduced reactive maintenance across the borough and, therefore, associated outcomes of e.g. reduced potholes and congestion (due to maintenance activities on the highway).
Facilitate sustainable economic prosperity: The highway infrastructure is the Council's largest asset. Local businesses rely on effective transport links to enable them to trade and grow. Keeping the highway network and infrastructure well maintained reduces delays on the network thus contributing to this.
Greater income for social investment: The Council will continue to explore opportunities for additional social value and social investment. The Council's risk-based approach to a well-maintained highway network ensures best of Council funding.
Cleaner Greener The Council continues to work with contractors on innovation and cleaner, greener materials. These have been implemented on several projects and we are continuing to work on our net zero targets,

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7613) and the Chief Legal and Democratic Officer (LD.5712/24) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Discussions have been held with all affected contractors who have confirmed that they are agreeable to extend their contracts on existing terms and conditions.

## Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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## Appendices:

There are no appendices to this report.

## **Background Papers:**

There are no background papers available for inspection.

### **1. Introduction/Background**

- 1.1 The Cabinet meeting on 5<sup>th</sup> October 2023 gave approval to extend five Highway Term Maintenance Contracts. These included HM01 (Carriageway Resurfacing), HM08 (Surface Treatments) and HM10 (Highway Maintenance) up to the remaining available periods in 2026.
- 1.2 Extending the contracts provided continuity of work for the contractors, allowed the Council to work collaboratively to efficiently plan for remaining years of the City Region Transport Settlement (CRSTS) funding allocation, and ensured a degree of certainty with estimates that have been prepared for funding bids.
- 1.3 The extensions also gave additional time to Officers to work on the Procurement exercise for the new contracts going forward, factoring in measures required to meet the Council's 2030 Net Zero pledge.
- 1.4 In 2016, when the contracts were first awarded, there were some delays in commencing the contracts, as a result of negotiations and dealing with responses from bidders in respect of the contract awards. HM01 started on 1st August 2016, HM08 started on 1<sup>st</sup> September 2016 and HM10 commenced on 1<sup>st</sup> October 2016.
- 1.5 In order to allow for the full 10-year contract period, the end dates should be amended to align with the original actual start dates. Cabinet approval is required to amend the contract end dates.
- 1.6 It is, therefore, proposed to extend HM01 until 31<sup>st</sup> July 2026, HM08 until 31<sup>st</sup> August 2026 and HM10 until 30<sup>th</sup> September 2026. So that the end dates align with the actual start dates and the contracts run for the full intended contract term.
- 1.7 Approval is requested for the Assistant Director of Place (Highways & Public Protection), in consultation with the Chief Legal and Democratic Officer, to formally extend the contracts to the revised dates.
- 1.8 The proposed changes are fully compliant with the Council's current Contract Procedure Rules.