

REPORT TO: Cabinet Member - Technical Services
Cabinet

DATE: 6th April 2011
14th April 2011

SUBJECT: Renewal of Highway and Drainage Maintenance
Contracts

WARDS AFFECTED: All

REPORT OF: P. Moore, Environmental and Technical Services
Director

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EXEMPT/CONFIDENTIAL: NO

PURPOSE/SUMMARY:

To advise members on the progress for the renewal of the existing highway and drainage maintenance contracts.

To seek approval from Members to extend a number of existing service contracts, for a period not exceeding 6 months, to provide continuity for maintenance works until the new contractual arrangements are in place.

REASON WHY DECISION REQUIRED:

All the contracts referred to within the report are due to end on 31 March 2011. A renewal of all highway and drainage maintenance contracts is in progress, with the aim of being in place from early July 2011. To enable the continued implementation of highway and drainage maintenance operations it is proposed that the existing contracts are extended for an interim period not exceeding 6 months, to provide continuity for maintenance works until the new contractual arrangements are in place.

RECOMMENDATION(S):

That the Cabinet Member Technical Services:

1. Notes the contents of the report and supports the recommendations for Cabinet.

That Cabinet:

1. Notes the progress for the renewal of the highway and drainage maintenance contracts.
2. Approves the extension of the contracts referred to within the report for a period not exceeding 6 months, to provide continuity for maintenance works until the new contractual arrangements are in place.
3. Approves the waiving of Contract Procedure Rule No. 3 as regards Invitation to Tender to allow the extension of the contracts.

KEY DECISION: No

FORWARD PLAN: Not Applicable

IMPLEMENTATION DATE: Immediately following Call-in period.

ALTERNATIVE OPTIONS: None

IMPLICATIONS:

Budget/Policy Framework: None.

Financial: The existing contractors noted above have agreed to the extension of their contracts. Discussions are ongoing to confirm whether the contractors would like indexation of rates for the extended period.

Legal: Since the value of the extensions to the contracts may exceed £30,000 in value, it will be necessary to seek authority to waive Contracts Procedure Rule No. 3 as regards the invitation of tenders.

Risk Assessment: No Significant Risks Associated With This Report.

Asset Management: Not Applicable

CONSULTATION UNDERTAKEN/VIEWS

FD715/2011 – The Head of Corporate Finance & ICT has been consulted and has no comments on this report.

LD85-11 – The Head of Legal Services has been consulted and his comments have been incorporated in the report.

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities	√		
3	Jobs and Prosperity	√		
4	Improving Health and Well-Being	√		
5	Environmental Sustainability	√		
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Cabinet Member: Technical Services Report 11th August 2010

Cabinet Report 8th July 2010

Cabinet Member: Technical Services Report 30th June 2010

BACKGROUND

1. As detailed in the Cabinet Member Technical Services Report of 11th August 2011 a procurement exercise is currently in progress to replace the existing 13 highway and drainage maintenance contracts with 10 revised contracts. This exercise is being undertaken in accordance with EU procurement regulations.
2. In addition to the contracts noted in the above mentioned report an exercise is also underway to renew the existing Contract for Pumping Station Term Maintenance which is due to expire on 31 March 2011. The existing contractor is Site Electrical Ltd. This contract will be renewed in accordance with Contract Procedure Rule 5 (Tendering According to Approved List).
3. With regard to the 10 revised highway and drainage maintenance contracts these were advertised in the Official Journal of the European Union and the local press in November 2010. As a result 81 expressions of interest were received. Pre-Qualification Questionnaires (PQQ's) were sent to these organisations of which 44 were returned.
4. These PQQ's have now been assessed and the companies' financial status has been investigated. This has led to a total of 52 Tender Documents being issued in March 2011 which are due for return on 26 April 2011.
5. The returned tenders will be assessed on a price/quality basis in the ratio 85% price/15% quality.
6. To allow for the assessment, approval and mobilisation periods it is anticipated the revised contracts will be in place from early July 2011. Actual dates may vary on a contract by contract basis to allow more critical contracts to be implemented earlier.
7. Tender documentation for the Contract for Pumping Station Term Maintenance is currently under preparation. As this does not have to comply with EU Procurement Regulation timescales it is also anticipated this renewed contract will be in place in early July 2011.
8. Contract Procedure Rule 3 requires that all contracts exceeding £30,000 in value are tendered. However, given the exceptional circumstances and the need to continue undertaking maintenance works Contract Procedure Rule 3 should be waived.
9. To enable the continuing maintenance of highway and drainage systems it is proposed that the existing contracts are extended for the interim period (not exceeding 6 months) until the new contracts are brought into effect.

RECOMMENDATIONS

10. That the Cabinet Member notes the contents of the report and supports the recommendations for Cabinet.
11. That the Cabinet note the progress for the renewal of the highway and drainage maintenance contracts.
12. That the Cabinet approve the extension of the following existing Service Contracts for a period not exceeding 6 months to provide continuity for maintenance works until the new contractual arrangements are in place.

Existing Contract	Contractor
SC8 Road Markings	L&R Roadlines
SC10 Weed Control	RM Services
SC17 Grounds Maintenance	Veolia Environment Ltd
SC7 Footway reconstruction, Patching & Carriageway Resurfacing	Dowhigh Ltd.
Drainage – Highway & Land Drainage	King Construction Grisedale Contractors Ltd Foundation Utilities
Gully Cleansing	Grisedale Contractors Ltd
Pumping Station Term Maintenance	Site Electrical Ltd.

13. That Contract Procedure Rule No. 3 as regards Invitations to Tender is waived to allow the extension of the contracts.