
Report to: Cabinet

Date of Meeting: 26 May 2011

Subject: Highway and Drainage Maintenance Contracts Renewal

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? No

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 award contracts for the 10 Highway and Drainage maintenance Contracts.

Recommendation(s)

That Cabinet:

1. Notes the progress for the renewal of the highway and drainage maintenance contracts.
2. Approves the award of the contracts referred to within the report.
3. It be noted that this is a Key Decision but unfortunately had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it is impracticable to defer the decision until the commencement of the next Forward Plan because it is expected that the tendering exercise will result in more favourable rates and better value for money to the Council . An early decision to appoint new companies will allow for more timely commencement of new contracts.

How does the decision contribute to the Council's Corporate Objectives?

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

Reasons for the Recommendation:

The majority of the highway and drainage maintenance contracts expired on 31 March 2011 and have been extended. To allow the continued maintenance of the Authorities highway and drainage assets new contracts need to be put in place.

What will it cost and how will it be financed?

(A) Revenue Costs

Costs of works instructed under these contracts will be contained within the available maintenance budgets. There is no commitment within the contracts that a certain value of work will be instructed.

(B) Capital Costs

Capital works instructed under these contracts, which will be primarily funded through LTP monies, will be contained within available budgets.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal: None		
Human Resources: None		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery: If contracts are awarded to Contractors who do not currently work for the Authority there may be some short term minor impacts on service delivery whilst the new Contractors fully establish themselves to undertake the required works.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD770) and Head of Corporate Legal Services (LD129/11) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration? No

Implementation Date for the Decision

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

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Background Papers:

The following papers are available for inspection by contacting the above officer(s).

Cabinet Report 14th April 2011

Cabinet Member Technical Services Report 6th April 2011

Cabinet Member: Technical Services Report 11th August 2010

Cabinet Report 8th July 2010

Cabinet Member: Technical Services Report 30th June 2010

1 Introduction/Background

- 1.1 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.
- 1.2 The 10 revised highway and drainage maintenance contracts 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.
- 1.3 These PQQ's have been assessed and the companies' financial status has been investigated. This led to a total of 52 Tender Documents being issued in March 2011 which were returned on either 26 April 2011 or 6 May 2011.
- 1.4 The returned tenders are currently being assessed on a price/quality basis in the ratio 85% price/15% quality.
- 1.5 To allow for 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.

2 Assessment Process

- 2.1 Due to the nature of the works the contracts have been priced as Schedules of Rates. Typical baskets of works have been developed for each contract (except Contract HM5 – Grounds Maintenance) to reflect the likely nature and volume of works to be undertaken. These baskets of work will be used to calculate a value of works for use in the assessment process for each Contract.
- 2.2 These baskets will be reviewed and checked against the full Schedules of Rates submitted to ensure that any incorrect or anomalous rates provided by tenderers or incorrect or anomalous quantities within the basket can be rectified as required. This may require changes to the quantities to ensure the best value for money solution for Sefton MBC.
- 2.3 Lot 5 – Grounds Maintenance has been priced as a “shopping list”. This will allow Sefton MBC to select the required extent of works (for example no. of grass cutting visits) to give the best value for money within the available budget.
- 2.4 Quality submissions will also be scored and combined with the results of the financial assessments in the ratio 85% price/15% quality

2.5 The results of the assessment process will be presented to the Cabinet Meeting.

3 Tender Submissions

3.1 Tenders for each Contract were invited from the following contractors:

HM1 – Carriageway Resurfacing

Dowhigh Ltd, Netherton
Bardon Contracting, Liverpool
Premier Asphalt, Liverpool
King Construction, Knowsley
Colas Ltd., West Sussex
Bethell Construction, Manchester

Of the above 5 tenders have been returned. It is proposed that this Contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £166,000/annum

HM2 – Carriageway Markings

L&R Roadlines, Liverpool
Dowhigh Ltd, Netherton

Both tenders have been returned. It is proposed that this Contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £66,000/annum.

HM3 – Weed Control

RM Services, Ormskirk
Continental Landscaping, Lincoln
Languard, Worksop
Landscape Group, Coventry
Veolia, Wolverhampton
Environmental Husbandry, Naseby

Of the above 5 tenders have been returned. It is proposed that this Contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £166,000/annum.

HM4 – Signs, Nameplates and Guardrails

Graysons H&E Services, Formby
King Construction, Knowsley
Dowhigh Ltd, Netherton
Colas Ltd, West Sussex

Of the above 4 tenders have been returned. It is proposed that this contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £166,000/annum.

HM5 – Grounds Maintenance

Continental Landscaping, Lincoln
Landscape Group, Coventry
Veolia, Wolverhampton
ISS Facility Services, Woking
Dowhigh Ltd, Netherton
Assist Managed Services, Bootle

Of the above 6 tenders have been returned. It is proposed that this contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £466,000/annum.

HM6 – Gully Cleansing

King Construction, Knowsley
Grisedale Contractors, Widnes
Dowhigh Ltd, Netherton
Sefton Council, Cleansing Services, Bootle
Continental Landscaping, Lincoln
Graysons H&E Services, Formby

Of the above 6 tenders have been returned. It is proposed that this contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £200,000/annum.

HM7 – Electrical Connections

NDS Ltd, Rugby
Schneider Ltd (previously Areva), Widnes
Dowhigh Ltd, Netherton
Colas Ltd, Wolverhampton
Murphy Group, Warrington

Of the above 5 tenders have been returned. It is proposed that this contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £250,000/annum.

HM8 – Surface Treatments

Colas Ltd, Wolverhampton
Keily Bros, Birmingham
RMS Ltd, Cheshire
Dowhigh Ltd, Netherton

L&R Roadlines, Liverpool

Of the above 5 tenders have been returned. It is proposed that this contract is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £500,000/annum.

HM9 – Minor Works

Dowhigh Ltd, Netherton
Bardon Construction, Liverpool
King Construction, Knowsley
Wrenco Ltd, Maghull
North Midland Construction, Nottinghamshire
George Cox, Bolton

Of the above 6 tenders have been returned. It is proposed that this contract is awarded to two contractors. The approximate value of this contract is £1,300,000/annum.

HM10 – Highway Maintenance

Dowhigh Ltd, Netherton
Bardon Construction, Liverpool
King Construction, Knowsley
Wrenco Ltd, Maghull
Colas Ltd, Wolverhampton

Of the above 4 tenders have been returned. It is proposed that due to the critical nature of this contract it is awarded to one contractor with one reserve contractor, in case of poor performance by the primary contractor. The approximate value of this contract is £3,300,000/annum.

- 3.2 As noted above the assessment of the returned tenders is ongoing and will be presented to the meeting.