

---

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	5 November 2015
<b>Subject:</b>	Annual Service Contracts for Highway Maintenance Works - Extension of Current Contracts	<b>Wards Affected:</b>	All Wards
<b>Report of:</b>	Head of Locality Services - Commissioned		
<b>Is this a Key Decision?</b>	Yes	<b>Is it included in the Forward Plan?</b>	Yes
<b>Exempt/Confidential</b>	No		

---

**Purpose/Summary**

To seek approval for the extension of the current Annual Service Contracts for Highway Maintenance Works from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016 at the latest to allow sufficient time for the the new arrangements for the new Annual Service Contracts to be made

**Recommendation(s)**

It is recommended that:

- i) The current Annual Service Contracts for Highway Maintenance Works are extended from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016 at the latest.
- ii) The Head of Regulation and Compliance be authorised to make the necessary changes to the Contractual arrangements with each Contractor.

**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		<input type="checkbox"/>	
2	Jobs and Prosperity	<input type="checkbox"/>		
3	Environmental Sustainability	<input type="checkbox"/>		
4	Health and Well-Being	<input type="checkbox"/>		
5	Children and Young People		<input type="checkbox"/>	
6	Creating Safe Communities	<input type="checkbox"/>		
7	Creating Inclusive Communities		<input type="checkbox"/>	

8	Improving the Quality of Council Services and Strengthening Local Democracy	□		
---	---	---	--	--

**Reasons for the Recommendation:**

The recommendation is necessary in order to ensure that the transition of the delivery of Highway Maintenance works between the current Contractor and the Contractor appointed to deliver the Annual Service Contracts from 2016 onwards is as smooth as possible.

**Alternative Options Considered and Rejected:**

The programme of procurement of the Contractors to deliver the Annual Service Contracts for 2016 onwards has been developed to ensure that Contracts should be in place for April 2016. However there is a risk that the intensive process of assessing all the responses from potential suppliers to the OJEU notice, shortlisting contractors, progressing through a rigorous tender appraisal exercise and completing any potential negotiations over the transfer of workforce under the TUPE regulations may not be fully completed before April 2016. To mitigate this risk and to ensure a smooth delivery of all the works under each contract it is proposed to extend the timescale of the existing contracts to allow for services to continue to be delivered.

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

- (A) **Revenue Costs** None. The cost of works awarded under tender will be to the level of annual budget as agreed by Council.
- (B) **Capital Costs** All the Works delivered using the Annual Service Contracts will be funded from the allocations in the Transportation Capital Programme

**Implications:**

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

<b>Financial</b>		
<b>Legal</b>		
<b>Human Resources</b>	No Implications	
<b>Equality</b>		
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 of the Proposals on Service Delivery:**

There will be no impact upon service provision.

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

The Chief Finance Officer (FD3836/15) and the Head of Regulation and Compliance (LD.3119/15) have been consulted and have no comments on the report. The report indicates no direct financial implications for the Council. It is noted revenue and capital costs will be contained within existing budgets.

**Implementation Date for the Decision**

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

**Contact Officer:** Jerry McConkey  
Tel: 0151 934 4222  
Email: [Jerry.McConkey@sefton.gov.uk](mailto:Jerry.McConkey@sefton.gov.uk)

**Contact Officer:** Andy Dunsmore  
Tel: 0151 934 2766  
Email: [Andrew.Dunsmore@sefton.gov.uk](mailto:Andrew.Dunsmore@sefton.gov.uk)

**Background Papers:**

None

## **1.0 Introduction**

- 1.1 In May 2011 Cabinet approved a Procurement Strategy for the setting up on 11 Annual Service Contracts (ASC) covering Highway Maintenance related activities. This exercise was subsequently completed, Contractors appointed and Contracts formally established. These contracts are currently in operation and due to expire in April 2016.
- 1.2 In March 2015, Cabinet approved a further Procurement Strategy aimed at establishing new Service Contracts for Highway Maintenance Work to run from 2016 onwards. This process has begun and an OJEU Notice placed on The Chest to secure Expressions of Interest from potential suppliers. Responses will be assessed, shortlists of suitable contractors established and tenders invited and subsequently appraised. It is anticipated that the tenders will be assessed and contracts signed with the successful contractors before the current contracts expire on 31<sup>st</sup> March 2016.
- 1.3 Whilst contracts are expected to be in place by 1<sup>st</sup> April 2016, in order to mitigate the risk of disruption to service in the transition period between contracts, it is beneficial to have as long a mobilisation period as possible, particularly if the new contractor is obliged, under the current TUPE regulations, to take on workforce from the incumbent contractor. This transition period will be kept to a minimum (3 months wherever possible) and extensions agreements will be based on a maximum period of 6 months with a view to an earlier termination should this be appropriate. If the incumbent contractor is successful in re-securing the contracts, the need for a long transition would be negated. The extensions, where needed, will allow for services to continue to be delivered offering the most suitable and best value option for the Council

## **2.0 Proposal**

- 2.1 In order to ensure, as far as possible, a smooth transition between the operation of the current and the new contracts it is proposed that the existing Highway Maintenance Annual Service Contracts be extended for a period of up to, i.e. from 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016.
- 2.2 The Annual Service Contracts to be extended, and the incumbent contractors, are as follows;

HM1	Resurfacing	Dowhigh
HM2	Road Markings	L&R
HM3	Weed Control	RM Services
HM4	Signs Guardrail	Graysons
HM5	Ground Maintenance	Landscape Group
HM6	Gullies	Graysons
HM8	Surface Treatments	Keily Brothers
HM9	Minor Works	King Construction
HM10	Highway Maintenance	Dowhigh
HM11	Pumping Station Maintenance	H2O Flowtech Ltd