



ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE

Monday, 15 November 2021

REPORT TITLE:	ACCEPTANCE OF TENDERS AND AWARD OF CONTRACTS - HIGHWAY SERVICES
REPORT OF:	DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT SUMMARY

This report recommends acceptance of seven tenders and the award of term contracts for various highway services. The contracts will run from December 2021 until November 2025, with one of the contracts running to March 2026. there are no extension provisions within the contracts.

The effective management and maintenance of the Council's highway network contributes to all five themes of the Wirral Plan 2021-26, in particular: Safe and Pleasant Communities and Sustainable Environment.

The services carried out within these contracts will take place across all wards in the borough.

This report has been classed as a Key Decision and included on the council's Forward Plan.

RECOMMENDATIONS

The Environment, Climate Emergency and Transport Committee is recommended to:

- (1) Accept the tenders for the Wirral Highway A1.1, A1.2, A1.3, A1.4, A1.5 and A2 Term Service Contracts, December 2021 to November 2025, submitted to Wirral Council on 8 October 2021;
- (2) Accept the tender for the Wirral Highway A3 Term Service Contract, December 2021 to March 2026, submitted to Wirral Council on 8 October 2021;
- (3) Approve the award of all seven contracts, subject to contract and subject to expiry of the relevant standstill period without challenges, to the following suppliers:

Contract Ref	Service Description	Successful supplier
A1.1	Surface Treatments (Surface Dressing)	Kiely Bros Ltd
A1.2	Surface Treatments (Microasphalt)	Kiely Bros Ltd
A1.3	Surface Treatments (Slurry Sealing Processes)	JPCS Ltd
A1.4	Surface Treatments (Carriageway Microasphalt Hand Applied Patching)	Colas Ltd
A1.5	Surface Treatments (Carriageway and Footway Retread Processes)	Colas Ltd
A2	Carriageway Structural Resurfacing (HRA/DBM/Plane and Inlay)	Hanson Contracting
A3	Civil and Highway Engineering Works (Traffic schemes, footway reconstruction and public rights of way)	Cambrianway Limited

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 The tenders submitted by the successful suppliers represent the most economically advantageous tenders received, are fully compliant, are within allocated annual allocated budgetary provision and are within the estimated value of the contract price for the service. These contracts are essential to the delivery of statutory and non-statutory planned highway maintenance and highway improvement functions. The Environment, Climate Emergency and Transport Committee approved the procurement of these contracts at its meeting on 16 March 2021.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Various highway service delivery models were considered by the Environment, Climate Emergency and Transport Committee at its meeting on 16 March 2021 and an in-house plus top up model, with delivery supported by discrete term service supply contracts was approved. Consequently, no other procurement options were considered.
- 2.2 Officers have reviewed and updated the various previous contract documentation and, working closely with the council's Procurement team, a decision was made with the Director of Neighbourhood Services to introduce an additional contract for recycling existing bituminous surfaces. A decision was also taken to procure separate contracts for slurry sealing and carriageway surface treatment patching and to rationalise the civil engineering contract (A3) into a single contract. These additional contracts will allow greater flexibility to maintain an aging network, in the most cost-effective, flexible, and sustainable way.

3.0 BACKGROUND INFORMATION

- 3.1 Tenders for the Wirral Highway A Term Services Contract December 2021- November 2025 and December 2021 - March 2026 were invited on 6 September 2021 in open competition in accordance with the council's procurement rules. The tenders return date was 8 October 2021.
- 3.2 Following soft market testing in consultation with the council's Procurement team, it was agreed with the Director of Neighbourhood Services that seven new term contracts would be procured and that the length of each contract would be four years, running from 1 December 2021 to 30 November 2025, with the exception of contract A3, which would run to March 2026. This is because the works in the other contracts are mostly undertaken in the summer months and require a long lead in time to plan, whereas civil engineering improvement works included in contract A3 are carried out all year round so extending this term provided an end date reflecting the financial year end. The length of the contracts reflects the indicative budget allocations through the Liverpool City Region Combined Authority Sustainable Transport Settlement 2022/23 to 2026/27, and will allow for a re-tendering to take place, with a known budget, which will enable to the council to secure best value in the market.

- 3.3 A Selection Questionnaire (SQ) was issued on the council's tendering portal for each contract, so prospective suppliers could consider the scope and express an interest to tender, where they met the right quality and financial criteria. Undertaking this process allowed for the largest number of suppliers to be able to tender for the services. The SQ questionnaires were issued on the 16 July with a return date of 16 August 2021; the A3 contract return being extended to 20 August 2021.
- 3.4 A panel of 3 senior officers from Highway and Infrastructure evaluated the questionnaire returns, overseen by the council's Procurement team. Following the evaluations, a selected number of suppliers were invited to tender and invitation to tender (ITT) documents were made available to them to complete through the council's tendering portal on 6 September 2021 with a return date of 30 September 2021.
- 3.5 During the tender process a high number of technical questions were raised, all of which were posted on the council's tendering portal, so all invited tenders could see the questions and answers supplied. Due to the number of contracts and questions, requests were made and an extension of the return date to 8 October 2021 was granted.
- 3.6 A total of twenty-six tenders across the seven contracts were received by the due date. Tenders were evaluated on a 50/40/10 price/quality/social value ratio.
- 3.7 All tenderers included a priced submission against various activity items in a schedule of rates. The rates submitted were applied to a 'basket of works' pricing model, based on actual historical quantities of activities against each work item over a full year, to generate an indicative total price sum for comparative evaluation.
- 3.8 Three separate officer teams were established to evaluate the tenders. A quantity surveyor entered tendered prices into the pricing model which was verified by Resources directorate. Another technical team evaluated the quality submission based on answers to five method statement questions, and the social value scoring was undertaken by the council's Procurement team. All of the scores were independently brought together and presented in the scoring matrix and the process was moderated by the council's Procurement team. Some of the tenders were not fully compliant due to tenderers using the wrong price list and, as a result, their pricing element could not be evaluated in comparison with the other compliant tenders.
- 3.9 The new contracts: A1.3, A1.4 and A1.5 are proposed to be awarded to new suppliers. The remaining four contracts are proposed to be awarded to suppliers who are the current incumbent supplier for similar works.
- 3.10 The anonymised results of the evaluation process are detailed in Appendix 1 to this report.

4.0 FINANCIAL IMPLICATIONS

- 4.1 All services supplied under these contracts will be financed from the relevant service area highways capital programme budgets, funded through the Liverpool City Region

Sustainable Transport Settlement and other grant and capital allocations. The council is not contractually committed to issue any particular value of work either annually or cumulatively through any of these service contracts. Task order instruction will be managed within each service using a structured programmed approach, with advice from the relevant technical specialist officers, having regard for the pertaining budgetary provision at time of any task order raised.

5.0 LEGAL IMPLICATIONS

- 5.1 These contracts have been let out Under UK Public Sector Procurement Regulations, Open Procedure, under which the contract award for each respective contract will only proceed to execution after a 10-day standstill following notification of the successful and unsuccessful bidders and no challenge having been received in this period. Notifications were issued on 26 October 2021 and the standstill period expires at midnight on 5 November 2021. Should any valid challenges be received the standstill expiry date may need to be extended. At the time of publishing this report no challenges have been received. If necessary, the standstill and Committee decision call-in periods can run concurrently, and no contracts will be executed until after both periods have expired.
- 5.2 There are no Transfer of Undertakings (Protection of Employment) Regulations (TUPE) implications as a result of the proposals set out in paragraph 3.9.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 ICT: All works will be issued and managed through the council's Symology Insight asset management system, with the contractors interfacing with the system to reduce paper and improve operational efficiencies. This system requires corporate support.
- 6.2 Staffing: Officers from the Council's Highways and Infrastructure team in Neighbourhoods directorate will provide the necessary staffing resource to manage and administer the contracts with support from corporate colleagues across other directorates where applicable. A Project Board will be established, led by the Assistant Director for Highways and Infrastructure, as Senior Responsible Owner (SRO), having accountability for delivery, to supplement regular operational contract progress meetings.
- 6.3 Assets: There are no additional asset implications resulting from the award of these contracts.

7.0 RELEVANT RISKS

- 7.1 As part of the procurement process all necessary quality management, health and safety and environmental accreditations, together with economic and financial viability, employment legislation, Modern Slavery Act compliance, and checks, have been undertaken for the recommended service suppliers, reducing the council's risk exposure in these areas.

- 7.2 There remains a risk to the contract award and services commencement date should a procurement challenge be lodged during the 10-day standstill period. This risk is more significant if realised on the A3 contract as this contract requires a continuity of services from late 2021. The other contracts will not involve actual works operations commencement until the early spring of 2022.
- 7.3 The council has a duty to maintain the highway under the Highways Act 1980. Therefore, it is essential these contracts are in place for the Council to comply with that duty and there is a statutory and reputational risk to the council if the contracts are not awarded and services commenced in a suitable timescale.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 These contracts are for service supply only and will be managed by council officers in accordance with council policies and procedures. Where individual projects are delivered through these contracts, those projects will include consultation and engagement proportionate and appropriate to the project concerned.
- 8.2 The contracts include a comprehensive performance management framework, which contains requirements to engage with customers to monitor customer satisfaction. Key performance management indicators (KPI's) will be monitored at regular intervals for compliance and will be reported through the Project Board to this Committee on a quarterly basis, as part of the Neighbourhoods directorate, Highway and Infrastructure service, performance dashboards.
- 8.3 As part of the tender evaluation process, each of the successful tenderers have committed to provide substantial social value benefits into the community during the contract's lifetime. These commitments will be closely monitored by the contract management team and will be reported on as part of the overall contract performance and quarterly performance report to Committee.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 This report is concerned with contract award and associated procurement and legal processes, so there are no direct equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The recommended contractors are required to provide their services in accordance with council policies, which includes assisting the council to achieve its net zero carbon targets.

- 10.2 Within the performance management indicators service providers are required to keep all waste to a minimum and recycle any arisings from their works wherever practicable.
- 10.3 Service providers are also encouraged and incentivised to offer the council innovative working methods and materials to assist in reducing carbon emissions and contributing to a sustainable environment.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The council is committed to a progressive procurement system and generation of community wealth benefits through this process. The social value benefits committed within the various contracts includes the direct employment of local Wirral residents on some of the services. This element of the social value offered across all of the contracts has a projected total equivalent financial value of £5,010,268 throughout the life of the contracts.

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APPENDICES

Appendix 1 - Evaluation details and results

BACKGROUND PAPERS

Commercial tender submission information.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
ENVIRONMENT, CLIMATE EMERGENCY AND TRANSPORT COMMITTEE - HIGHWAYS SERVICE DELIVERY 2021 TO 2026	16 March 2021