

Approval to Award - Minor Works Contractor Framework Contract

Date: June 2021

Report to: Chief Officer (Highways and Transportation)

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report seeks the approval of the Chief Officer (Highways and Transportation) to award the Minor Works Contractor Framework Contract.
- The Minor Works Contractor Framework Contract is a call off contract that replaces the Highways Works Term Contract that expired in March 2021. This contract proved to be successful in being able to deliver the works programme for Highways over the past 4 years.
- The Highways and Transportation department has seen an unprecedented increase in its capital programme and in order to support the Best Council Plan is required to deliver this programme at a pace over the coming years.
- The new contract will add to the success of the previous term contract by utilising two contractors rather than just the one supplier previously, providing flexibility in accommodating changes in workload levels.
- The contract contributes to the cities and councils ambitions by providing and supporting sustainable infrastructure, specifically improving the city's transport infrastructure. It also incorporates social value, including performance measures around climate change risks and air quality.
- Following the tender exercise approval is required to award the Minor Works Contractor Framework Contract for a period of 4 years with the potential for up to 2 further extensions for a maximum framework period of 6 years to Colas Ltd and Hinko Construction Ltd.

Recommendations

- a) The Chief Officer (Highways and Transportation) is asked to approve the award of the Minor Works Contractor Framework Contract to Colas Ltd and Hinko Construction Ltd. for a period of 4 years from 7th June 2021 to 6th June 2025 with an option for up to 2 further extensions for a maximum framework period of 6 years until 6th June 2027.

Why is the proposal being put forward?

- 1 To obtain the Chief Officer's approval to award the Minor Works Contractor Framework Contract to Colas Ltd and Hinko Construction Ltd.
- 2 The current Highway Works Term Contract expired on the 31st March 2021.
- 3 The Chief Officer approved the evaluation process for the tender of this contract on the 17th November 2020.

- 4 It was agreed that Framework/Lot 1, later titled the Minor Works Contractor Framework would replace the current Highway Works Term Contract when it expired but instead of a single supplier would have two Contractors. It would continue to be tendered as a schedule of rates but with other options being available.
- 5 An open 'Find a Tender' notice was advertised and tenders were returned on 7th April 2021.
- 6 From the open 'Find a Tender' invitation there were six tender submissions.
- 7 The six tenderers quality submissions were assessed by a panel of Highway & Transportation Engineers and chaired by an Engineer from the Procurement team.
- 8 Five tenderers passed the quality submission with one tenderer failing due to scoring less than the minimum score threshold on one of the quality questions.
- 9 The quality scores of the tenderers were inserted into the evaluation model and the weighting specified in the tender documentation was applied. The Tender was based on a split of 600/400 Quality/Price which gave a total amount out of 1000.
- 10 The tenderers financial submissions were entered into the Financial Evaluation model. The highest combined scores resulting in the preferred tenderers were from Colas Ltd (combined score 1000) and Hinko Construction Ltd (combined score 905.42).

What impact will this proposal have?

Wards Affected:

Have ward members been consulted? Yes No

- 11 The proposals requested in this report have no direct impact on any of the equality characteristics as it is purely an administrative function and therefore it is not applicable to carry out an equality, diversity, cohesion and integration screening at this time.

What consultation and engagement has taken place?

- 12 No consultation has taken place with key stakeholders as to whether the contract should be awarded to the winning bidders or not as this is determined by the evaluation of the tender received. However, consultation with key stakeholders was undertaken when the particular procurement route was chosen.

What are the resource implications?

- 13 The Minor Works Contractor Framework is an efficient use of Council resources, having two contractors will assist in delivering the heavy work load that is anticipated in the future pipeline. Having two contractors gives the Council additional support and offers greater flexibility and value for money.
- 14 Early Contractor Involvement and forward planning in this contract should deliver projects quicker with more cost certainty.
- 15 Having two Contractors will give an element of competition when allocating work. Ensuring the schedule of rates remain competitive throughout the contract.
- 16 The estimated contract value including extensions is £60,000,000.00

What are the legal implications?

- 17 There are no specific legal implications arising from this report. All activities relating to the award of this contract are being executed in accordance with the Council's Contract Procedure Rules.

What are the key risks and how are they being managed?

- 18 The Highway Works Term Contract expired in March 2021 and the council requires a contract to be in place that can facilitate these works.
- 19 The Minor Works Contractor Framework contract will ensure that the Service will be able to effectively procure these works to a high standard of workmanship and competitive cost.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 20 The framework includes social value, which incorporates Themes, Outcomes and Measures around climate change risks and air quality. It also addresses health and wellbeing, supporting active lifestyles and especially the recovery from the Covid-19 pandemic. Inclusive growth will also feature heavily in the provision of future infrastructure and again will be targeted and monitored within the frameworks' conditions including the use of the Social Value Portal.
- 21 The Council's social value policy also covers areas such as corporate social responsibility, foundation living wage, modern slavery Act 2015, and the climate emergency. Under corporate social responsibility tenderers are encouraged to use local firms, local SME's, local supply chains and employ local people in order to support the local economy.
- 22 The framework will provide a core partnership with contractors who are capable of delivering small, medium and large infrastructure schemes in accordance with the Council's own terms and conditions including social value and the climate emergency. They will also enable the ability to encourage the use local firms, local SME's, local supply chains and employ local people in order to support the local economy.

Options, timescales and measuring success

a) What other options were considered?

- 23 The award of this Contract is an efficient use of Council resources and is judged to be value for money in comparison to issuing tenders for each individual scheme.

b) How will success be measured?

- 24 Success will be measured over the life of the contract and how efficient the contractors are.

c) What is the timetable for implementation?

- 25 The framework will provide a suitable replacement for the Highway Works Term Contract which expired in March 2021.
- 26 The framework needs to be awarded before its start date of the 7th June 2021.

Appendices

- 27 n/a

Background papers

- 28 n/a