



## Report of Highways Officer

### Report to the Chief Officer (Highways & Transportation)

Date: March 2021

**Subject: Yorkshire Highway Alliance Supply of Coated Materials, Ready Mixed Concrete and Aggregates Framework 2021-2025 – Approval to award**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## Summary

### 1. Main issues

- This report seeks approval from the Chief Officer (Highways & Transportation) to award the Yorkshire Highway Alliance Supply of Coated Materials, Ready Mixed Concrete and Aggregates Framework 2021-2025 to Aggregate Industries UK Ltd, Cemex UK Operations Ltd, Colas Ltd, Hanson Quarry Products Europe Ltd T/A Hanson contracting, Harsco Metals Group Ltd T/A Steelphalt, Lane rental services Ltd T/A Hull Asphalt, RJC plant services, Tarmac Trading Ltd. for a four year period.
- The current contract expires on the 31<sup>st</sup> March 2021. This new contract will begin from the 1<sup>st</sup> April 2021 until the 31<sup>st</sup> March 2025 being a 4 year contract with no further option to extend the contract.

### 2. Best Council Plan implications (see the [latest version of the Best Council Plan](#))

- The supply of coated materials and ready mixed concrete is essential to allow the Direct Labour Organisation to maintain the highway network. By providing a well maintained highway network for all users helps support the aims within the Best Council Plan.

### 3. Resource implications

- It has been considered and confirmed that appropriate funding provision is available from both capital and revenue budgets as and when the works are required.

## **Recommendations**

- a) The Chief Officer (Highways & Transportation) is requested to approve the recommendation to award the Yorkshire Highway Alliance Supply of Coated Materials, Ready Mixed Concrete and Aggregates Framework 2021-2025 to Aggregate Industries UK Ltd, Cemex UK Operations Ltd, Colas Ltd, Hanson Quarry Products Europe Ltd T/A Hanson contracting, Harsco Metals Group Ltd T/A Steelphalt, Lane rental services Ltd T/A Hull Asphalt, RJC plant services, Tarmac Trading Ltd. with an estimated contract value of £90,000,000.00 from the 1<sup>st</sup> April 2021 until the 31<sup>st</sup> March 2025.

### **1. Purpose of this report**

- 1.1 The purpose of this report is to obtain the Chief Officer's (Highways & Transportation) approval to award the Yorkshire Highway Alliance Supply of Coated Materials, Ready Mixed Concrete and Aggregates Framework 2021-2025.

### **2. Background information**

- 2.1 The current Leeds City Council Supply of Coated Materials, Ready Mixed Concrete and Aggregates Contract expires on 31<sup>st</sup> March 2021 with no further option to extend it for a further period of time.
- 2.2 As part of the collaborative working across the Yorkshire Highway Alliance on procurement it was recognised that a single combined contract for the Supply of Coated Materials, Ready Mixed Concrete and Aggregates for the Yorkshire Highway Alliance would provide the best value for all the districts.

### **3. Main issues**

- 3.1 There were nine tender returns following the Open EU tender process with eight submitting compliant tender returns and one non-compliant.
- 3.2 The non-compliant tenderer qualified their tender by not accepting the VOP clause and refused to use the social value portal.
- 3.3 The schedule of materials contains numerous products; each supplier has priced the items which they can supply. Orders will be placed by the individual Districts on the basis of cost being the first consideration followed by deliverability.

### **4. Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 Consultation has taken place with the Yorkshire Highway Alliance on the 17<sup>th</sup> September 2020. It was agreed that this contract would be the best method of procuring this type of work and will be available to all Yorkshire Highway Alliance Members.

- 4.1.2 It has been considered and confirmed that appropriate funding provision is available from both capital and revenue budgets as and when the works are required.
- 4.1.3 The framework agreement will be an efficient method of procuring this type of work.

## **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 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.

## **4.3 Council policies and the Best Council Plan**

- 4.3.1 The framework will provide an efficient method of procuring the Yorkshire Highway Alliance supply of Coated Materials, Ready Mixed Concrete and Aggregates.
- 4.3.2 The recommended approach is consistent with the aims contained within the Council's Spending Money Wisely Policy.
- 4.3.3 In line with the collaborative working aims of the Council this framework agreement will be available for other Councils in the Yorkshire Highway Alliance to access as they have done previously.

### Social Value and Climate Emergency

- 4.3.4 Social Value is now a mandatory requirement in all contracts unless there are exceptional circumstances for it to be excluded. The Councils social values are based on the national TOM's (Themes, Outcomes and Measures) and have been adapted to reflect the requirements of this tender. Particular emphasis has been made regarding the climate emergency and the Councils commitment to make Leeds carbon neutral by 2030.
- 4.3.5 Tenderers will be required to submit a Social Value bid which they intend to deliver for every £100k of spend through the framework. The successful tenderers performance will then be monitored against their Social Value submission for the duration of the contract.

## **4.4 Resources, procurement and value for money**

- 4.4.1 The tender of this framework is an efficient use of council resources and is judged to be value for money in comparison to preparing tenders for each individual order.
- 4.4.2 The Contractors will be offered, subject to satisfactory performance, the opportunity to adjust their rates annually but any increase cannot be greater than the industry standard indices stated in the contract document.
- 4.4.3 It is estimated that the total value of the 4 year framework will be around £90M. Annually this comprises of the following estimated budgets, Leeds at £5.2M, Bradford at £1.5M, North Yorkshire at £6.0M, Kirklees at £3.2M and Wakefield around £1.2M. Extra has been included for the other authorities to join into the contract should they require.

## **4.5 Legal implications, access to information, and call-in**

4.5.1 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.

#### **4.6 Risk management**

4.6.1 To maintain continuity on the ability to purchase these materials for service delivery it is essential that this framework agreement is awarded before the existing arrangement expires.

#### **5. Conclusions**

5.1 The award of this Framework Agreement is an efficient use of council resources and is judged to be value for money in comparison to tendering individual orders or contracts across the Yorkshire Highway Alliance.

#### **6. Recommendations**

6.1 The Chief Officer (Highways & Transportation) is requested to approve the recommendation to award the Yorkshire Highway Alliance Supply of Coated Materials, Ready Mixed Concrete and Aggregates Framework 2021-2025 to Aggregate Industries UK Ltd, Cemex UK Operations Ltd, Colas Ltd, Hanson Quarry Products Europe Ltd T/A Hanson contracting, Harsco Metals Group Ltd T/A Steelphalt, Lane rental services Ltd T/A Hull Asphalt, RJC plant services, Tarmac Trading Ltd. with an estimated contract value of £90,000,000.00 from the 1<sup>st</sup> April 2021 until the 31<sup>st</sup> March 2025.

#### **7. Background documents<sup>1</sup>**

7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.