

From: Michael Payne Cabinet Member, Highways and Transport

Simon Jones, Director of Highways, Transportation & Waste

To: Environment & Transport Cabinet Committee Meeting – 15th September 2020.

Subject: Road Asset Renewal Contract 2021

Key decision: Yes

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All Divisions

Summary:

The Road Asset Renewal Contract (RARC) is currently delivered by Eurovia and expires on 31st December 2020. A replacement contract will be required to be procured prior to the end date. A Key Decision is required to award the contract/s for this service as the value exceeds £1m.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to procure and delegate authority to the Corporate Director for Growth, Environment and Transport to award and enter into appropriate contractual arrangements for the provision of Road Asset Renewal Services including any potential extension periods in accordance with the expectations set out in the report and shown at Appendix A..

1. Introduction

- 1.1 The Road Asset Renewal Contract (RARC) is currently delivered by Eurovia and expires on 31st December 2020. Due to a higher level of funding spent through the contract which included unforeseen Brexit works, there is no scope to invoke the extension options detailed as the OJEU thresholds will be breached.
- 1.2 A new contract will be required to be procured prior to 1st January 2021. This contract will allow for the prescribed works and services to be delivered for an initial 24-month period with potential extensions.

- 1.3 Under section 41 of the Highways Act 1980, as the local Highway Authority, the Council has a legal duty to maintain its respective sections of the highway network. This duty includes responsibility for maintaining, managing and, where necessary, improving sections of the network. These services need to be commissioned externally to ensure the Council meets its statutory obligations and that service continuity is ensured.
- 1.4 To effectively maintain our roads, footways and cycle tracks we undertake the delivery of renewal works to replace deteriorated areas which have reached the end of their useful life and preservation works to prolong the life of areas which are starting to deteriorate.
- 1.5 The scope of work at each site varies but will include the following:
- cold milling of the top layers of the road structure and repaving with an asphalt surface and/or binder course
 - adjustments to covers and replacement of road markings and road studs where required.
 - replacement of the traffic loops.
 - road closures and night-time working with working restrictions in place with defined times.

2. Procurement Strategy

- 2.1 Market engagement was conducted in May and identified a number of risks to be considered:
- Contract structure
 - Productivity
 - Performance management
 - Supply chain
- 2.2 KCC is committed to achieving net zero carbon emissions within the next decade and this will be a key focus of this contract, as we look to measure and benchmark accurate carbon emission baselines and explore ways that we can reduce and eliminate these.
- 2.3 The services consist of multiple sites. There will be several phases of work throughout the contract period, with routine work carried out between January and November each year. The initial phases are planned as follows, subject to weather conditions:
- Phase 1 – January to March 2021
 - Phase 2 – April to November 2021
 - Phase 3 – January to March 2022
 - Phase 4 – April to November 2022
- 2.4 The contract will commence on 1st January 2021 and will continue for a period of 24 months. Extension periods totalling no more than 24 months may be offered to the successful Contractor.

2.5 The Selection Questionnaire stage has been completed and those companies that passed the minimum threshold have been sent the invitation to tender (ITT). The procurement timetable is as follows:

- ITT dispatch – Friday 4th September 2020
- ITT return – Friday 9th October 2020
- Post tender negotiation stage – w/c 27th October 2020
- Final ITT Submission – Friday 13th November 2020
- Governance approval – w/c 16th November 2020
- Issue award letters – Friday 20th November 2020
- Contract award – Tuesday 1st December 2020
- Contract commencement date – Monday 4th January 2020

3. Financial Implications

3.1 It is not expected that any new procurement and delivery model will present a significant price increase. A competitive procurement process will appoint the best value contractor from the tenders submitted.

3.2 There have been significant increases in the Authority's budget in recent years to try and address some of the deterioration of the road network. It is estimated that spend on road renewals for 2021 will be in the region of £30m should capital budgets not change.

4. Legal implications

4.1 Under section 41 of the Highways Act 1980, as the local Highway Authority, the Council has a legal duty to maintain its respective sections of the highway network. This duty includes responsibility for maintaining, managing and, where necessary, improving sections of the network. These services need to be commissioned externally to ensure the Council meets its statutory obligations and that service continuity is ensured.

4.2 The award of any contracts will be in full compliance with all relevant procurement regulation.

5. Equalities and Data Protection Implications

5.1 An Equalities Impact Assessment has been carried out and no implications have been identified at this early stage. This will be continually reviewed as the programme continues and has been attached in Appendix B.

5.2 The initial screening identified that a Data Projection Impact Assessment will not be necessary as no personal data is collected for this commission.

6. Policy Framework

6.1 This commission is detailed within the following plans:

- Growth Environment and Transport Directorate Business Plan 20/21
- Highways, Transport and Waste Service Level Business Plan 20/21

7. Other corporate implications

7.1 The decision to award contracts for these services has no significant impact in other areas of the Council's work.

8. Conclusions

8.1 The current contract with Eurovia ends on the 31st December 2020. A replacement contract is required to be commissioned for 2021.

8.2 A replacement contract will be awarded in December 2020 in line with the timetable detailed in 2.4.

9. Recommendation

9.1 The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Highways and Transport on the proposed decision to procure and delegate authority to the Corporate Director for Growth, Environment and Transport to award and enter into appropriate contractual arrangements for the provision of Road Asset Renewal services including any potential extension periods in accordance with the expectations set out in the report and as shown at Appendix A.

10. Background Documents

Appendix A – Record of Decision

Appendix B – Equalities Impact Assessment

11. Contact details

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