

From: Mike Whiting, Cabinet Member for Planning, Highways, Transport and Waste
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To: Environment and Transport Cabinet Committee - 17th January 2019

Subject: Pothole Blitz Contract Management

Classification: Unrestricted (Exempt Appendix A)

Summary:

This paper provides an overview of Pothole Blitz Contract.

The Pothole Blitz has delivered over £15 million in pothole repairs to damaged highway over the last 2 years.

It has been delivered on time and within budget and the contract has evolved to meet the changing needs year on year.

The next Pothole Blitz contract (2019 to 2020) has been procured and will provide savings across an increased supply chain.

Recommendation:

The Cabinet Committee is asked to note the contents of the report.

1.0 Introduction

- 1.1 The Pothole Blitz Project Phase 2 (2017/2018) and Phase 3 (2018/2019) has been delivered through a contract procured in 2017.
- 1.2 The contract covers individual pothole repairs, large patching repairs and associated sundry works.
- 1.3 The contract (Phase 2 and 3) was an open tender process which procured the services of 6 SME contractors covering 2 districts each.
- 1.4 The next phase of the Pothole Blitz (Phase 4) was procured in November 2018 under an open negotiated tender.
- 1.5 A contract was awarded to 11 SME contractors distributed into three lots. The lots covered West, Mid, and East Kent with 3 or 4 contractors per lot.
- 1.6 Each contractor has been allocated one district. Dartford and Gravesham have been combined for one contractor.

1.7 The increase to 11 contractors from the previous 6 gives the ability to significantly increase resources to meet the available funding and to deliver quickly.

2.0 Phase 4 Pothole Blitz Contract - Management

2.2 In order to ensure the effective management of the contract, several measures are available within the contract.

2.3 Contract controls

The Contractor is required to comply with the performance measures set out in the contract specification.

Should the contractor breach any of the requirements in the contract, they are required to submit an improvement plan. Should the contractor fail three times against any of the contract requirements within a 12-month rolling period, we can terminate their contract.

A single significant Health and Safety breach can allow us to terminate the contract.

The contract allows contractors to move districts to cover the works of a suspended or terminated contractor.

2.4 Key Performance Measures

The newly let contract includes 4 Key Performance Indicators to assist in measuring the success of the contract.

These include a monthly client satisfaction survey to report on the quality of the contractors / client relationship.

Failure of any of the Key Performance Measures are subject to the same sanctions as previously stipulated.

KPI performance will also be used as a pre-qualification requirement for any future contract.

2.5 Lessons learnt

The new Key Performance Indicators were developed to tackle issues identified in the previous contract:

- That the processes and timescales for certain types of repair were not aligned with the term contract service levels and that this had led to confusion for customers;

- That there were no measures in place to demonstrate success in the delivery of “right first-time” repairs or the delivery of corrective action for any defective works;
- That contractors who had been subject to notifications of contractual breaches on Phase 2 and 3 were still able to qualify to tender for future contracts without this being taken into consideration; and
- That there was no measure to recognise contractor collaboration or positive client relationships.

The use of contract notifications ensured that contractors understood the severity of any breaches and encouraged them to implement effective improvement plans.

During Phase 2, one contractor received 2 notifications and was in danger of receiving a 3rd. They replaced the delivery and supervision teams and as a result they became one of the highest performers.

Another case saw a contractor lose work to an adjacent contractor.

2.6 *Local Contract Management*

The day to day management of the contract is the responsibility of the local District Highways Team.

They work closely with the Clerk of Works and the Project Team to ensure that works are properly programmed, are delivered to the required specification and are safely managed during construction.

The District Teams are allocated a budget and are responsible for spending within their funding limits and the checking and auditing of applications of payment.

All contractual breaches are escalated to the Project Team. The District Highway Engineers and Stewards will carry out auditing of the completed works.

2.7 *Clerk of Works – Site Management*

At least 90% of all Pothole repairs works will be visited by the project Clerk of Works. The Clerk of Works are experienced industry professionals.

They work closely with the District Highway Teams and the Street Works teams and audit each site for Health and Safety, Traffic management and quality of works.

This year we have increased our Clerk of Works. This will allow a greater level of inspection during each stage of the programme.

2.8 Street Works Inspections

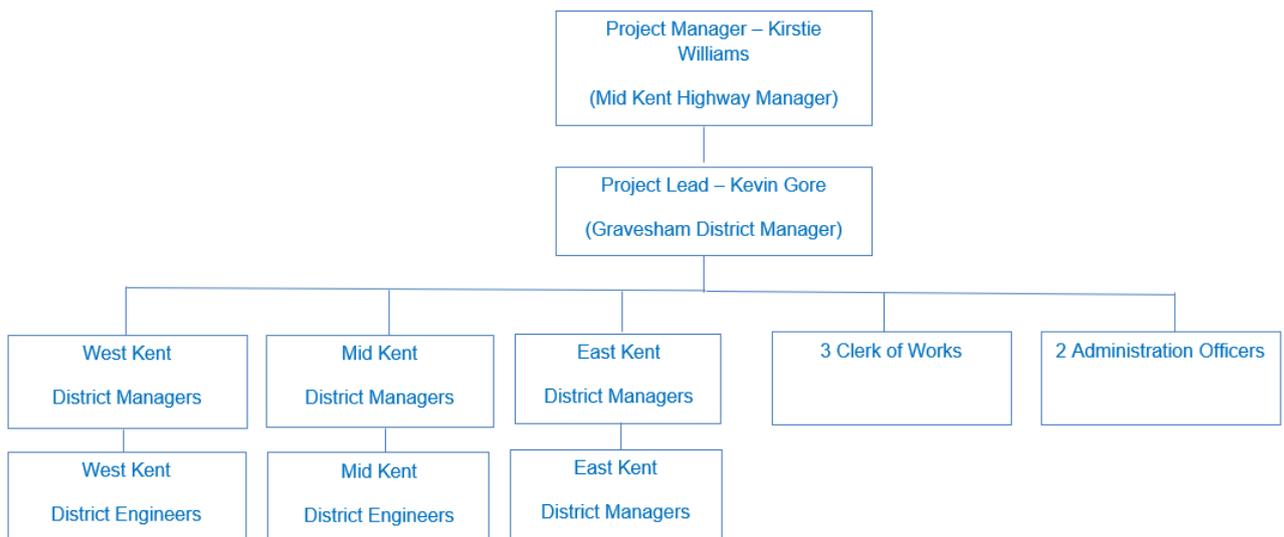
Part of the role of our district Street Works Inspectors is to carry out joint audits with the Clerk of Works.

This focusses on the Health and Safety elements of live sites and the quality of reinstatements in order to protect the carriageway asset.

The Street Works inspectors attend at least 2 sites a month with the Clerk of Works. This additional inspection provides consistency of repairs and safe working.

3.0 The Project Team

The project Team is made up of existing KCC Highways staff. The only additional staff which are employed on a temporary basis are the Clerk of Works and the Administration staff.



4.0 Phase 4

A copy of the Approval to Award Report – Pothole Blitz 2018 – 2020 is attached in Appendix A.

5.0 Conclusions

The Pothole Blitz project has delivered a substantial number of highway repairs across all districts.

The Phase 4 contract remains competitive and sustainable with the 10% price difference between the highest and lowest supplier for each district. This will ensure more pounds in the ground and that each district will receive a comparable level of service.

Additional local suppliers have been included.

6.0 Recommendation

6.1 The Cabinet Committee is asked to note the contents of the report

7.0 Background Documents

Appendix 1 (**Exempt**): Approval to Award Report – Pothole Blitz 2018 – 2020.
Strategic Commissioning Board 15th November 2018.

8.0 Contact Details

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