

**From:** David Brazier, Cabinet Member for Environment and Transport  
John Burr, Director of Highways, Transportation and Waste

**To:** Environment and Transport Cabinet Committee – 22 July 2014

**Subject:** 14/00085 Highway Resurfacing Contract

**Key decision:** The financial criteria has been exceeded; award of a two year contract for resurfacing works across the whole county which has a minimum annual value of £5 million.

**Classification:** Unrestricted

**Past Pathway of Paper:** This is the first time this matter has been considered by the Cabinet Committee.

**Future Pathway of Paper:** To the Cabinet Member for Environment and Transport for decision.

**Electoral Division:** All

**Summary:** This report sets out details of the countywide Highway Resurfacing Contract which is set out in the 2014/15 Strategic Priority Statements for the Highways, Transportation & Waste Division and follows the established process of market testing this element of highway works on a periodic basis.

**Recommendations:**

That the Cabinet Committee endorse and recommend to the Cabinet Member for Environment and Transport the approval and award of the Highway Resurfacing Contract 2014-16 to Eurovia Infrastructure Ltd; and

That the Cabinet Member for Environment and Transport approves the award of the Highway Resurfacing Contract 2014-2016 to Eurovia Infrastructure Ltd.

## **1. Introduction**

A significant part of the annual capital highway works budget is set aside for the delivery of carriageway resurfacing schemes. The principle of procuring the delivery of the Countywide Highway Resurfacing Programme through competitive tendering process was established in 2008 to ensure the maximum benefits from a competitive market's prices. Since then this service has been procured through the market on a regular basis.

**2. Financial Implications**

This ensures that the allocated capital budget for this activity is spent efficiently.

**3. Policy Framework**

This fulfils the principle of achieving value for money.

**4. The Report**

4.1 Annually around 35-40km of the highway network is resurfaced. This generally consists of removing the top layer of the carriageway surface and replacing it with a new one. This protects the lower construction layers of the carriageway from the elements, reinstates carriageway strength and prolongs its life.

4.2 Procurement advice was sought and followed regarding the procurement of a single contract to replace the existing two contracts (North and South Kent) to benefit from the economy of scales. The duration of the new contract is two years with an option for extension by a further two years, on a one year at a time basis (2 + 1 + 1).

4.3 Given the value of the contract an OJEU compliant procurement process was followed, twelve potential tenderers expressed an interest and four submitted priced tenders. The tender evaluation process consisted of three elements; initial assessment (Mandatory Questions), quality and price.

Criteria	Weighting
Mandatory Questions	Yes/No
Price	750
Quality Questions	250

4.4 The initial element consisted of a set of five questions that the tenderers were required to pass before their tender could be progressed to the next stage. One tenderer failed at this stage. Quality and Price accounted for 25% and 75% of the weighting respectively.

4.5 The quality evaluation was based on the assessment of responses to six questions that each tenderer had to provide. The questions were on the topics of; approach to the works, utilisation of the works, new schemes, mobilisation, asphalt plants and approach to construction of the works.

4.6 The price was based on schedule of rates for various sizes of schemes recently delivered. The spread of schemes were based on small, medium and large projects. These reflect different quantity banding in relation to the various schemes anticipated to be delivered through the new contract. These were supplemented with bills of quantities, drawings and traffic restriction/management arrangements that allowed tenderers to price accordingly using detailed and quality information provided by the County Council, which maintains quality of works and ensures cost certainty. The table below shows detail of the outcome of the evaluation process.

Tenderer	Price Score	Quality Score	Total Score
Eurovia Infrastructure Ltd	750.00	177.50	927.50
Contractor A	592.48	185.00	777.48
Contractor B	458.74	71.25	529.99

4.7 Overall the Eurovia Infrastructure Ltd submission represents best value, comparing like for like the cost of delivering the schemes referred to above through the new contract would result in significant savings.

## 5. Conclusions

This exercise has shown that a considered and careful approach to market testing can deliver significant savings whilst maintaining quality and vindicates the decision to market test this element of the highway works. Each year we provide Members with details of the annual programme of schemes in their own Divisions and this is well received. The additional savings made through the award to Eurovia will be utilised to resurface additional road schemes throughout the County. This is good news, especially in light of the severe winter which has caused significant damage to the highway network.

## 6. Recommendations

That the Cabinet Committee endorse and recommend to the Cabinet Member for Environment and Transport the approval and award of the Highway Resurfacing Contract 2014-16 to Eurovia Infrastructure Ltd; and

That the Cabinet Member for Environment and Transport approves the award of the Highway Resurfacing Contract 2014-2016 to Eurovia Infrastructure Ltd.

## 7. Background Documents

Proposed Record of Decision 14/00085 (attached as Appendix A)

## 8. Contact details

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