

To: Procurement (Finance) Sub Committee

15 July 2021

From:

Streets & Walkways (Planning & Transportation) Sub Committee 29 April 2021

14. HIGHWAY CONSTRUCTION & MAINTENANCE TERM CONTRACT TENDER

The Sub Committee received a report of the Director of the Built Environment seeking Member approval for the procurement strategy to be used in the selection of a new term contractor for highway construction & maintenance services.

The Sub Committee paid tribute to JB Riney for their work over the course of the existing contract, as well as their knowledge of the City and engagement with stakeholders and communities. Members then commented that value for money in respect of service as well as price should be a key consideration in awarding the next contract. Members also expressed some surprise that the Sub Committee had not been asked to take a decision on this matter given the connection between the Sub Committee's work and that of the prospective contractor.

A Member, also a Member of the Procurement Sub Committee, gave assurances that tender decisions were not guided by price alone, with quality also held in high regard. Whilst a 60/40 weighting was usual practice, a 70/30 weighting had also been exercised where appropriate. The Member, noting the consensus amongst the Sub Committee and the importance of this procurement exercise, suggested that the Sub Committee send a note to the Procurement Sub Committee asking that the quality aspect be increased in the tender assessment in order to reflect the importance of ensuring a quality contractor was appointed.

The Director of the Built Environment advised that the procurement exercise would seek to evolve on the existing contract and maintaining standards would be of utmost importance. Whilst the report principally advised of the decisions still to come, officers would consider the governance arrangements for the contract award, due during 2022, as it was appropriate that the Sub Committee be engaged in this process. The Director of the Built Environment further advised that key quality mechanisms would be retained for this tender, and that the aim would be to maintain standards whilst also seeking to improve where possible. Furthermore, the weighting of price and quality was not restricted and could be reviewed.

The Chairman, noting the evident interest and concern on the part of the Sub Committee, proposed that the Sub Committee's views be put to the Procurement Sub Committee, and this was agreed.

RESOLVED – That:

- a) The Procurement Sub Committee be asked to consider the views and concerns expressed by Members of the Streets & Walkways Sub Committee regarding the procurement strategy in respect of the selection of a new term contractor for highway construction & maintenance services;

- b) That the quality aspect be increased in the tender assessment in order to reflect the importance of ensuring a quality contractor was appointed; and
- c) That due consideration be given to value for money in respect of service, as well as price, in the tender assessment.

Note

The procurement approach was considered by the Procurement Sub Committee (PSC) on 9th June where a split of 60 price - 40 quality was recommended. Subsequent to the concerns raised by the Streets & Walkways Sub Committee (S&WSC) that this may result in a poor supplier, the S&WSC and PSC Chairmen met to consider the budgetary and service challenges. In the light of reassurances around the sound elements in the contract that have underpinned the work, and the overall approach, a revised 50:50 split was agreed.