

Decision Pathway



PURPOSE: Key decision

MEETING: Cabinet

DATE: 06 February 2024

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| TITLE | Highway Contract Procurement | | |
| Ward(s) | Citywide | | |
| Author: Shaun Taylor | Job title: Head of Highways | | |
| Cabinet lead: Cllr Donald Alexander, Cabinet Member for Transport | Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration | | |
| Proposal origin: BCC Staff | | | |
| Decision maker: Cabinet Member Decision forum: Cabinet | | | |
| Purpose of Report: To seek approval for the procurement of new Highway Contracts and to seek approval to extend the value of the Gully Cleansing and Subway Drainage Maintenance, Term Contract and Highways Asset Management and Associated Works Framework and a New Structures Professional Services contract. | | | |
| Evidence Base: <ol style="list-style-type: none"> All Bristol City Council (BCC) highway related civil works are issued through the Highways Framework. All response, safety works are issued through the Defect Response and Emergency works term contract. All drainage maintenance and cleansing are issued through the gully cleansing and subway maintenance term contract. The Highways Framework is essential in delivering the capital programme across transport and is made up of multiple lots (see appendix A). Schemes delivered through the framework include the strategic CRSTS schemes, bridge repair and replacement including the new cut structure refurbishment, and road resurfacing programme. Other teams such as Parks also use the framework. The term contracts are essential in delivering BCC statutory duties. This includes maintaining and repairing the drainage network and repairing the roads, fixing potholes and repairing footways. The framework has run for 4 years, the drainage term contract has run for 4 years (to tie in with the expiry of the other contracts) and the Defect response Term contract has run for 8 years. The 2021 estimated values of the Framework is £70m. The defect response term contract was valued at £8m and the drainage contract was valued at £800k. Due to an increase in spend through the 2021-2025 framework because of successful capital funding bids, the value of the framework is nearly spent. To enable continued delivery of the capital transport programme the value of the framework needs to increase by 50% (£35m). Due to the technical nature of structures work the Council also needs to implement a route to access Structures Professional services as the current contract has recently expired. The new contracts are likely to be worth approx. £326m combined (depending on the pipeline of schemes from WECA/BCC). The value is divided in to: <ul style="list-style-type: none"> £300m for the Highways framework, no guarantee of any work so no funding commitment £2m annually for the 8year +2+2 Highway Term maintenance contract. Will have a minimum of 500k commitment per year for safety defects | | | |

- £1m annually for the 8-year +2+2 Drainage Term maintenance contract. Will have a minimum of £250k commitment per year which is to clear drains.
 - £2m over 3 years for a Structures Professional services call off framework, no funding commitment.
9. The £300m estimated value of the framework is made up of allocations from CRSTS1, CRSTS2, ATF, CIL, S106, CAZ and council funding, which could total around £580m. This is expected to be delivered by 2032 so it is prudent to allow for a significant proportion of this in the 2025-2029 framework to allow flexibility in delivery.
 10. The drainage contract has spent more than anticipated and as such requires an increase in the value of the spend by £400k, as well as starting procurement early as this spend will be used up by March 2024.
 11. Maintenance and Installation of Highway Electrical Assets Term Contract can be extended until 2027 and the Traffic Signals Maintenance, Supply and Installation Term Contract expires in 2027 so these are excluded.
 12. All contracts procured will be subject to performance management through the application of Key Performance Indicators.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Transport to take all steps required to procure and award the contracts necessary for the implementation of a new
 - Gully Cleansing and Subway Drainage Maintenance Term Contract
 - Highways Asset Management and Associated Works Framework
 - Highways Defect Response and Emergency Works Term Contract
 - Structures Professional Services contract
 in-line with the procurement routes and maximum budget envelopes outlined in this report.
2. Authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Transport to invoke any subsequent extensions/variations specifically defined in the contracts being awarded, up to the maximum budget envelope outlined in this report.
3. Authorises the Executive Director of Growth and Regeneration in consultation with the Cabinet Member for Transport to take all steps required to increase the value of the Gully Cleansing and Subway Drainage Maintenance Term Contract and Highways Asset Management and Associated Works Framework until March 2025 as outlined in this report.

Corporate Strategy alignment:

- Ensuring BCC has fit for purpose contracts in place promotes sustained, inclusive and sustainable growth as set out in SDG 8
- The contracts support the building of resilient infrastructure and promotes innovations as set out in SD9
- Through use of these contracts the city can be made inclusive safe, resilient and sustainable – SD11
- As per SD13 Procurement of the right contract and KPIS will support us in taking action to combat climate change, specially through decarbonisation – ENV1
- These contracts can promote economic growth through securing social value and community benefits as well as creating local jobs and delivering a living wage - ES3.
- These contracts will help the city deliver infrastructure that will help cool the city and adapt to climate change - ENV4
- The contracts are fundamental in delivering all aspects of Theme 6 – Transport and connectivity.

City Benefits:

Maintaining our highway assets is not only essential to meet our statutory obligations as a local authority but also to achieve our corporate goals. Improving the condition of our roads and footways will ensure we are a well-connected city linking people with jobs and services through well maintained and high-quality transport connections. A better surface quality free from defects will also encourage our residents to walk and cycle more which will improve wellbeing, help us meet our climate change obligations and reduce dangerous levels of air pollution. Our Corporate Strategy explicitly mentions a need for the council to focus on 'planned long-term outcomes not short-term fixes, prioritising early intervention and prevention.' By improving the condition of our highway assets now we will increase the resilience of our transport network, reduce disruption and potential elevated costs in the future through a well-planned programme of early interventions.

Consultation Details:

1. Growth and Regeneration Divisional Management
2. External market testing

Background Documents:

[Joint Local Transport Plan 4 2020-2036](#)

[Corporate Strategy 2022-2027 Corporate Strategy 2022-27](#)

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| Revenue Cost | £1m Highway Term maintenance for 8 years, 500k Drainage Term maintenance for 8 years. | Source of Revenue Funding | Various highways revenue codes – Drainage, Road marking, pump station maintenance etc. |
| Capital Cost | £300m for framework over 4 years, £1m Highway term maintenance annually for 8 years, £500k Drainage Term maintenance for 8 years. | Source of Capital Funding | Various highway capital codes and grants as they are awarded. |
| One off cost <input type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/> | | Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/> | |

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The current Highways contract for three key areas will all expire in 2025, including the Framework for all BCC highways related civil works, defects contract and the drainage contract. A tender is therefore necessary to ensure continuity of service.

The current 2021 Highways Asset Management and Associated Works Framework was approved for procurement of goods and services of up to £70m, defects contract was £8m and drainage was £0.8m. The successful reward of various capital funding streams has resulted in the need to extending the value of the existing Highways Asset Management and Associated Works Framework (2021-2025) by 50% (£35m) taking the total to £105m (£70m + £35m). There is also a request to increase the current drainage contract by £0.4m due to current spent levels being higher than originally anticipated.

Going forward, the combined value of these contracts is expected to be up to £326m, committed in both capital and revenue expenditure. This will be funded from the Highways and Traffic infrastructure capital programme, grant awards, WECA, other government departments, as well as Highways revenue budgets, and does not constitute a new funding pressure for the Council.

The Framework and Term Contracts must enable BCC to respond within a reasonable timeframe to highways and transport demands, provide Value for Money and strong contract management, including forecasting which must continue during the contract period to ensure exposure to both financial and operational risks are minimised.

The increase to the contract value does not constitute a request to increase budgets or approved spending and does not commit BCC to expenditure. Any revenue or capital expenditure against the contracts must continue to follow Council Financial Regulations, delegated approvals, and procurement regulations, against funded budgets and within approved budget envelopes.

Finance Business Partner: Ben Hegarty, Finance Business Partner Growth and Regeneration, 30 January 2024.

2. Legal Advice: The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 17 January 2024

3. Implications on IT: No implications on IT in regard to this activity

IT Team Leader: Alex Simpson – Lead Enterprise Architect 14 November 2023

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams HR Business Partner 21 November 2023

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| EDM Sign-off | John Smith, Interim Executive Director Growth and Regeneration | 22 November 2023 |
| Cabinet Member sign-off | Cllr Donald Alexander, Cabinet Member for Transport | 7 December 2023 |
| For Key Decisions - Mayor's Office sign-off | Mayor's Office | 8 January 2024 |

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| Appendix A – Further essential background / detail on the proposal | YES |
| Appendix B – Details of consultation carried out - internal and external | NO |
| Appendix C – Summary of any engagement with scrutiny | NO |
| Appendix D – Risk assessment | YES |
| Appendix E – Equalities screening / impact assessment of proposal | YES |
| Appendix F – Eco-impact screening/ impact assessment of proposal | YES |
| Appendix G – Financial Advice | NO |
| Appendix H – Legal Advice | NO |
| Appendix I – Exempt Information | NO |
| Appendix J – HR advice | NO |
| Appendix K – ICT | NO |
| Appendix L – Procurement | NO |