

**EASTERN HIGHWAYS FRAMEWORK 2**

*To:* **Highways and Community Infrastructure Committee**

*Meeting Date:* **2<sup>nd</sup> February 2016**

*From:* **Executive Director: Economy, Transport and Environment Services**

*Electoral division(s):* **All**

*Forward Plan ref:* **2016/006**      *Key decision:* **Yes**

*Purpose:* **To inform Committee of the results of the procurement of the Eastern Highways Framework 2**

*Recommendation:* **a) To approve the award of Lot 1 of the Framework to 7 providers  
b) To approve the award of Lot 2 of the Framework to 6 providers**

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## **1. BACKGROUND**

- 1.1 Cambridgeshire County Council is a founding member of the Eastern Highways Alliance (EHA), a formal collaboration between eleven Local Highway Authorities in the East of England. Key objectives of the Alliance are to reduce costs in the delivery of highway maintenance and improvement schemes and the sharing of information and best practice across the region to encourage efficiencies in service delivery.
- 1.2 This report provides a summary of the recent Eastern Highways Framework 2 (EHF2) procurement exercise to deliver a new highways construction framework on behalf of the EHA and recommends award of the contract.

## **2. MAIN ISSUES**

- 2.1 The EHF2 is designed to deliver highways schemes for the 11 members of the EHA, seeking to build on the successful delivery of projects across the region through the current Framework, which expires in June 2016. The existing Framework was procured by Hertfordshire County Council in 2012 on behalf of the EHA and has used 4 contractors to deliver highways schemes of up to a value of £10m throughout the region. Cambridgeshire has been a major user of the Framework to procure highways resurfacing and maintenance works.
- 2.2 The total contract value of EHF2 could reach £750m over 4 years and by working collaboratively to produce a regional programme of projects this will secure the best available rates from suppliers and deliver significant benefits to the EHA members.
- 2.3 The EHF2 will be used by the County Council to complement the delivery options available through the Council's new Highway Service. It forms a key part of the strategy for efficient and effective delivery of larger highways and transport schemes from the overall capital programme including City Deal projects.
- 2.4 The County Council has acted as the lead authority on behalf of the EHA and LGSS Law and LGSS Procurement have supported this through the drafting of the Contract and managing the procurement process. An enormous amount of support has been received from other EHA members in the production of the contract documents and the evaluation of the submissions from bidders.
- 2.5 The framework was divided into two Lots, with one Lot to deliver schemes up to a value of £1.5m, and the other to deliver schemes of between £1.5m and £20m, (or more subject to EHA Board approval). The intention was to secure a broad range of contractors of different sizes to meet the needs of all EHA members and to try and secure involvement from small and medium sized enterprises (SMEs) from across the region.
- 2.6 Lot 1 received 13 submissions at the Pre-Qualification Questionnaire (PQQ) stage of which 12 were validated and invited to tender on a quality: price ratio of 40:60. Based on an assessment of the likely forward programme of schemes, the documentation allowed for the selection of up to 8 contractors. 3 of the 12 contractors invited did not return tenders.

- 2.7 Of the 9 submissions received, one bid failed the initial validation process by declining to take on the role of Principal Designer (for those aspects designed by the supplier) under the Construction Design and Management Regulations 2015, which was a pass/fail question. 8 bids were assessed with separate teams undertaking the evaluation of the price and quality elements. One of the bidders did not meet the minimum quality threshold set out in the tender documents and was therefore ruled out.
- 2.8 Seven contractors were assessed as satisfying the requirements of the tender and it is recommended they be awarded a place on the Framework Lot 1.
- 2.9 Lot 2 received 18 submissions at the PQQ stage of which 8 were invited to tender. The returns were from larger contractors and were assessed on a quality: price ratio of 50:50.
- 2.10 All 8 companies returned tenders but one bid failed the initial validation process by declining to take on the role of Principal Designer (for those aspects designed by the supplier) under the Construction Design and Management Regulations 2015, which was a pass/fail question. The 7 remaining submissions were assessed and scored in accordance with the tender documents. The documentation allowed for the selection of up to 6 contractors so it is recommended that the six highest scoring tenderers be awarded a place on the Framework Lot 2.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 Developing the local economy for the benefit of all**

The following bullet points set out details of implications identified by officers:

- This Framework establishes an efficient and effective procurement route to deliver highways schemes that support existing investment programmes.

#### **3.2 Helping people live healthy and independent lives**

There are no significant implications for this priority.

#### **3.3 Supporting and protecting vulnerable people**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

The following bullet points set out details of significant implications identified by officers:

- All EHA members are working collaboratively together to deliver efficiencies in service delivery across the region.
- The financial costs of managing the framework are met by the EHA.

#### **4.2.1 Statutory, Risk and Legal Implications**

The following bullet points set out details of significant implications identified by officers:

- In accordance with the principles established in the existing EHA Framework a separate operating agreement is established with all

other EHA partners enabling them to utilise the framework whilst the risks of each individual contract let by each commissioning authority will remain with them and not the County Council.

**4.3 Equality and Diversity Implications**

There are no significant implications within this category.

**4.4 Engagement and Consultation Implications**

There are no significant implications within this category.

**4.5 Localism and Local Member Involvement**

There are no significant implications within this category.

**4.6 Public Health Implications**

There are no significant implications within this category.

Source Documents	Location
Highways and Community Infrastructure Committee report and minutes 28 <sup>th</sup> April 2015	<a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=898">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=898</a>