

**MAJOR TRANSPORT SCHEMES FRAMEWORK CONTRACT EXTENSION**

*To:* **Cabinet**

*Date:* **7th July 2009**

*From:* **Executive Director: Environment Services**

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

*Forward Plan ref:* **None** *Key decision:* **No**

*Purpose:* **To consider the extension of the Major Transport Schemes Framework Contract.**

*Recommendation:* **To extend the contract for a further 3 years with both County Council framework contractors.**

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## **1. BACKGROUND**

- 1.1 The Best Value Review of Highway Maintenance and Network Management in 2003 recommended that the County Council's then existing procurement methods of tendering on a one off basis for major transport schemes should be replaced by a more streamlined approach by the use of a framework contract involving a long term partnering arrangement with up to two contractors.
- 1.2 The Cabinet decision of 6th January 2004 was to approve the development and implementation of 3 framework contracts including for major transport infrastructure schemes.
- 1.3 The Major Schemes Framework Contract was tendered in 2004 and awarded to two contractors, Jackson Civil Engineering and Balfour Beatty in October 2004. The initial duration of the contract was for 5 years with the option to extend the contract with either or both the contractors on up to two occasions for a further period or periods totalling up to 5 years.

## **2. MAIN ISSUES**

- 2.1 In the initial 5 years of the contract, Jacksons have completed 13 schemes at a cost of £21m including the Papworth Bypass, Milton Park and Ride Site, March Industrial Link Road, City Core Scheme Stage 4, Carter Bridge Refurbishment, Walden Road, Huntingdon Bus Priority, 4 junction schemes, 2 bridge strengthening schemes and one cycleway scheme. 12 of these schemes have been successful in terms of completion on budget, to programme and quality. However, one scheme has caused budgetary difficulties but was a land/design rather than a construction issue. Jacksons are currently working on Addenbrooke's Access Road Phase 2 including the Shelford Road junction works, March Highways Depot, Branch Bridge Reconstruction, and 2 cycleway schemes, which will go beyond October 2009.
- 2.2 Balfour Beatty have completed 5 schemes at a cost of £15m including Trumpington Park and Ride Extension, A10/A14 Milton Junction, Riverside Bridge, Addenbrooke's Access Road Phase 1 and one cycleway scheme. Difficulties were encountered with the contractor's site management on one of their earlier schemes. However, after working closely with Balfour Beatty, these problems have been rectified and the contractor has successfully completed two projects since these problems occurred. Balfour Beatty are currently working on the pricing of the Brooklands Avenue/CB1 and St. Neots Pedestrian/cyclebridge schemes.
- 2.3 As the contract expires in September 2009, it needs to be extended in the short term in order to complete the schemes that are currently on site or are in the detailed design/ pricing stage. For the longer term, consideration needs to be given to whether continuing with the framework in the current form is the right approach. However, as future workload for major transport schemes is currently uncertain with the Transport Commission due to report this summer and long term funding unclear, it would appear to be premature at this stage to make judgements on what are the best long term

arrangements - this will depend to a significant extent on the scale of our ongoing capital programme. It is also the case that there may be potential to move towards a larger, regional level framework to generate greater efficiencies but this will take some time to develop with partners.

- 2.4 It is therefore proposed to extend the contract by 3 years in order to complete the existing schemes and include any further schemes that come forward before a full review of the County's transport programme emerges. The extension will also enable the tendering procedure for a new contract to be completed when the extent of a new contract is known. Notwithstanding the proposed 3 year extension, the contract can be terminated within this period at one month's notice if that were needed to move to alternative arrangements.

### **3 SIGNIFICANT IMPLICATIONS**

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

#### **3.1 Resources and Performance**

- Using the contractor's buildability experience at the scheme preparation and design stages as well as construction and the increased co-operation between contractor, designer and Client, more innovative cost designs are possible.
- It has long been recognised in the industry that improved design and costing can be achieved by early contractor involvement (ECI) and the positive implications for the continued high standard of delivery of major transport schemes.
- As the County Council receives funding often on short timescales (such as through Housing Growth Fund) there is limited time for individual tendering and a framework contract allows greater time for scheme delivery.

#### **3.2 Statutory Requirements and Partnership Working**

- If the framework contract is not extended, traditional tendering procedures will need to be used. These are costly and use a resource that could be better utilised elsewhere.
- If the contract is not extended, new schemes costing over the European Union (EU) threshold will have to go through the full EU procedures which will lead to extended tendering periods and delays in procuring schemes.
- Although there can be some potential risks with any sort framework contract; cost can be monitored and compared by having two contractors, and there is still the option to procure traditionally if necessary.
- The framework will promote continuous improvement by providing the contractor with a better programmed and more continuous workload.

#### **3.3 Climate Change**

- There are no significant implications arising from this report.

### 3.4 Access and Inclusion.

There are no significant access and inclusion implications.

### 3.5 Engagement and Consultation

- There are no significant implications arising from this report.

Source Documents	Location
Cabinet Report 6 <sup>th</sup> January 2004 Transport Infrastructure – Future Procurement Strategy.	<a href="http://cccs086.cambridgeshire.gov.uk/db/reprack.nsf/af8076762df199c580256b14003ef043/c2937922aec77b5280256e05004f8b1f?OpenDocument">http://cccs086.cambridgeshire.gov.uk/db/reprack.nsf/af8076762df199c580256b14003ef043/c2937922aec77b5280256e05004f8b1f?OpenDocument</a>