

AWARD OF CONTRACT - SUPERIMPOSED ROAD MARKINGS

Author: Andy Dickinson, Highways Network Co-Ordinator Tel: 01908 252379

Lead Officer: Rachael Kingsley, Head of Highways Tel: 01908 252513

Executive Summary:

The contract is for superimposed road markings for the financial year 2012/13 and 2013/14 pending the implementation of the new highways contract, it is essential that external suppliers are procured for the delivery of this element of the service. The anticipated value of the works to be let is £ 250,000 up to March 2014.

The delivery of these works supports the Council's statutory function as the Highway authority to maintain the adopted highway network in a safe condition.

Approval to tender was given by this Committee on the 6th June 2012. The approval included a requirement to assess the tenders on the basis of 75% price and 25% quality in order to ensure both value for money and quality of service.

This subsequent report seeks approval to award the contract for superimposed road markings in accordance with the Council's Contract Procedure Rules and Financial Regulations.

1. Recommendation(s)

- 1.1 That the contract for the delivery of superimposed road markings works for the period up to March 2014 be awarded to bidder 1, (named in the Annex) who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation at 2.7.4.

2. Background

- 2.1 At the meeting of this Committee on the 6 June 2012, approval was given to seek open tenders through Milton Keynes Council's In Tend system for these works and is consistent with the council's current policies and procurement rules.
- 2.2 This report requests approval to award the contract for superimposed road markings, this contract has currently expired (31.03.2012). A waiver to extend this contract was sought and approved to allow both the full tender process to be followed and to ensure continuity of this essential service in the intervening period. The contract for superimposed road markings required to ensure the councils is able to deliver both Road Safety schemes and is able to maintain the existing road makings on its network.
- 2.3 This contract falls within the OTP work on modernising the Highways and Transport Service that was included in the Outline Business Case (OBC) for the Highways and Transportation Service considered by Cabinet on the 25th

July 2012 which indicated a contract start date of March 2014. The works under this contract will fall within the scope of that contract.

2.4 All works to be undertaken under this contract will be met by either council capital or revenue funding within the years 2012/13 and 2013/14.

2.5 Consultation

2.5.1 Officers are aware of the nature of the roadmarking industry - this is a very competitive industry populated by a large number of small to medium sized companies that are bound by national quality standards specific to this industry. By applying an open tender process in conjunction with publication on OJEU it was envisaged that Milton Keynes Council would benefit by testing the open market and ensure the most effective value for money process.

2.5.2 The specification for this contract specific to Milton Keynes has been developed by experienced officers in conjunction with national specifications and guidelines, this will ensure that the contract will be able to fully service all the requirements of the authority.

2.6 Market engagement and lessons learnt

2.6.1 The existing contract to provide this service was originally tendered in 2008. Following the management of this contract the new document has been amended to reflect lessons learnt from the existing. The Council has procured this tender in the open marketplace to ensure that the current market is tested to provide this service. Officers were of the opinion that savings could be made and the quality of work improved through using an open tender process considering the current state of the market.

2.6.2 The existing contract for superimposed road markings expired in March 2012. With the modernisation of the Highways Services contract being procured with the proposed start date of April 2014 there was the need to maintain certain services and the opportunity has been taken through open tendering to ensure we achieved the aims in 2.6.1.

2.7 Tender Evaluation

2.7.1 Tenders were published on the OJEU and invited using Milton Keynes Council E Tendering In Tend.

2.7.2 The tenders were evaluated by a suitably qualified and experienced panel of officers including Andrew Jackman Interim Head of Highways and Andy Dickinson Highways Network Co-Ordinator.

2.7.3 The Evaluation criteria and scores for all tenders are attached at Annex B. A summary of the Risk Assessment is set out in section 3.2. The full risk assessment is available to Members on request or via direct access into GRACE.

2.7.4 The MEAT evaluation of tenders resulted in the following results (note the actual names of suppliers their pricing and a break down of the Quality will be in the confidential annex)

Bidder	Price	Quality	Total	Ranking
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A	75.00	15.50	90.50	1
B	53.89	16.70	70.59	3
C	55.67	18.00	73.67	2

2.7.5 The MEAT evaluation used was 75% price and 25% quality. The quality evaluation criteria included sub criteria's that reflect the relative importance of health & safety, competence, ability to deliver, traffic management and service in delivering this work.

2.8 Contract Management

- (a) The lead officer for the contract will be the Head of Highway Services.
- (b) Following revision of the start date for the new highways 'OTP contract' this contract has been written to terminate at the commencement date, it will be possible to extend the contract beyond March 2014 to allow for any slippage that may occur on the implementation of the new 'OTP contract'. Any such extension will be undertaken in accordance with the council's procedures and will come back to this committee for consideration.
- (c) There is no guarantee of work under this contract such that it can be terminated at any point prior to March 2014 if necessary.

3. Implications

3.1 Policy

The procurement of the works assists in delivering the council's Highways Network Service Plan objective of providing a safer highway network thereby reducing the potential for accidents, delays and future costs to the council, specific key service outcomes are :-

CP14 – To have an efficient transport and highways infrastructure.

CP15 – To promote sustainable movement through the Borough of Milton Keynes.

3.2 Resources and Risk

The costs of the works undertaken under this contract will be met from the council's highways capital & revenue budgets. The value of the contract is estimated to be £400k (this is composed of LTP Capital Schemes £300k and revenue maintenance schemes to a value of about £100,000). The exact value of the works will vary from financial year to year dependant on available budgets and the works priorities.

- (a) The key OPPORTUNITY secured by this contract is to uphold MKC's statutory duty under section 41 of the Highways Act 1980 to keep the highway in a safe condition and a reduction in insurance claims and minimise disruption to the highway network in Milton Keynes. It is

assessed that the delivery of this contract provides a HIGH Likelihood that a LOW Impact will secure the opportunity defined.

(b) The key THREATS for this contract have been assessed as:

- The failure to procure a suitable contractor with the capability and capacity to deliver on time, to the right quality, and to reasonable price these works which will be mitigated through the use of this contract.
- Failure to Uphold statutory duty - Delay in re-marking identified roads may compromise the councils statutory duty.

The governance measures set out above provide a basis to conclude that these threats, properly managed represent a LOW Likelihood or a LOW Impact.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

3.3 Carbon and Energy Management

As set out in the specification, evaluation criteria and risk assessment.

3.4 Legal

The undertaking of the works under this contract will assist meet the Council's statutory obligations under Highways Act 1980.

The Contract and its procurement are compliant with Council Constitution and United Kingdom and European legislation.

3.5 Other Implications

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers:

Grace Risk Assessment

Evaluation of Tenders