

AWARD OF CONTRACT - CMK PAVING

Author: Andy Dickinson, Tel: (01908) 252379

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

Executive Summary:

Cabinet approved the Framework for Highways Small Works Contract at the 11th October 2010 meeting. The framework was awarded to three contractors and projects are awarded following an evaluation conducted via the Council's in-tend tendering system.

The CMK Paving contract is for footway reconstruction in Central Milton Keynes for the financial year 2012/13-2013/14 in line with the commitment made by Cabinet on 25th July 2012 to approve spending on footways as part of the overall Transport Infrastructure Investment. This contract for paving work is a top up for existing work currently being carried out by Neighbourhood Services The anticipated value of this of works is £404,000.

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.

This report seeks approval to award the contract for the reconstruction of city centre footways in accordance with the Councils Contract and Procurement rules and Financial Regulations.

1 Recommendation

That the contract for CMK Paving be awarded to the supplier submitting the lowest price when evaluated under the framework agreement for highways small works (CU2044) (Annexed).

2 Background

- 2.1 In 2010 a framework was awarded (CU2044) to three contractors under a framework agreement for highways small works. The basis of this agreement provided a set of Schedule of Rates that enable schemes to be evaluated and awarded to the lowest bidding contractor. This scheme for CMK paving works draws on this framework agreement and uses the schedule of rates to evaluate and establish the most cost efficient contractor.
- 2.2 At the 25 July 252012 Cabinet meeting, spend approval was given for the Transport Infrastructure Investment in the Highways network. The first phase of this work was identified as being the footways in Central Milton Keynes.

2.3 This report requests approval to award the contract for the first phase of the reconstruction of footways in CMK, this contract supports the delivery of the Transport Infrastructure Investment. The value of works let under this contract will be £404,000.

2.4 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 being undertaken under this contract are likely to fall within scope of the new contract.

2.5 Consultation

2.5.1 By utilising the existing framework agreement for highways small works (CU2044) it was envisaged that Milton Keynes Council would benefit in the delivery of its initial footway investment programme 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 framework agreement to provide this service was originally tendered in 2010. The Council has procured this framework agreement in the open marketplace to ensure that the current market was tested to provide this service.

2.7 Tender Evaluation

2.7.1 The prices were evaluated against the schedule of rates under the framework agreement for highways small works (CU2044).

2.7.2 The Tenders were evaluated by a suitably qualified and experienced panel of officers.

2.7.3 The scores for all tenders are attached at the Annex. A summary of the Risk Assessment is set out in section 4.2. The full risk assessment is available on request or via direct access into GRACE. In order to join the original framework agreement back in July 2010, suppliers were scored against Price (75%) and set Quality criteria covering Functional & Technical Compliance with the Specification (15%), Quality Systems (5%) and Environmental Considerations (5%). As the successful suppliers have already passed the Quality criteria, the award of this specific paving work is based on Price only.

2.7.4 The price evaluation of tenders resulted in the following results.

| | Evaluated Score | Total score | Ranking |
|------------|-----------------|-------------|---------|
| Company AA | 90.91 | 90.91 | 2 |

| | | | |
|------------|--------|--------|---|
| Company BB | 100.00 | 100.00 | 1 |
| Company CC | 55.52 | 55.52 | 3 |

The MEAT evaluation to establish quality was carried out at the initiation of the framework agreement on 01/07/2010. Therefore the award of this work is based on price only.

2.8 Contract Management

2.8.1 The lead officer for the contract will be the Head of Highway Services.

2.8.2 Governance of this project will be under MK Approach, monthly highlight reports will be submitted to the Highways and Transport Programme Board. In addition this project will be reported on monthly to CLT via the corporate Dashboard.

3 Implications

3.1 Policy

The award of this contract will progress the following *priorities/outcomes* within the Corporate Plan 2012-16:

The procurement of the works through this contract 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 budget. The total value of the capital project over the two years is £800k, with £404k being undertaken from this contract and the balance by the in house Neighbourhood Services team.

3.2.1 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.

3.2.2 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 thorough the use of the small works (CU2044) framework agreement.

- Failure to Uphold statutory duty - Delay in reconstruction of identified footways in CMK may compromise the councils statutory duty under the highways act.

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 |
| Y | IT | Y | Medium Term Plan | Y | Asset Management |

3.3 Carbon and Energy Management

EG: The award of this contract contributes to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by encouraging use of footways by pedestrians and cyclists and thus reducing journeys by vehicles.

3.4 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

3.5 Other Implications

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

Background Papers: GRACE Risk Assessment
Price Evaluation