


<p>London Borough of Hammersmith & Fulham</p> <p>CABINET</p> <p>7 DECEMBER 2015</p>	
<p>AWARD OF ROAD2010 TERM CONTRACT FOR LONDON ROAD CONDITION SURVEYS</p>	
<p>Report of the Cabinet Member for Environment, Transport and Residents Services : Councillor Wesley Harcourt</p>	
<p>Open Report</p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Mahmood Siddiqi, Director of Transport and Highways</p>	
<p>Report Author: Charlie Kiely, Land and Asset Survey Manager</p>	<p>Contact Details: Tel: 020 8753 3052 E-mail: charlie.kiely@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to award the Road2010 London Road Condition Survey contracts.

2. RECOMMENDATIONS

- 2.1. To award Lots 1 and 2 of the Road2010 Term Contract for London Road Condition Surveys to “WDM Limited”
- 2.2. To award Lots 3 and 6 of the Road2010 Term Contract for London Road Condition Surveys to “The Highway Surveyors”
- 2.3. To agree that Lots 1, 2, 3 and 6 be awarded for an initial period of two years to 31 March 2018 with the option for two 12 month extensions.

3. REASONS FOR DECISION

- 3.1. The Road2010 condition surveys are designed to identify roads and footways that should be considered for maintenance and the results are used by both Transport for London (TfL) and DfT to derive statutory National Indicators (NI's) and for TfL to use in their financial model to determine the Principal Road Network maintenance resource allocation.
- 3.2. LBHF staff have managed these surveys since 1999. The current contract for carrying out these surveys expired on 31 March 2015. These surveys have been, and will be, done at no cost to the Council. The Council benefits from the in-house expertise that the survey team bring to the Highways department.
- 3.3. The current contracts concluded on 31 March 2015. This followed a two year term and 2 one-year extensions and therefore they had to be re-tendered. The proposed contract commencement date is 1 April 2016.

4. INTRODUCTION AND BACKGROUND

- 4.1. In 1999, the Greater London Authority (GLA) wanted to provide the proposed elected London Mayor, a dataset of Condition Surveys on the Borough Principal Road Network (A-Roads) and every year since then, LBHF manage, on behalf of Transport for London (TfL) and the London Highway Authorities, condition surveys (SCANNER, SCRIM and DVI) on London's Principal Road Network (BPRN). For the current tender, TfL have requested that SCANNER and SCRIM surveys for their Transport for London Road Network (red routes) are included.
- 4.2. In addition to the SCANNER surveys undertaken on the Borough Principal Road Network (BPRN), officers also manage SCANNER condition surveys (and contracts) on all London Boroughs Non-Principal classified road networks (B and C Roads).
- 4.3. Following a review in 2010, instigated by LBHF to ensure Best Value was still being delivered, TfL agreed that the service provided by the Road2010 management team was still providing a value-for-money product. A business plan was commissioned for TfL to accept and agree to continue to fund an LBHF in-house management client team up and until the new contract end

The previous contracts concluded on 31 March 2015, including extensions granted. Officers commenced the process of retendering the contract in June 2014 using the new e-sourcing procurement system. This is a shared services system used to deal with all aspects of tendering and evaluation of contracts. However, the system was cumbersome when first installed and officers were not fully trained. As a result, the timetable was delayed and the contract could not be awarded in March 2015 as planned. Instead, a framework contract let by Ealing Council was used to cover 2015/16. The cost of the service provided through the Ealing framework is around

£100,000 more than the cost under the new contract to commence in April 2016. Since the cost of the service is fully funded by TfL, the saving under the new contract will be realised by TfL.

- 4.4. The Director for Procurement & IT Strategy and Director of Law were consulted in order to access the Ealing framework.
- 4.5. LBHF has been responsible for organising these surveys of the Principal Road Network for all 32 London Boroughs and Corporation of London since 1999. The Principal Road Network (A-Road) surveys are fully funded by TfL including the cost of the procurement exercise and contract management and the SCANNER surveys for Non-Principal (B&C-Roads) recovered from each individual authority. Carrying out these surveys on behalf of TfL ensures that we retain expertise for highway inspections and assessments within the Borough.

5. PROPOSAL AND ISSUES

- 5.1 Following a competitive tendering process, which was undertaken in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2006 (as amended), approval is sought to award the Road2010 Term Contract for the London Boroughs and TfL Road Condition Surveys 2016 – 2018, with provision to extend to 2020
- 5.2 The contract would be a joint LBHF/TfL contract, managed by LBHF, fully funded by TfL for the whole duration of the contract of up to 4 years. The risk to the Council is low and the service allows the Council to maintain in-house condition survey management expertise at no cost to the Council

6. TENDER EVALUATION

- 6.1. The tender process was undertaken using the Council's capitalEsourcing procurement system.
- 6.2. The evaluation of tenders was jointly undertaken with TfL in July 2015. Three tenders were received within the deadline set. These tenders were from:
 - WDM Limited
 - PTS Ltd
 - The Highway Surveyors

Combined Technical / Commercial – Overall Score

The tables in Appendix 2 (in the exempt report on the exempt Cabinet agenda) provide the scores for each tender response received.

- 6.3. The contract would be in the form of a framework agreement which would allow London Boroughs and TfL to receive condition surveys.
- 6.4. The contract would encompass the following surveys :

- SCANNER (machine surveys) for Borough Principal Road Network (A-Roads)
 - SCANNER (machine surveys) for TfL - TLRN Road Network (Red Routes)
 - SCRIM (anti-skid surveys) for Borough Principal Road Network (A-Roads)
 - SCRIM (anti-skid surveys) for TfL - TLRN Road Network (Red Routes)
 - DVI (walked detailed visual surveys) for Borough Principal Road Network (A-Roads)
- 6.5. LBHF will manage the contract on behalf of TfL with all costs fully funded by TfL (except for the B and C road SCANNER surveys which are funded by all the individual London Boroughs)
- 6.6. The framework agreement will also allow all Boroughs to commission various condition surveys on their other networks funded by the Boroughs themselves.
- 6.7. In accordance with the Council's Contract Standing Orders, tenders were assessed on a 70:30 quality / price split respectively.
- 6.8. The contracts would be awarded for a period of two years, with the possibility of two, 12 month extensions, to be agreed at the Council's discretion.

7. OPTIONS AND ANALYSIS OF OPTIONS

- 7.1 It can be seen from the tables in Appendix 2 that the most economical, competent and advantageous tenders submitted to the Council were:
- Lot 1 (SCRIM Skidding Resistance Surveys) - **WDM Limited**
 - Lot 2 (SCANNER Surveys) - **WDM Limited**
 - Lot 3 (Principal Classified DVI Surveys) - **The Highway Surveyors**
 - Lot 4 (Footway Network Surveys) – No bid
 - Lot 5 (Coarse Visual Surveys) – No bid
 - Lot 6 (Non-Principal and Unclassified DVI Surveys) - **The Highway Surveyors**
- 7.2 Lots 4 (FNS – Footway Surveys) and 5 (CVI – Coarse Walked Visual Surveys) did not have any bids. The options available to the Council are:
- 7.2.1 Undertake a further procurement process.
- 7.2.2 Undertake a mini-competition

Acceptance of either of the above two options would be costly and time consuming

7.2.3 Liaise direct with a contractor

The above recommended option is the most direct and simple option for London Boroughs

These Lots were added to the procurement process to provide the boroughs with as a complete condition survey as possible. CVI was included in the previous framework agreement but none of the boroughs commissioned any surveys within that framework. FNS is a relatively new addition but most boroughs are either using the data from DVI surveys or from their own inspection regime.

As there are no previous commissions for these surveys and a further procurement process would be costly and time consuming, I recommend that Boroughs liaise directly with contractors if any FNS or CVI surveys are to be commissioned.

8. CONSULTATION

- 8.1. This procurement is a joint tender exercise with Transport for London (TfL). Individual boroughs have not been consulted.

9. EQUALITY IMPLICATIONS

- 9.1. The equality implications of this paper are addressed in the associated Equality Impact Assessment. In summary, the Council will fulfil its Equality duty by ensuring that all potential suppliers must be compliant with the requirements of the Equalities Act 2010 as part of the requirements of the procurement process.
- 9.2. Implications verified by: David Bennett, Head of Change Delivery (Acting) – 020 8753 1628.

10. LEGAL IMPLICATIONS

- 10.1. The procurement of the Framework Agreement will need to be conducted in compliance with the EU requirements set out in the Public Contracts Regulations 2006 (the Regulations). It is a requirement of the Regulations that Framework Agreements be for a maximum of four (4) years, unless there are exceptional circumstances.
- 10.2. The direct award or further competition of any call-off contract will need to be made in compliance with Regulation 19 of the Regulations.
- 10.3. Legal Services were available to advise officers throughout the procurement process.

- 10.4. Implications verified/completed by: Kar-Yee Chan, Solicitor (Contracts),
020 8753 2772

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1. This retendering exercise will allow the Council to continue providing the Road Survey function which is fully funded by TfL. There are therefore no financial implications.
- 11.2. Implications verified/completed by: Gary Hannaway, Head of Finance -
020 8753 6071

12. IMPLICATIONS FOR BUSINESS

- 12.1. There are no implications for business arising from this report.

13. RISK MANAGEMENT

- 13.1 Low risk – the risk is that the contractor fails to deliver the service which is covered in the terms of the contract to appoint alternative contractor in default of the winning tenderer. 'capitalEsourcing' will manage the risk of the procurement workflow, a fully funded LBHF client management team providing the service to TfL contributes positively to the management of budget risk and is noted along with Market Testing on the Strategic Risk Register.
- 13.2 Implications verified by: Michael Sloniowski - 020 8753 2587

14. PROCUREMENT AND IT STRATEGY IMPLICATIONS

- 14.1 The Council for a number of years has worked with TfL on managing, on behalf of all the London Councils, the specialist contracts needed to survey the conditions of the road network. This is a very specialist market and the proposed procurement route involves the use of the Open Procedure on the basis that there are only a limited number of contractors capable of carrying out the service.
- 14.2 The Corporate Procurement Team has and will continue to supply support during the procurement process.
- 14.3 Implications verified by: Alan Parry, Principal Procurement Consultant –
020 8753 2581

15. HR IMPLICATIONS

- 15.1. There are no TUPE implications for any permanent LBHF employees
- 15.2. There is an agency worker currently assigned to the LBHF project and the successful contractors will be advised of this for their consideration.
- 15.3. Although there will be a requirement for the incumbent contractors to determine whether the TUPE regulations apply to the tendering exercise, this will not apply to any Council employees
- 15.4. Implications verified by: Mary Lamont, Shared Services HR Business Partner, 020 8753 1198

LOCAL GOVERNMENT ACT 2000 LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Contract documentation (exempt)	capitalEsourcing	

LIST OF APPENDICES:

Appendices 1, 2 and 3 are contained in the exempt report on the exempt Cabinet agenda.

Appendix 4: Principal road renewal programme and bridge strengthening including DfT allocation in 2013/14 and 2014/15

Appendix 4: Principal road renewal programme and bridge strengthening including DfT allocation in 2013/14 and 2014/15

All in £000's	2010/11	2011/12	2012/13	2013/14	2014/15
London boroughs	£15,717	£15,177	£19,824	£22,696	£34,588
B & D	£350	£355	£493	£383	£964
Barnet	£760	£653	£928	£1,512	£1,613
Bexley	£671	£727	£1,134	£1,374	£1,693
Brent	£622	£590	£793	£724	£1,497
Bromley	£678	£645	£957	£785	£1,723
Camden	£402	£347	£629	£794	£723
City Of London	£114	£88	£91	£124	£230
Croydon	£851	£577	£883	£395	£1,873
Ealing	£416	£518	£724	£773	£1,272
Enfield	£855	£780	£1,030	£1,394	£1,744
Greenwich	£542	£570	£788	£621	£1,549
Hackney	£200	£195	£270	£275	£632
H & F	£1,494	£1,345	£1,083	£1,410	£1,442
Haringey	£380	£380	£525	£918	£683
Harrow	£490	£469	£784	£818	£1,161
Havering	£410	£321	£395	£546	£833
Hillingdon	£735	£587	£789	£1,200	£1,886
Hounslow	£425	£424	£556	£0	£0
Islington	£256	£249	£370	£485	£553
K & C	£131	£187	£178	£369	£416
Kingston	£256	£341	£450	£687	£852
Lambeth	£330	£310	£425	£550	£845
Lewisham	£250	£245	£340	£427	£554
Merton	£394	£414	£500	£697	£910
Newham	£600	£540	£787	£920	£1,320
Redbridge	£468	£431	£593	£481	£1,087
Richmond	£630	£645	£838	£969	£1,705
Southwark	£387	£350	£445	£546	£931
Sutton	£120	£120	£214	£229	£224
Tower Hamlets	£200	£476	£69	£455	£548
Waltham Forest	£475	£470	£691	£665	£987
Wandsworth	£220	£236	£309	£507	£529
Westminster	£605	£592	£790	£664	£1,609