

Meeting of:	<b>Cabinet</b>
Date of Meeting:	<b>Monday, 07 June 2021</b>
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Highway Maintenance Contracts
Purpose of Report:	To note proposals for the award of several highway maintenance contracts for highway surfacing and treatment for the period 2021 to 2023.
Report Owner:	Cabinet for Neighbourhood Services and Transport
Responsible Officer:	Miles Punter - Director of Environment and Housing
Elected Member and Officer Consultation:	Accountant Neighbourhood Services and Building Committee Reports - Legal Operational Manager - Engineering Cabinet Member for Neighbourhood Services and Transport
Policy Framework:	This report is a matter for Executive Decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• This report advises of approval that will be sought later on this agenda to award new contracts allowing the highway maintenance team to continue to maintain the adopted highway through the use of specialist external contractors.</li> <li>• Section 41 of the Highways Act 1980 advises that the Council has a duty to maintain highways at public expense.</li> <li>• Historically, highway maintenance contracts have run for two years with the option to extend for a further year. These previous contracts have all now expired.</li> <li>• In addition, the report seeks to address a small number of potential contract anomalies identified during the investigation of complaint to the Wales Audit Office in 2019/2020 and a series of recommendations made as part of their closure of accounts for this period.</li> <li>• Due to commercial sensitivity, full details of the financial appraisals associated with the contract awards listed are detailed in the Part II report later on this agenda.</li> </ul>	

## **Recommendations**

1. That the contents of this Report be noted and considered in connection with the Part II report later on this agenda.
2. That as part of the contract award process the successful contractors will be advised by a letter addendum to the contract that all excess waste from sites must be appropriately disposed of and not used to undertake other projects unless agreed in advance by the Operational Manager Engineering or the Head of Neighbourhood Services and Transport.

## **Reasons for Recommendations**

1. To publicly advise of the proposals for renewal of a number of highway maintenance contracts and to allow the commercially sensitive details of these proposals to be appropriately considered prior to a decision being taken on any award.
2. To improve future arrangements for the management and use of excess waste materials associated with highways surfacing and treatment works.

### **1. Background**

- 1.1 The Council's Highway Maintenance Service uses various specialist contractors to undertake work on its behalf. The contracts for Highway Resurfacing, Surface Dressing and Micro Asphalt were all extended in March 2020 due to the difficulties in retendered contracts due to the pandemic.
- 1.2 The Carriageway Resurfacing, Surface Dressing and Micro Asphalt contracts were all extended under COVID-19 Emergency Powers.

### **2. Key Issues for Consideration**

- 2.1 Tenders for the Highway Resurfacing, Surface Dressing and Micro Asphalt services for 2021 to 2023 were invited from contractors on the South East Wales Highway Framework.

Highway Resurfacing

- 2.2 The analysis of the tenders received was based on a quality / price model with a 30/70 split respectively. Tarmac Trading LTD was identified as the most economically advantageous tender for the Highway Resurfacing Contract.

Highway Surface Dressing

- 2.3 The analysis of the tenders was based on a quality / price model with a 30/70 split respectively. RMS LTD was identified as the most economically advantageous tender for the Highway Surface Dressing Contract.

## Highway Micro Asphalt

- 2.4 The analysis of the tenders was based on a quality / price model with a 30/70 split respectively. Alun Griffiths LTD was identified as the most economically advantageous tender for the Highway Micro Asphalt Contract.
- 2.5 The Contracts referred to above would initially being awarded for the period of two year however the Carriageway Resurfacing tender was also issued with the option to extend it for a further one year. Details of the tender analysis are contained in the Part II report on this agenda.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1 It is necessary to review contracts on a regular basis to ensure best value for the Council. This review is undertaken in the context of the Wellbeing of Future Generations Act which requires the Council to consider five ways of working when making decisions.
- 3.2 The Highway Maintenance teams adopts a collaborative approach when engaging contractors, ensuring the minimum disruption to the travelling public and the highest quality work.
- 3.3 A key consideration in undertaking any form of highway surface treatment is thinking for the longer term. The Council's highways continually need repairing to protect the asset and to prevent accidents caused by damage or deterioration to the surface; newly surfaced or surface treated highways serve to prevent highway potholes appearing and the highway surface further deteriorating. It also reduces the risk of successful third-party claims against the Council for vehicle damage or personal injury.
- 3.4 Highway users are advised in advance of the highways that are due to be surfaced / treated, hence integrating the work with the local community and other highway users.
- 3.5 The proposals also seek to further the Council's Well-being Outcomes contained within the Corporate Plan. Good quality highways help to sustain economic growth, allowing both residents and visitors to better enjoy the experience of travelling within and through the Vale of Glamorgan area.
- 3.6 There are no specific climate change implications arising from awarding the contracts.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1 The works for 2021/22 will be financed from the Highway Maintenance 2021/22 Capital Budget.
- 4.2 The approved capital budget for highway resurfacing for 2021/2022 is £1.235m. This is made up of a £755K Highway Refurbishment grant and £480k internal capital funding.
- 4.3 In their closure of accounts letter for the accounting period 2019/20 Audit Wales made a series of recommendations relating to a complaint it had considered regarding the use of excess waste arising from highway works. The recommendations are as follows:
  - 4.4 The Council needs to develop a clear policy/procedure in relation to the disposal / usage of excess waste arising during off-site construction projects.
  - 4.5 The Council needs to ensure that contractors obtain Council approval concerning any departures from this policy regarding the use of any excess materials.
  - 4.6 The Council needs to ensure that contractors obtain approval for completing works outside the original scope of work. The Council are at risk of litigation with regard to any resultant issues arising from doing the work outside the agreed scope.
  - 4.7 The Council need to learn the lessons in terms of the initial investigation of the Stage 2 complaint.
  - 4.8 The Council's internal operating processes with its contractors have already been strengthened to address the lessons learnt through our own Corporate Complaints investigations (Stage 2 complaint mentioned), and recommendation 2 in this report seeks to formally address all the issues identified here with the incoming contractors for the avoidance of any dobs in respect to waste arisings.

#### **Employment**

- 4.9 There are no Employment implications associated to this report.

#### **Legal (Including Equalities)**

- 4.10 The Council has a duty to maintain the Highway pursuant to the Highways Act (1980).

### **5. Background Papers**

None.