

Scrutiny Review of Procurement & Tendering Processes

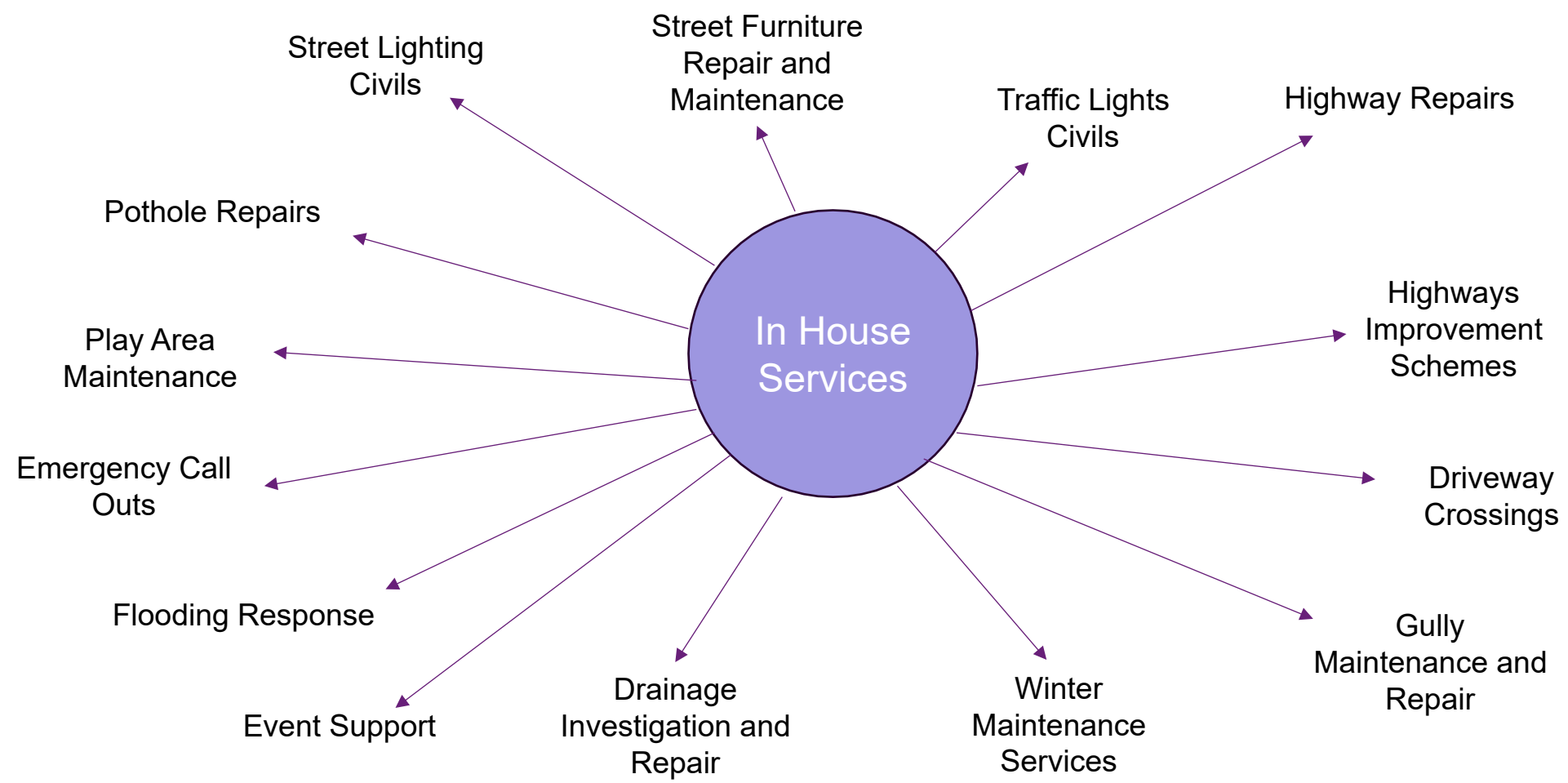
SBC Procurement

Highways Services

To consider Highways Services as an example of procurement arrangements:

- In-house services
- Contracted out services

Highways Services- In- House Service



Highways Services – Added Value and Benefits

- Sustainable and efficient rapid support to Statutory Services delivery.
- Business Continuity capability with good local knowledge and immediate response capability
- Role Cross Over – Flexibility in workforce and skills
- Reactive capability - Weather – Natural Events
- Strong working relationships with the Asset Management Team
- Certain known cost with limited unplanned spend
- Service delivery is owned with employed staff
- Skills base is multifaceted and ensures the correct response can be deployed
- Strong team ethic with opportunity to progress within the Council
- Staff Competence is assured.

Highways Services – Added Value and Benefits

Summary

Maintaining an in-house highways service provides the Council with greater control, flexibility, accountability, and operational resilience. It supports effective asset management, improves responsiveness to residents and elected members, strengthens organisational capability, and helps ensure that public investment in the highway network achieves the maximum long-term benefit. The in-house model represents a sustainable approach to delivering safe, reliable, and well-maintained highway assets while providing demonstrable value for money for taxpayers.

Highways Services – Costing Model Breakdown

“Schedule of Rates” - Used for larger Projects

Including:

- Labor Hourly Rate
- Plant and Machinery
- Materials Required.

Any Variations to original specification are agreed up front and charged as a Contract Variation.

Highways Services – Management of Risk

- Daily site visits for all teams with record of performance completed. And retained.
- External Contract Partners have at least one daily Supervisor visit and greater record keeping is required to ensure the interim partner history is strong.
- Poor performance is recorded and correct actions advised and recorded.
- Difficult to manage contractors – different crew member every day
- Aware of actual repairs done by Contractors and how these are invoiced.
- Poor safety record of partner organisations.

Highways Services – Response Times where Defects are Identified

The 1A and 1B codes:

In practical terms, if 1A or 1B represents a higher level of urgency than the Category 2 codes, “**A**” means **emergency** and should be attended and fixed within 2hrs, “**B**” means to be attended and fixed within **24hrs**

2H — High Priority Category 2 defect. The comparable code specifies making safe or repairing it within **10** working days.

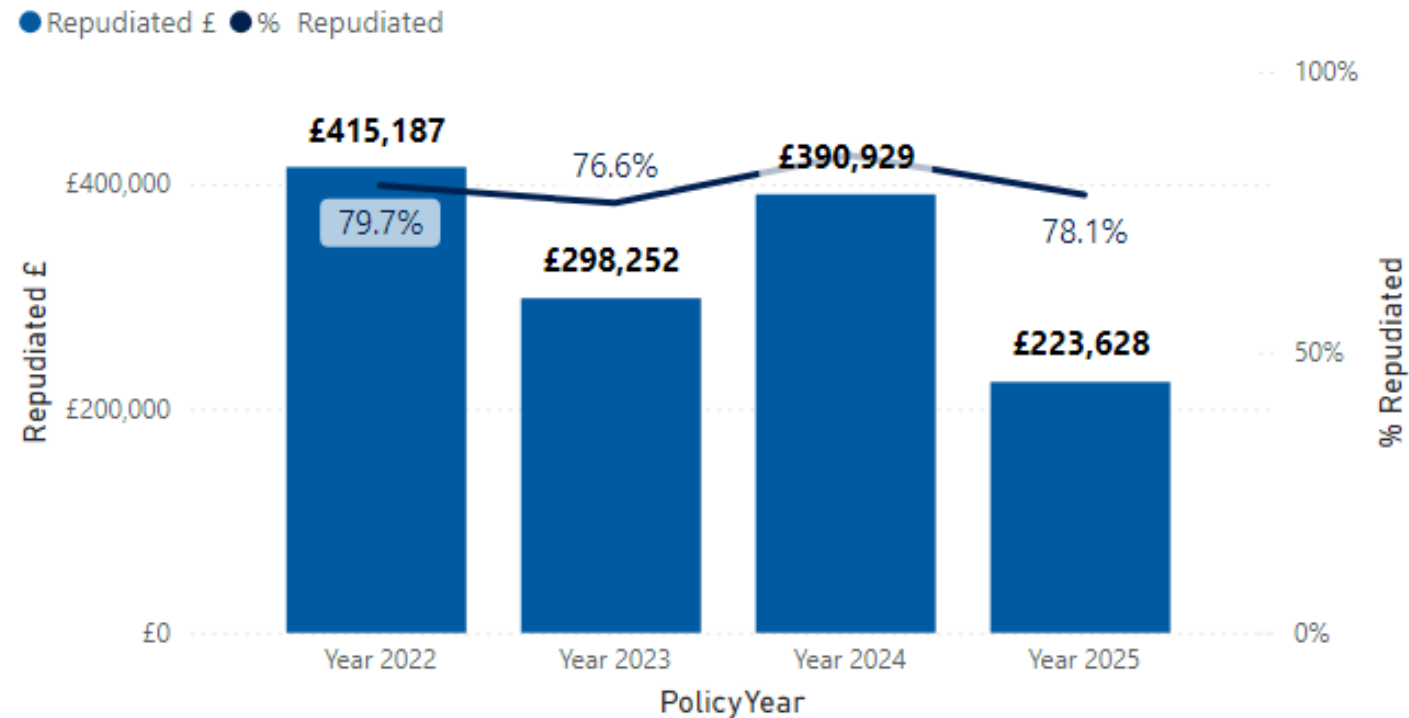
2M — Medium Priority Category 2 defect. The comparable code specifies repair within **28** working days.

2L — Low Priority Category 2 defect. The comparable code says it should be considered for planned maintenance, rather than receiving an urgent repair response.

These are response priorities: they do not, by themselves, describe the precise defect. The same priority could be applied to different problems depending on location, highway use, severity and the inspector’s risk assessment.

Highways Services – Response Times where Defects are Identified – Impact on Insurance Claims

No of Public Liability Claims Repudiated - Highways PL



Framework Agreement for Potholes and Programmed Resurfacing

Framework Agreement 15/04/26 to 14/04/28 with optional 2 x 12 mth extensions

Ranked Framework Agreement – call off from first, then second and then third.

Lot 1 – Pothole Repairs

Additional capacity bought in when the in-house team don't have the capacity.

They provide traffic management, labour, plant and materials

Work includes a retention period.

Work inspected by the Highways Inspectors

Lot 2 – Programmed Resurfacing

Specialist work not delivered by the in-house team or when shortage in capacity.

They provide traffic management, labour, plant and materials

Work includes a retention period.

Work inspected by the Highways Inspectors

Framework Agreement for Potholes and Programmed Resurfacing

Procurement Process

Meet the buyer event

Invitation of 4 local companies to quote:

- CG Robinson & Sons
- N&T Civils
- Tangent Construction
- Galvmac

3 submitted bids (Galvmac withdrew)

Framework Agreement for Potholes and Programmed Resurfacing

Evaluation criteria used:

Bid Award Criteria Weighting

Quality

Question 1. Health and Safety 20%

Question 2. Approach and Methodology 10%

Question 3. Communication and Escalation 10%

Social Value

Social Value Part A – Social Value Calculator 7%

Social Value Part B - Method Statement 3%

Price

Completion of Pricing Schedule 50%

Framework Agreement for Potholes and Programmed Resurfacing

Evaluation

All quotes evaluated by technical officers after signing Procurement Declaration of Interest.

Moderation meeting chaired by Procurement Officer and scoring agreed.

Result:

1st – Company A

2nd – Company B

3rd – Company C

Framework Agreement for Potholes and Programmed Resurfacing

Contract Management – Operational arrangements

Contract management – contract issues

NEPO222 Aggregates, Concrete & Pre-cast Products

Framework agreement for all NE Councils except Newcastle, but including N Yorkshire.

Scope:

- Coated and Uncoated Aggregates
- Sand and Gravels
- Bulk Cement
- Mortar
- Surface Course
- Kerb Stones
- Flag Stones
- Bitumen Emulsion

NEPO222 Aggregates, Concrete & Pre-cast Products

Split into geographical areas and a total of 214 material lots:

- Durham North, East, South
- Tyne & Wear
- Tees Valley
- Northumberland North, East
- North Yorkshire

17 lots in Tees Valley including delivered and collected

Evaluation by regional working group (60% price/ 40% quality, including social value)

Ranked framework per lot.

Framework Agreement for Potholes and Programmed Resurfacing

Tees Valley				
Lot 73	Rank	Score	Tenderer	
Bulk cement	1	97.50%	Company A	
Lot 74	Rank	Score	Tenderer	
Coated Road aggregate	1	97.44%	Company A	
	2	96.73%	Company B	
	3	95.00%	Company C	
	4	93.74%	Company D	
	5	90.57%	Company E	
Lot 75	Rank		Tenderer	
Coated Road aggregate	1	97.50%	Company A	
	2	91.82%	Company B	
	3	90.31%	Company C	
Lot 76	Rank	Score	Tenderer	
Delayed set material	1	97.50%	Company A	
	2	93.49%	Company C	
Lot 77	Rank		Tenderer	
Delayed set material	1	97.50%	Company A	

Highways Summary

- In-House team delivers most of the work.
- The team provides flexibility and support to other services/ incidents etc.
- Additional capacity bought in via a framework agreement.
- The materials used by the in-house team are delivered via a NEPO framework agreement with Tees Valley lot and local suppliers.