



London Borough of Enfield

Report Title	Approval to award Carriageway Resurfacing and Recycling Contract. G MD 448
Report to	Perry Scott - Executive Director of Environment and Communities
Cabinet Member	Cllr Rick Jewell, Cabinet Member for Environment
Executive Director / Director	Perry Scott - Executive Director of Environment and Communities Doug Wilkinson – Director of Environment and Street Scene
Report Author	Darren Bryant - Darren.bryant@enfield.gov.uk
Ward(s) affected	All
Key Decision Number	KD 5471
Classification	Part 1 & 2 (Paras 1-3)
Reason for exemption	By virtue of the following paragraphs of Part 1 of Schedule 12A of the Local Government Act 1972: 1 Information relating to any individual. 2 Information which is likely to reveal the identity of an individual. 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Purpose of Report

1. Approval to award the Carriageway Resurfacing and Recycling Contract G MD 448, which was tendered through the London Tenders Portal.

Recommendations

- I. To approve the award of the Carriageway Resurfacing and Recycling Contract G MD 448, to the contractor listed in Part 2 of this report to commence on 1st May 2024 for a five year term with the option to extend up to 60 months or part/s thereof
- II. To authorise the Director of Environment and Street Scene to approve the price fluctuation mechanism set out in Part 2 of this report to be incorporated into the contract.

Background and Options

2. The current term contract was awarded on 17th May 2021 to provide carriageway resurfacing and recycling works and to offer resilience for project scheme delivery.
3. To ensure continuity of service at the end of the current contract a review was undertaken and a decision made to undertake a competitive tender for carriageway resurfacing and recycling works.
4. Market engagement was undertaken during the tender preparation stage to understand the current market with regard to the route taken to tender, Key Performance Indicators (KPI's) and Social Value proposals. This was taken into account where appropriate as part of the tender document preparation.
5. The scope of the contract includes carriageway resurfacing, carriageway recycling, surface dressing, surface treatments and minor civil engineering works.

Procurement Process

6. Due to diverse market, the recommended route to market for this procurement was a Restricted Procedure to be conducted in accordance with The Public Contract Regulations 2015. The tender was published on London Tenders Portal. 10 submissions were received. Upon evaluation at the SQ stage (PAS91 - Selection Questionnaire), 10 companies met the requirements of which the 5 top scoring submissions were invited to tender.
7. Invitation to Tender was issued via the London Tenders Portal to the 5 selected companies on 20th November 2023, with a tender return date of 21st December 2023.
8. This contract has been tendered and evaluated on the basis of most economically advantageous to the Council based on the evaluation criteria of 70/30 Price/Quality including Social Value ratio set out in the Invitation to Tender issued to bidders.

9. The tender documentation consisted of two parts, namely the completed Method Statements (Quality Submission) and the Pricing Schedule (Financial Evaluation).
10. The criteria for award of the tender were stated under Schedule 4 (Evaluation Criteria) in the Instructions issued to bidders with the invitation to Tender.

Pricing Evaluation

11. To evaluate the submitted Pricing Schedule for the Carriageway Resurfacing and Recycling Contract a financial model was developed including all rates within the pricing schedule, as well as a model programme of works containing 20 schemes that may be associated with a contract of this nature.
12. The model does not represent any capital or revenue budgetary requirements.
13. The marks available for the financial evaluation were 70% as stated under Schedule 4 (Evaluation Criteria) in the Instructions for Tendering.
14. The pricing evaluation scores are shown in Table 3 appended to the Part 2 Confidential Appendix at Appendix 1.
15. The financial assessment was opened after the quality assessment had been completed to eliminate bias from knowing tenderers prices.
16. The assessment was reviewed by Procurement, with additional financial checks with officers with the service.
17. A high low analysis was undertaken to look for anomalies across tenders. No other anomalies were identified.
18. A comparison was also undertaken of existing contract rates compared to tenderers rates. The new rates are around 30% higher than current contract rates. This is not unexpected due to increases in inflation and construction costs across the sector.

Quality Submission

19. The overall assessment of the quality submissions was carried out as stated under Schedule 4 (Evaluation Criteria) of the ITT.
20. The quality submissions were evaluated against the questions that were asked in the tender documents within the following areas:

- Q1 Executive Summary
- Q2 Resources
- Q3 Waste Management (a)
- Q3 Waste Management (b)
- Q4 Management of Road Works
- Q5 Staff Training and Development
- Q6 Customer Care

Q7 Added Value / Collaborative working
Q8 Social Value

21. The total percentage available for the quality submission was 30% as stated in Schedule 4 (Evaluation Criteria).
22. The quality scores are shown in Table 2 appended to the Part 2 Confidential Appendix at Appendix 1.
23. Three representatives from Highways, Traffic and Parking Services formed the Evaluation Panel and evaluated tender responses in accordance with the evaluation criteria and the scores were moderated by the Council's Procurement Services Team.
24. Details of the Overall Assessment are contained in the Part 2 Confidential Appendix.

Price Fluctuation Mechanism

25. In order to cater for price fluctuations affecting labour, plant, materials and market conditions the contract will be subject to a price fluctuation mechanism.
26. The Contract Price Fluctuation will be calculated every six months from the Contract Commencement Date using the indices and the information in Schedule 3 Clause 80 - Contract Price Fluctuations.

Risks that may arise if the proposed decision and related work is not taken

27. Should a decision not be taken with the current Recycling and Resurfacing Term Contract ending on 16th May, Enfield's Road network will continue to deteriorate resulting in a potential rise in insurance claims with the potential for roads either having to be closed or individual contracts let on a reactive basis to keep roads open which would be both a costly and time-consuming process.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

28. The contractor awarded these works could go bankrupt or into insolvency. Thorough background checks into all the tenderers has taken place by Enfield's Finance Team at SQ stage to ensure their financial stability. Where a tenderer didn't reach levels required it was agreed that in the event they should be successful they would provide a bond or PCG before an award was made. The Contractors' Financial resilience will be checked regularly throughout the contract term. In the unlikely event that an unforeseen issue should arise with the chosen provider Highway Services have other Term Contractors in place who could carry out works in the short term while another procurement process took place.

Preferred Option and Reasons for Preferred Option

29. Other options considered include commissioning this work through existing term contracts, however, rates would need to be provided under variation orders outside of a competitive environment and would therefore be unlikely to provide such good value. Alternatively, the option to invite quotes for specific schemes, or for packages of schemes, would be more time consuming and less efficient than entering into a term contract.
30. The tender received from the contractor listed in Part 2 of this report is recommended for acceptance as the tender achieved the highest overall combined (financial and quality) evaluation score, in accordance with the evaluation criteria.

Relevance to Council Plans and Strategies

31. Enfield's highway network is probably the largest and most visible community asset for which Enfield is responsible and fundamental to the economic, social and environmental well-being of the community.
32. The Contract will span across multiple services, including Highways and Journeys and Places. The Contract will support these services in delivering the Council's plan priorities.
33. Clean and green places
Keep our streets and public spaces clean and welcoming. Enable active and low carbon travel.
34. Strong, healthy and safe communities
Improve feelings of safety and tackle crime and antisocial behaviour
Support communities to access healthy and sustainable food. Make our roads safer and more pleasant environments for walking or cycling, to encourage active travel and improve air quality.
35. Thriving children and young people
Increase local education, play and leisure opportunities for children and young people with special educational needs and disabilities. Engage children and young people in positive activities.
36. More and better homes
Create well-connected, digitally enabled and well-managed neighbourhoods.
37. An economy that works for everyone
Enable local people to develop skills to access good quality work. Support local businesses and encourage inward investment in growing sectors which offer sustainable employment to local people. Provide support and advice for residents on low incomes. Develop town centres that are vibrant, healthy and inclusive.

Financial Implications

38. Please refer to the Part 2 Confidential Appendix for financial implications

Legal Implications

39. The Highways Act 1980 places a duty on the Council as Highway Authority to maintain the highways for which it is responsible to an appropriate standard for their respective uses. In addition, the general power of competence in s.1 (1) of the Localism Act 2011 states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. By virtue of s.111 of the Local Government Act 1972, the Council has the power to do anything (whether involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of its functions. The recommendations in this report are in accordance with the Council powers and duties.
40. The total estimated contract value is above the threshold for public works contracts under the Public Contracts Regulations 2015 (PCR 2015). The procurement was carried out in accordance with the requirements of the PCR 2015 and the Council's Contract Procedure Rules (CPRs) for above threshold public works contracts. Legal Services was engaged to provide advice as required.
41. The Council must be mindful that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply to any service provision change and appropriate step should be taken to protect the Council's interests.
42. This report is a Key Decision under the Council's Constitution and, as such, must comply with the Key Decisions process.
43. The contract must be in a form approved by the Director of Law and Governance and must be executed under seal.
44. For contracts £1,000,000+ in value, the CPRs provide that contractors must be required to provide sufficient security in one of the forms outlined in CPR 7.3. If the contractor cannot provide such security, the Executive Director of Resources must approve such a decision, with reasons and risk mitigation measures set out in the relevant authority report, prior to the award of the contract.
45. The Council must ensure value for money in accordance with the overriding Best Value Principles under the Local Government Act 1999.

Equalities Implications

46. An Equality Impact Assessment has been carried out. The mitigation actions of the EqIA are listed below.

Protected characteristic	Impact	Mitigation
Age	None	N/A
Disability	Access and orientation during any works commissioned through this contract can be more difficult for disabled people.	All works carried out on Enfield's Networks will have temporary measures that meet accessibility guidance, adapted to the specific location, providing temporary crossing points, ramps, barriers with tapping rails etc.
Gender reassignment	None	N/A
Marriage and Civil Partnership	None	N/A
Pregnancy and Maternity	Pregnant women and women in the early months after birth, who may also have other young children, as well as a new-born baby, to look after, as a family group may need to take extra care, both when walking on the footway and crossing a road. Access and orientation during any works commissioned through this contract can be more difficult for new parents with prams.	All works on site and temporary measures will meet accessibility guidance, adapted to the specific location, providing temporary crossing points, ramps, barriers with tapping rails etc.
Race	None	N/A
Religion and belief	None	N/A
Sex	None	N/A
Sexual Orientation	None	N/A
Socio-economic deprivation	None	N/A

47. It should be noted that projects or work stream deriving from this may be subject to a separate Equalities Impact Assessment. Therefore, any projects or work stream will be assessed independently on its need to undertake an EQIA to ensure that the Council meets the Public Sector Duty of the Equality Act 2010.

48. Through the tender process the preferred bidder has signed up to the Equality Act 2010, Human Rights Act 1999 and the Employers Equal Opportunities policy all detailed in Schedule 3 Terms and conditions (Para 72.4.1) of the Contract.

HR and Workforce Implications

49. There are no direct implications for Enfield Council, however, TUPE may apply.

Environmental and Climate Change Implications

50. The Tender evaluation included a requirement for the tenderer to state how they would meet the minimum requirements for the council's Sustainable and Ethical Procurement policy including for they would reduce waste, reuse, and recycle within the contract. Demonstrating how this will provide best value for the council in economic and environmental terms.

51. The successful tenderer has put forward proposals which proactively support the council's climate action plan, and the council target of being carbon neutral by 2030.

Public Health Implications

52. There is increasing evidence that the public realm has a profound effect on behaviour and lifestyle influencing how people travel, how much time they wish to spend in the public realm and how they feel about where they live. How these budgets are spent will therefore have a significant effect on the health of the borough.

Property Implications

53. With regard to Corporate Property assets, there are no property implications that arise from the implementation of the contract as the land affected is not held in the GF.

54. With regard to Public Highway assets, the proposed work programmes are good asset management practice as they help prevent the progressive deterioration of these assets, which in turn helps to reduce potential corporate liabilities.

Safeguarding Implications

55. The proposals within this report are for the maintenance and improvement of the Highway and Landscape areas and it is not considered that there are any specific safeguarding implications.

Crime and Disorder Implications

56. The proposals within this report are for the maintenance and improvement of the Highway. Crime and safety will be considered at the design and implementation stage of undertaking works, although there are not any specific Crime and Disorder implications.

Procurement Implications

57. The procurement was undertaken using the E-Tendering Portal (ref DN615968) in accordance with the Councils Contract Procedure Rules (CPR's), the Public Contracts Regulations 2015 and Council's Sustainable and Ethical Procurement Policy.
58. Gateway 2 Procurement Strategy report was presented and endorsed at the Procurement Assurance Group on the 21st June 2023.
59. Gateway 3 Contract Award report was presented and endorsed at Procurement Assurance Group on 20th March 2024. Please see attached to this report.
60. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including arrangements for the future management of the contract. The award of contract must be published on Find at Tender and Contracts Finder to comply with the and the Public Contract Regulations 2015 and the Government's transparency requirements.
61. As this contract will be over £500,000, the CPR's state that the contract must have a nominated contract manager in the Council's e-Tendering portal. Contracts over £500,000 must show evidence of contract management of KPI's to ensure VFM throughout the lifetime of the contract. The contract will be managed in line with the Contract Management Framework and evidence of robust contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment shall be uploaded into the Council's e-Tendering portal.
62. As the contract estimated turnover is over £1,000,000, the service must ensure that sufficient security has been considered to manage risk. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes.

Report Author: Darren Bryant
Principal Engineer – Highways, Traffic & Parking Services
darren.bryant@enfield.gov.uk
0208 132 0736

Appendices

Part 2 Confidential Appendix
EQIA

Background Papers

None

Departmental reference number, if relevant: