

Please note Part 2 report is now confidential appendix.

London Borough of Enfield

Operational Report

Report of **Doug Wilkinson**

Subject: **Carriageway Recycling and Resurfacing Contract
G/MD 445**

Executive Director: **Sarah Cary Executive Director Place**

Ward **All**

Key Decision: **KD 5192**

Purpose of Report

1. This report details the evaluation exercise for the Enfield Council Carriageway Recycling and Resurfacing Contract G MD 445, which was tendered through the London Tenders Portal in December 2020 and January 2021.

Proposal(s)

2. That the Executive Director - Place notes and approves the award of the Enfield Council Carriageway Recycling and Resurfacing Contract G MD 445, to the contractor listed in Part 2 of this report to commence on 19th April 2021 for a two-year term and the details of the evaluation exercise contained in part 2 of this report.

Reason for Proposal(s)

3. Approval of the award will allow the Council to continue with planned maintenance of its carriageways and associated highway assets through resurfacing and recycling techniques.

Relevance to the Council's Corporate Plan

4. 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. A well managed and maintained highway network supports all three of the Council's priorities –

Good homes in well-connected neighbourhoods

Safe, healthy and confident Communities

An economy that works for everyone

Background

5. Over the past 10 years Enfield council has successfully used the specialised process of in-situ carriageway recycling to deal with the increasing instances of Tar bound asphalt uncovered in roads around the Borough.
6. On 1 November 2014, the Council changed its highway and civil engineering term contractor using a call-off contract with Ringway Jacobs as part of the London Highway Alliance Contract (LoHAC) framework. Although this contract was evaluated to provide savings across the overall highway works programme, it never accounted for the specialised carriageway recycling process which has proved more expensive to procure than under previous contracts. Subsequently an individual term maintenance contract let on 1st November 2018 proved successful in delivering both this specialised process as well as more traditional carriageway resurfacing and as such this contract has been tendered to succeed it.
7. Following a review of the contract service provision, a decision was taken to undertake a competition for carriageway recycling and resurfacing works in order to achieve Best Value for residents of Enfield.
8. The scope of the contract includes carriageway recycling, resurfacing and associated works.
9. The initial shortlisting was carried out via Constructionline and then the procurement process was conducted using the Council's e-Tendering portal.
10. Requests for quotations were issued via the London Tenders Portal to the 9 selected companies on 11th December 2020, with a tender return date of 25th January 2021. A request for an extension due to leave taken over the Christmas period and staff furloughed during the ongoing Covid 19 issues was agreed and the tender return date was extended to 8th February 2021.
11. During the tender period two companies opted out of the tender process, while a further company did not respond.
12. After evaluating the 6 submissions, all 6 bidders were compliant.
13. This contract has been tendered and evaluated on the basis of most economically advantageous to the Council based on the evaluation criteria of 30/70 Quality/Price ratio set out in the Request for Quotation issued to bidders.
14. The tender documentation consisted of two parts, namely the completed Technical Questionnaire (Quality Submission) and the Schedule of Rates Submission and Pricing Model (Financial Evaluation).
15. Representatives from Highway Services evaluated and scored the returned Technical Questionnaires (Quality Submissions).

16. The financial evaluation model was created taking into account each area of the provision of service and it was approved by Finance.
17. The criteria for award of the tender was stated under item 1.4 and Section 3 (Evaluation Criteria) in the Instructions issued to bidders with the invitation for a quote.
18. Details of the evaluation process are contained in the Part 2 report.

Main Considerations for the Council

19. The tender received from the provider listed in Part 2 of this report is recommended for acceptance as it achieved the highest overall combined (financial and quality) evaluation score, in accordance with the evaluation criteria.

Safeguarding Implications

20. The proposals within this report are for the maintenance and improvement of the highway and it is not considered that there are any specific safeguarding implications.

Public Health Implications

21. Transport has obvious public health implications in terms of physical activity, air pollution and access to employment, shops, services etc. Climate change has been described as the greatest threat to public health in the 21st century. If road materials can be recycled this will help to mitigate this threat.

Equalities Impact of the Proposal

22. Through the tender process the contractor has signed up to the Equality Act 2010, Human Rights Act 1999 and the Employers Equal Opportunities policy all detailed in Section 5 Terms and conditions (Para 72.4.1) of The Contract.

Environmental and Climate Change Considerations

23. Understanding the embodied carbon of highway maintenance products and methods throughout the complete supply chain is complex with many stages from raw material acquisition, processing, transport and implementation. Through renewed contracts, an assessment of the whole life emissions of the various projects within the programme will increasingly allow for comparison of alternative products and services, actively seek lower carbon alternatives and understanding the impact of using recycled and secondary materials.
24. The renewed carriageway resurfacing and recycling contract has sought submissions on innovation to reduce the carbon footprint of maintenance and improve environmental protection.
25. Continued innovation will be sought from the successful provider and their supply chain partners throughout the contract to assist with Enfield's climate change goals.

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

26. Should a decision not be taken with the current Recycling and Resurfacing Term Contract ending on 31st March, 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

27. The contractor awarded these works could go bankrupt or into insolvency. Thorough background checks into all the providers has taken place by Enfield's Finance Team during the procurement process to ensure all are going concerns. 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.

Financial Implications

28. Please refer to the Part 2 report for financial implications

Legal Implications

29. 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 proposals in this report are in accordance with the Council powers and duties.
30. The value of the contract is below the threshold for public works contracts under the Public Contracts Regulations 2015 (currently £4,733,252). The Council must comply with the requirements of its Constitution and in particular its Contract Procedure Rules (CPRs). The procurement process set out in this report complies with the CPRs.
31. This report constitutes a Key Decision under the Council's Constitution and, as such, must comply with the Key Decisions process.

32. The agreement must be in a form approved by the Director of Law and Governance and contracts with a value above the Key Decision threshold of £500,000 must be executed under seal.
33. 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 CRP 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.

Workforce Implications

34. None

Property Implications

35. With regard to Corporate Property assets, there are no property implications that arise from the implementation of the contract.
36. 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.

Other Implications

37. Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's).
38. 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 project reference number DN488616 including future management of the contract. This includes procurements from a framework. Where procurement was undertaken outside of the LTP, all documentation can be provided to Procurement.support@enfield.gov.uk for uploading into the London Tenders portal, and the corporate contract register.
39. All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.
40. All frameworks must be legally accessible to the Council and be access in line with the framework rules.
41. All contracts over £100k must have a nominated contract manager in the London Tenders Portal. Contracts over £500,000 must show evidence of contract management of KPI's to ensure VFM throughout the lifetime of the contract.
42. The form of Security has been considered for this procurement, and the Executive Director of Resources has agreed that a bond or parent company

guarantee is not required as it is considered to be low risk to the council in terms of provider failure for performance and financial failure.

Options Considered

43. 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.

Conclusions

44. 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.

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