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**Decision Maker:** EXECUTIVE

**FOR PRE-DECISION SCRUTINY BY ENVIRONMENT PDS  
COMMITTEE ON:**

**Date:** Wednesday 12 July 2017

**Decision Type:** Non-Urgent Executive Key

**Title:** HIGHWAY ENGINEERING CONSULTANCY SERVICE

**Contact Officer:** Paul Redman, Highways Asset Manager  
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**Chief Officer:** Nigel Davies, Executive Director of Environment & Community Services

**Ward:** (All Wards);

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1. Reason for report

This report considers the need for highway engineering consultancy services, the performance of the current supplier and future proposals for the service.

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2. RECOMMENDATIONS

That the Executive agrees to:

- 2.1 Extend use of the current contract with AECOM for the provision of Highway Engineering Consultancy Services until the HCA Framework end date of 3<sup>rd</sup> November 2018.
- 2.2 Extend use of AECOM for the provision of Highway Engineering Consultancy Services for the period 3<sup>rd</sup> November 2018 to 31<sup>st</sup> March 2019.

### Impact on Vulnerable Adults and Children

1. Summary of Impact: Beneficial outcomes to vulnerable adults and children by helping to ensure access and availability to the Council's highway and car parking assets.
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### Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority : Quality Environment
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### Financial

1. Cost of proposal: Estimated Cost: Up to £679k
  2. Ongoing costs: Recurring Cost Up to £351k per annum
  3. Budget head/performance centre: Various cost codes within Environment & Community Services (Capital and Revenue)
  4. Total current budget for this head: £316k, although TfL funding for projects may vary
  5. Source of funding: Revenue budgets for highways, transport and parking, contributions from developers and capital funds from TfL.
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### Personnel

1. Number of staff (current and additional): 0.5 fte
  2. If from existing staff resources, number of staff hours: 0.5 fte
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### Legal

1. Legal Requirement: Statutory Requirement:Highways Act 1980
  2. Call-in: Applicable:
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### Procurement

1. Summary of Procurement Implications: Procurement procedures have been undertaken according to the Council's Contract Procedure Rules through an existing OJEU compliant Framework (Homes and Communities Agency).
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected):Borough wide
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not applicable

### **3. COMMENTARY**

#### **Background**

- 3.1 The Council has duties and powers for the safe use of its highway infrastructure and for use of its multi storey car park asset. Since the Council's decision in 1993 to utilise voluntary competitive tendering, the professional services element of these duties has been delivered using Consulting Engineers. The broader service includes inspection/studies of structures (bridges, culverts, retaining walls), engineering emergencies involving the highway, ad hoc Transport and Flood Studies, larger highway development schemes and inspection/studies of the Council's stock of multi storey car parks. The service has been tendered regularly since 1993 to help ensure the Council maintains a best value engineering consultancy service.

#### **Information**

- 3.2 The current contract was tendered using the Council's Homes and Communities Agency (HCA) Multidisciplinary Framework Contract. The Council has an existing signed access agreement to this Framework dated 28<sup>th</sup> January 2015. The Framework end date is 3<sup>rd</sup> November 2018.
- 3.3 According to the Framework terms, an initial sifting exercise was undertaken leading to electronic tender invitation to five framework consulting engineers. A cost/quality ratio of 60:40 was used. A panel of three officers scored the quality submissions. The financial review was based on a one year model of work. The Council's Tender Evaluation Matrix was populated with the consensus quality scores and the financial bids to determine the most economically advantageous tender. AECOM was the successful consultant and was awarded the contract beginning on 21<sup>st</sup> July 2016. As a measure of the financial value of the contract award to AECOM, the tendered rates are approximately 8% lower than the equivalent rates in the previous contract.
- 3.4 The contract award was made on an initial one year basis to enable the Council a review period working with the HCA conditions of contract. In addition a one year term did not commit the Council to an arrangement that may not meet with the requirements of the broader ongoing review of Highway contracts. There is provision within the contract to extend the service to the Framework end date subject to satisfactory performance of the supplier.
- 3.5 AECOM have generally delivered an overall satisfactory performance across the range of activities they have undertaken for the Council. There have been isolated variations in the quality of the service received but, where action has been necessary, this has been dealt with by the relevant Client Manager and satisfactory outcomes have been evident.
- 3.6 The Council shall continue to need a resource to provide Highway Engineering Consultancy Services in the foreseeable future, helping the Council to meet its responsibilities according to the Highways Act 1980 for the safe use of the highway and for owner/occupier liabilities for the safety of its multi storey car park stock.
- 3.7 Experience over the past year has shown that the conditions of contract evident in the HCA Framework have not led to unexpected requests for variations, any disputes or major delays. The current consulting engineer, AECOM, has generally worked satisfactorily.
- 3.8 Work with the Highways 'bundle' of contracts (reference the Background Documents) is being progressed. The current programme indicates the tender for these contracts shall be undertaken in 2018, with a targeted contract start date of 1<sup>st</sup> April 2019. Given current information, the Highway Engineering Consultancy Service shall be included as a lot in the Highways bundle.

## Review

- 3.9 On the basis of the future needs of the Council in respect of Highway Engineering Consultancy Services, the performance of the current supplier AECOM, the value represented by the rates in the current contract and the Council's proposals and programme regarding future highway contract bundles, it would be appropriate to extend the current contract with AECOM until the Framework end date of 3<sup>rd</sup> November 2018.
- 3.10 The terms of the HCA Framework identify that work ordered in advance of the Framework end date (3<sup>rd</sup> November 2018) may extend beyond the expiry of the Framework (up to 5 years). This provision will enable the Council to continue to have access to highway engineering services, in the period between the Framework end date and 31<sup>st</sup> March 2019, after which new arrangements should be in place as part of the highways bundle of services.

## 4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 Ensuring the highway remains both safe for use and available for use, without hazards, will be beneficial for all sections of the community and in particular for vulnerable adults and children.

## 5. POLICY IMPLICATIONS

- 5.1 The Borough's carriageways and footways, highway structures and multi-storey car parks have a high profile and benefit most residents and businesses on a daily basis. Helping to protect the integrity of these key assets and ensuring they are safe, available and of sufficient capacity will contribute to the Council's vision of providing a place where people choose to live and do business. They support the priority outcomes for a Quality Environment set out in the Environment Portfolio Plan – Managing our Transport Infrastructure and Improving Travel, Transport and Parking.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The maximum amended contract value with AECOM, should the proposed contract extension be agreed, is summarised in the table below: -

Highway Engineering Consultancy Contract	£'000
Actual & committed contract spend from 21 July 2016 to 31 July 2017	351
Estimated value of contract extension to 31 March 2019	679
<b>Total maximum value of contract</b>	<b><u>1,030</u></b>

- 6.2 The budgets available to fund this contract is made up of £122k from within Transport, Highways and Parking revenue budget, TfL funding of up to £174k, (although this can vary depending on the number of one-off project funding agreed), and £20k contributions from developers through specific agreements.

## 7. PERSONNEL IMPLICATIONS

- 7.1 There are no current, immediate implications on personnel however there may be future implications depending on the outcome of the planned tender of services within the Highways 'bundle'.

## 8. LEGAL IMPLICATIONS

- 8.1 Under the Highways Act 1980 the Council as Highway Authority has duties to ensure the safe passage of users of the highway and to maintain the highway.
- 8.2 The Council as owner and operator of multi storey car parks has duties under law to provide and maintain premises so that they do not pose risks to the safety of their employees, other persons using the premises as a place of work, visitors and the public at large, specifically according to:-
- a) The Health and Safety at Work etc Act 1974, sections 2, 3 and 4.
  - b) Construction Design and Management Regulations 2015.
  - c) Occupiers Liability Acts 1957 and 1984.

## 9. PROCUREMENT IMPLICATIONS

- 9.1 The procurement has been conducted according to the Council's Contract Procedure Rules.
- 9.2 The current contract was procured using the Homes and Communities Agency Multidisciplinary Panel with OJEU notice number 2104/S 020-031462, dated 29<sup>th</sup> January 2014. The Council has an access agreement to the above Panel which was signed on 28<sup>th</sup> January 2015. A sifting exercise and competitive cost/quality tender process was undertaken to derive the most economically advantageous tender.
- 9.3 The HCA Framework end date is 3<sup>rd</sup> November 2018. Engaging AECOM to supply highway engineering services beyond that date, until 31<sup>st</sup> March 2019, is appropriate. Providing any requirement is placed before the end of the framework, a call off (from the framework) may be made even though that call off goes beyond the framework end date.

<b>Non-Applicable Sections:</b>	None
Background Documents: (Access via Contact Officer)	Environmental Services Procurement Strategy-Report No ES 17002, Executive 24 <sup>th</sup> January 2017.