

Decision Maker: ENVIRONMENT & COMMUNITY SERVICES PDS COMMITTEE

Date: 13th November 2019

Decision Type: Non-urgent Non-Executive Non-Key

Title: JB RINEY - CONTRACTOR PERFORMANCE REVIEW

Contact Officer: Garry Warner, Assistant Director (Highways)
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Chief Officer: Colin Brand - Director of Environment and Public Protection

Ward: Borough wide

1. Reason for report

- 1.1 This Report sets out to update Members on the performance of JB Riney, the Council's Highways contractor since their award in July 2018.
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2. RECOMMENDATION(S)

- 2.1 That the PDS Committee notes the content of this report and in particular the on-going work to ensure compliance with the Contract.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality environment
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs N/A
 3. Budget head/performance centre: Highways & Street lighting revenue budget, Capital LIP scheme (funded by Transport for London TfL), and Capital Highway Investment scheme..
 4. Total current budget for this head: £2.5103.368m revenue and £2.6626.989m capital in 2019/20
 5. Source of funding: Existing revenue and capital budgets
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Staff

1. Number of staff (current and additional): 15
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory Requirement
 2. Call-in: Not Applicable
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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: n/a

3. COMMENTARY

Background

- 3.1 Bromley's highway network comprises 856 miles (1370 km) of footway and 552 miles (884 km) of carriageway. This represents the Council's single most valuable asset with a gross replacement cost of £1.1 billion. Good quality and well maintained streets make a significant contribution to the street scene appearance, the prosperity of our community and help to ensure our streets are both safe and accessible for users.
- 3.2 In recent years the Council has employed two separate contractors for the Major Highway Works and Minor Highway Work contracts. In April 2018 the Council awarded both Contracts to JB Riney from 1st July 2018 for an initial term of seven years (Report No ES18040), with an option to extend the contract for a further year.
- 3.3 When it became necessary to change the procurement timescale in September 2017, it was agreed that Highway Engineering Consultancy Services would not form part of the Major Works Contract, but would be a provision to be investigated post-tender with the successful contractor, if best value could be shown. In November 2018 Executive approved proposals to include Highway Engineering Consultancy Services within the JB Riney Major Highway Works Contract.

Contractor Performance

- 3.4 The Highway contracts commenced on July 2018, and include provision of a number of highway related services, as discussed below. The Contract includes a Performance Management Framework (PMF) with related Key Performance Indicators (KPI) and associated Low Service Damages (LSD).
- 3.5 The contractors performance was considered by this committee on 9th April 2019 (ES19026), and this report provides an update of how JB Riney have performed during the last six months.

Planned Highway Maintenance and Traffic Schemes

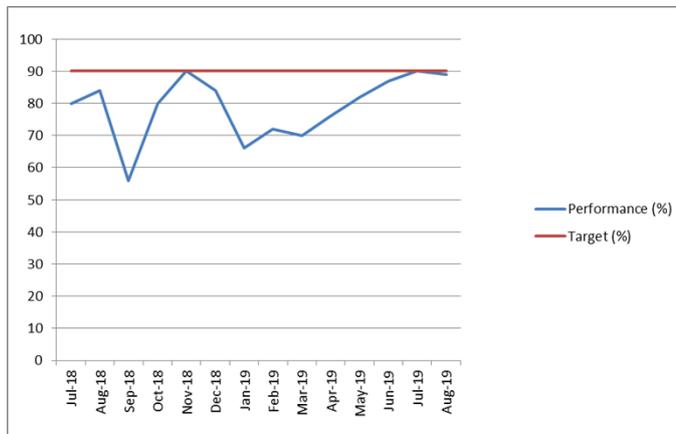
- 3.6 On 12th December 2016 the Council approved capital funding of £11.8m for investment in planned highway maintenance and the scheme was added to the Capital Programme for the maintenance of footways and carriageways. Six phases of projects were approved by E&SC PDS, with most schemes being completed by the Council's last contractor, FM Conway.
- 3.7 JB Riney have continued to make good progress with these improvement projects. Carriageway works are due to be completed in November 2019, with the majority of footway schemes completed by spring 2020.
- 3.8 JB Riney have also completed a number of traffic schemes, as part of the annual LIP programme.

Reactive and Emergency Highway Repairs

- 3.9 As part of the Minor Highway Works Contract JB Riney complete all reactive maintenance tasks on the highway, along with in-hours and out of hours emergency repairs. Jobs have a completion time based on the nature of the defect and the risk of causing an accident, which are usually 2 hours for an emergency, 10 working days for urgent repairs and 35 days for non-urgent works.

- 3.10 The PMF includes a KPI requiring 90% of all maintenance tasks to be completed within the specified timescales. Amalgamated data for performance against the required job durations is shown in Figure 1.

Figure 1



Street Lighting Maintenance

- 3.11 Under the Contract street lighting is a fully managed service, where the Council pay a fixed annual sum to maintain all street lights and illuminated signs or street furniture in working order. Defective street lights or signs are identified through the contractor’s monthly night inspection across the borough, or raised following FMS and telephone enquiries.
- 3.12 The PMF includes completion times for all routine maintenance tasks, with KPI’s requiring 95% of tasks to be completed within 4 working days, and 100% within 8 working days. Performance against the required job durations are shown in Figures 2 and 3.

Figure 2

4 Working Day Response

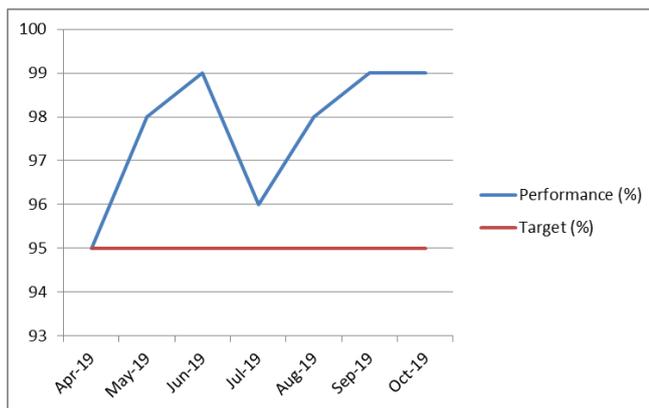
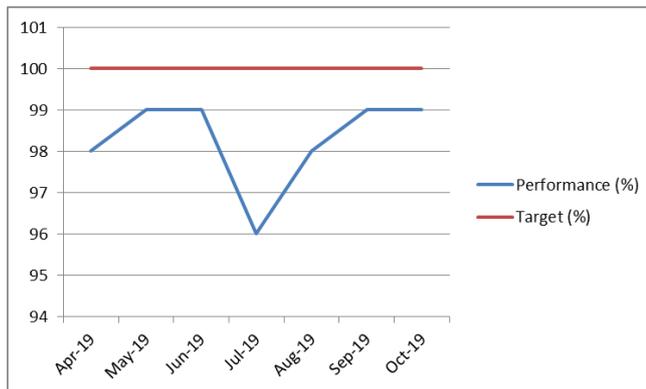


Figure 3

8 Working Day Response



Winter Service

- 3.13 During the winter months JB Riney undertakes precautionary gritting and snow clearance works on the carriageway network, along with footway clearance outside a number of schools in the event of a snow emergency. While the Council currently own the fleet of gritters, the contractor is responsible for the maintenance of all vehicles and to provide drivers when the weather forecasts predict freezing or below freezing temperatures.
- 3.14 The PMF requires all precautionary gritting to be completed with 2.5 hours, which was achieved in all cases last winter. The 2019 winter season starts on 4th November.

Highway Engineering Consultancy Services

- 3.15 Engineering consultancy services have been undertaken by JB Riney since April 2019, through their supply chain of specialist consultants. To date the arrangement has worked well for management of highway structures, various traffic surveys and a number of traffic schemes being commissioned on a 'design and build' basis.

Highway Drainage Cleaning

- 3.16 The cleaning of all highway drainage assets was previously undertaken as part of the Environment Contracts, but was included in the Highway Contract from 1st April 2019. Cyclical and ad-hoc cleaning tasks have been completed since the start of the contract, and while the completion dates were initially delayed as a back-log of jobs from the previous contract were dealt with, performance is now in line with the PMF.

Management

- 3.17 The LBB client team continues to have the necessary resources to manage the contract successfully, including those services subject to Contract Change Control Notices.
- 3.18 Although the contractor has had a high turnover of key management, administrative and operational personnel during the first year of the contract, the current establishment is considered suitable for delivery of all services covered by the contract.

Review of Contract Purpose

- 3.19 The Council have an ongoing requirement for all highway related services. While the street lighting and planned highway capital funded investment projects are nearing completion, the contract is based on a schedule of rates and future works can be 'called-off' should further funding be available in the future.

4. Service Profile / Data Analysis

- 4.1 The Contract includes a Performance Management Framework (PMF) with related Key Performance Indicators (KPI) and associated Low Service Damages (LSD).
- 4.2 A Service Operations Board is held monthly where the PMF is discussed, and KPI's and related LSD's are considered. A summary of the contractual KPI's are produced annually.
- 4.3 Performance relating to each area of the service are discussed in Section 3 above.

Plans for Ongoing Improvements in Performance

- 5.1 Performance of the contractor is measured inline with the requirements of the Performance Management Framework (PMF), which are designed to provide clear and demonstrable evidence of the success of the contract. Key Performance Indicators are monitored monthly and discussed at the Service Operations Board.
- 5.2 While the contractors performance relating to street lighting maintenance and reactive highway maintenance were below contractual requirements during the early months of the contract, with Low Service Damages being charged, performance in all service areas is now compliant with the PMF.
- 5.3 The contractor is aware that the KPI's in the PMF are the minimum standards acceptable, and are committed to ongoing improvements in delivering these services.

Plans for Ongoing Improvements in Value for Money

- 6.1 As a term services contract, works orders are raised as and when required from the Contract Price List. During the term of the contract options to achieve improved value for money will be based on new methods of working and the adoption of innovative materials.

7. Stakeholder Satisfaction

- 7.1 The contract requires all stakeholders to be notified in advance of planned works, and the methods employed will depend on the scale of the project.
- 7.2 Post-work surveys are required by way of an audit for planned works, the results of which will be included in future performance review reports.

8. Sustainability

- 8.1 The Contract includes Key Performance Indicators for the following sustainability matters, which are monitored on an annual basis;
- (i) **Construction waste to landfill** - Percentage decrease, compared to the baseline year, in the weight of construction waste produced in delivery of the service that is disposed of at Landfill or sent for incineration, per thousand pound of works delivered through the Contract.

(ii) **Construction waste recycling rate** - Change in the percentage of construction materials (by value) used to deliver the service that are from either secondary or recycled sources, compared to the baseline year.

(iii) **Fleet CO₂ emissions** - Percentage reduction in the total mass of CO₂ produced by the Contractor's vehicle fleet in delivery of the service per thousand pounds of the Contract compared to the baseline year.

10. Policy Considerations

10.1 The borough's roads have a high profile and are used by most residents and businesses on a daily basis. Maintaining these assets to an appropriate standard will contribute to the Council's vision of providing a place where people choose to live and do business and links well with policy priorities of a quality environment, vibrant thriving town centres and supporting independence/safer communities.

10.2 The "Building a Better Bromley" objective of being an Excellent Council refers to the Council's intention to provide efficient & effective services and value for money to its residents.

11. Commissioning & Procurement Considerations

11.1 The contract was awarded in July 2018 for an initial term of seven years (Report No ES18040), with an option to extend the contract for a further year. Options for the future provision of these services, including a possible contract extension, will be considered in 2023.

11.2 Since the start of the contract the following Contract Change Notices have been approved;

CCN1 – Crystal Palace subway – construction of east courtyard retaining walls
CCN2 – Professional services – specialist consultancy for highways and traffic projects
CCN3 – Winter service vehicles – management and maintenance of the winter fleet.

12. Financial Considerations

12.1 Within the 2019/20 revenue budget for Highways and Street Lighting there is a sum of £3.368m available for the JB Riney contract. The table below provides a breakdown of the budgets and projected spend for each service area as follows

Revenue	2019/20	2019/20	2019/20
Service Area	Budget	Projected Spend	Variance
	£'000	£'000	£'000
Reactive & Emergency Highway Repairs	2,371.1	2,371.1	-
Street Lighting	707.7	707.7	-
Winter Service	288.9	288.9	-
Total Revenue	3,367.6	3,367.6	-

12.2 The JB Riney contract has been used to meet the following capital works for 2019/20:

Capital works expenditure by JB Riney in 2019/20 up to 30 September 2019.

	£'000
Planned Highway maintenance & traffic schemes	409
TfL LIP funded traffic schemes	1,346
Total expected Capital spend for 2019/20	1,755

14. Legal Considerations

14.1 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.

Non-Applicable Sections:	Customer Profile, Market Considerations, Personnel considerations
Background Documents: (Access via Contact Officer)	Previous report – ES19026