

Appendix 3 Contract Analysis

Procurement Strategy for Contract Award for Highway Works for up to 7 years commencing April 2022.

Summary

The contract is for the delivery of highways works and the area of this work includes carriageway and footway maintenance and renewal work and includes civil engineering schemes delivered through traffic services as well as specialist inspections, repairs through capital works and some minor reactive work. The contract also provides for new access junctions and alterations to the layout of the Highway to meet the Council's obligations under formal legal agreements with developers.

The option of extending the current contract was made by a Key Decision. The contractor agreed to an extension until the end of March 2022 and is being approached to agree to fully extend the contract until the end of June 2022 to avoid any difficulties associated with delays.

The duration of the contract will be five years with an option of extending for a further two years, totalling seven years. The predicted value of the contract is approximately £32 million. Spend through the contract will be subject to approvals for individual budgets and projects.

Form of Contract

The contract will follow the New Engineering Contract version 4 (NEC4). This form of contract has been used across the industry, it is tried and tested, it is the form contract most appropriate for this work and it is the form of contract expected by prospective tenderers.

The contract will include a schedule of items to be priced. These will form the basis for pricing individual works which will be re-measured upon completion.

Scope of Works

The new contract is to include the following works and services:

- Carriageway resurfacing programme and project works - planned inlay, overlay and patching schemes requiring machine lay surfacing.
- Footway reconditioning schemes and project works - planned footway schemes to replace or recondition footways, kerbs and edgings.
- Structures and bridge works – Inspections, repairs and replacements to structures.
- Drainage schemes – following inspections and cleansing covered elsewhere, any civil engineering works needed for repairs and replacements.
- Road Markings – provision of road markings for new and refresh works, parking enforcement, and schemes.
- Civil Engineering Schemes / Projects – Schemes delivered by Highways or Traffic Services, junction upgrades, cycleways and public realm schemes.
- Tree cutting, maintenance and removal – Option for Greenspace and Business Services to utilise this contract as a back-up service if required.
- Emergency Tree Response – To support the Direct Services Organisation to respond to emergency tree removal and felling.
- Pipe Subway (the underground tunnel in Rosebery Avenue) - Inspections and maintenance.

Tender Submissions

Tenderers will be required to submit rates for the schedule of items. Tenderers will also be required to provide submissions as to how the contract will be successfully delivered and how Islington Values will be incorporated in the service and delivered.

The tender submissions will be then evaluated and scored.

Evaluation

The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

The award criteria will be made up of the proposed approach to:

- 20% Contract Management
- 20% Quality Assurance
- 20% Social Values
- 40% Price

Each of the above elements of the submission will be assessed and scored to determine the most economically advantageous tender. This will include a requirement for the minimum competency expected for the delivery of the service.

Key Performance Indicators (KPIs)

The contract will include KPIs which will be monitored on an on-going basis, forming the basis for identifying contract performance.

The KPIs will include reporting on performance on delivery of the service:

Programme adherence, start, completion, submission of permits, target response rates, defects and snagging and remedial, correspondence, rates of complaints and responses.

Important KPIs include meeting net zero carbon targets, adherence to the London Living Wage, local employment rates, local apprenticeships and local supply chains.

The tender submission will help shape how the KPIs are to be addressed and contract performance monitoring will help identify and agree remedial action as well as support positive contract performance and delivery.