

Public Document Pack

Executive Member Decisions

Thursday, 6th April, 2023
10.00 am

AGENDA

1. **Procurement Strategy - Temporary Traffic Management Framework**
Procurement Strategy - Temporary Traffic Management Framework 2 - 4

Date Published: Thursday, 6th April, 2023
Denise Park, Chief Executive

EXECUTIVE MEMBER DECISION



| | |
|-----------------------|--|
| REPORT OF: | Executive Member for Growth and Development |
| LEAD OFFICERS: | Strategic Director of Environment & Operations |
| DATE: | 06 April 2023 |

| | |
|------------------------------|------------------------|
| PORTFOLIO/S AFFECTED: | Growth and Development |
|------------------------------|------------------------|

| | |
|-------------------------|--------------|
| WARD/S AFFECTED: | (All Wards); |
|-------------------------|--------------|

| |
|---|
| SUBJECT: Procurement Strategy - Temporary Traffic Management Framework |
|---|

1. EXECUTIVE SUMMARY

The Council currently spend over £200,000 per annum with external contractors to provide temporary traffic management for the Highways Team and a new long-term framework agreement is required to meet these requirements. The estimated value of the new agreement (£250,000 per annum) means the Council needs to undertake a tendering exercise in order to demonstrate value for money. The tender will be advertised on Find A Tender Service and issued on the e-tendering portal (The Chest).

2. RECOMMENDATIONS

That the Executive Member approves the procurement strategy for the provision of a Temporary Traffic Management Framework.

3. BACKGROUND

Blackburn with Darwen has a statutory duty to manage and maintain the local highway network and frequently needs temporary traffic management measures to ensure safe road works, temporary closures, local event management or emergency incident response while minimising disruption to road users.

On 1st February 2022 the Council entered into a contract for Traffic Management with KAYS Traffic Management Systems Ltd ("KAYS") following a tendering process in late 2021. KAYS entered administration in November 2022 and requested a novation of the contract to a new company. In the circumstances of the administration, the Council did not agree to the novation. As a temporary measure, the Council have been using Multevo Ltd for their traffic management requirements. However, in accordance with the Council's Contract and Procurement Procedure Rules a long-term solution now needs to be procured.

A framework agreement is preferred over a single supplier contract to provide security of supply. This is useful due to the nature of the service, which can involve a lot of emergency/unplanned work that a single supplier may not be able to fulfil on short notice. Having a second supplier available also protects the Council against previous long-term supplier failure issues, which we experienced with KAYS in late 2022.

Establishing our own framework was preferred to using an existing national framework as it would give local suppliers the opportunity to bid for the contract. This is likely to provide a cost and quality benefit to the Council due to the nature of the works.

It is proposed that the framework agreement is established for an initial two years with two further one-year extension options.

The proposed framework will be awarded to the two highest scoring contractors. The first placed contractor will be offered all subsequent work that falls under the framework agreement. Any work that the first placed contractor does not have capacity to complete will then be offered the second placed contractor. The Highways Team will be in charge of monitoring the performance of the first placed contractor to ensure performance levels do not fall below the required standard set out in the agreement. Consistent poor performance will result in the second placed contractor being offered any subsequent work for a designated period of time set out in the framework agreement.

Tenders will be evaluated against the following criteria:

- Price - 55%
- Quality - 30%
- Social Value - 15%

4. KEY ISSUES & RISKS

- Formally procuring a contract will reduce risk to the Council in the event that any disputes, performance or any other issues arise. It will also demonstrate value for money through effective use of competition.
- To avoid issues which were encountered at the end of last year the Council will require providers to demonstrate they have sufficient financial standing and demonstrate that they have successfully delivered similar contracts without significant performance issues.

5. POLICY IMPLICATIONS

- No policy implications.

6. FINANCIAL IMPLICATIONS

- No major financial implications, the cost of the services to be undertaken will be met from within existing budgets. In the context of the Council's Financial Strategy and the Strategic Workstreams being pursued by the Council, the procurement of goods and services such as those set out in this report is a key strand to achieving the Council's aim of financial sustainability.
- The successful contractor(s) will be required to fix their prices for 12 months and any future price increases will be capped at no more than CPI.
- This contract may produce some savings, as the competitive tendering process is likely to drive down costs to below the current rates. This, combined with the review of specifications to achieve best value for the Council, will seek to meet the general aim of a 10% reduction in costs to the Council.

7. LEGAL IMPLICATIONS

The procurement process will be carried out in accordance with the Council's Contract and Procurement Procedure rules and the Public Procurement Regulations. Contracts will be in a form approved by legal officers.

8. RESOURCE IMPLICATIONS

Officers from the Contracts and Procurement Team and the Highways Team required to construct the tender documents and then evaluate the submitted bids.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

None.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

| | |
|-----------------|----------|
| VERSION: | 1 |
|-----------------|----------|

| | |
|-------------------------|--|
| CONTACT OFFICER: | Joanne Byrne, Les Smith, Robert Sutcliffe |
|-------------------------|--|

| | |
|--------------|------------|
| DATE: | 01/03/2023 |
|--------------|------------|

| | |
|--------------------------|-----|
| BACKGROUND PAPER: | N/A |
|--------------------------|-----|