

RECOMMENDATION TO APPROVE THE AWARD OF A HIGHWAY RESURFACING AND REPAIR WORKS PACKAGE TO SKANSKA UTILISING THE PETERBOROUGH HIGHWAYS TERM SERVICE CONTRACT

COUNCILLOR PETER HILLER, CABINET MEMBER FOR STRATEGIC PLANNING AND COMMERCIAL STRATEGY AND INVESTMENTS

November 2020

Deadline date: November 2020

Cabinet portfolio holder:	Councillor Peter Hiller, Cabinet Member for Strategic Planning and Commercial Strategy and Investments
Responsible Director:	Steve Cox, Executive Director Place & Economy
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/26OCT20/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	No

R E C O M M E N D A T I O N S

The Cabinet Member is recommended to authorise the issue of a work package to Skanska Construction UK Limited (“Skanska”) using the Council’s existing Peterborough Highway Term Service Contract (the “Contract”) to undertake a programme of resurfacing and repair works at locations across the authority area. The total value of the work package will be up to £2.352m.

1. SUMMARY OF MAIN ISSUES

- 1.1 Peterborough City Council has been awarded £2.35m to complete a programme of road resurfacing and repair schemes. The funding has been ring fenced to be used for specific activities with a spend deadline of the 31st March 2021.
- 1.2 If the funds are not utilised by the date detailed above there is significant risk that the Council may lose the funding, creating a revenue pressure in subsequent years as road surfaces continue to deteriorate and require treatment.
- 1.3 This report seeks approval from the Cabinet Member for:

- The award of a works package to Skanska, up to a value of £2.352m, to undertake a programme of road resurfacing and repair schemes.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Strategic Planning and Commercial Strategy and Investment to consider exercising delegated authority under paragraph 3.4.8 (b) of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b).

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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4. DETAILS OF DECISION REQUIRED

- 4.1 On the 14 May 2020, the Secretary of State for Transport, announced at the Number Ten daily briefing, £1.7 billion of funding was to be allocated to Combined Authorities and Local Highway Authorities for expenditure in 2020/21 through the newly created Transport Infrastructure Investment Fund. The fund is made up of a number of Department for Transport spending programmes including the local highways maintenance capital block grant funding (which contains Challenge Fund and the Incentive Element), the integrated transport block funding and the Pothole Fund.
- 4.2 Following this announcement the Council have been awarded £2.352m to be spent on the highway across Peterborough. The Council is seeking approval to award a package of highway resurfacing and repair works in areas across the authority area using its existing contract with Skanska.

5. CONSULTATION

- 5.1 Prior to works commencing key stake holders such as the emergency services will be notified as prescribed via the statutory Temporary Traffic Regulation Order and road space booking processes.
- 5.2 Notice boards will be placed on site prior to the works taking place in order to advise local traffic of closures and potential access restrictions. Furthermore residents in the immediate vicinity of the works will receive communication confirming dates of any closures/access restrictions and contact details for the relevant officer should they need to notify any special requirements or clarify any queries.

6. ANTICIPATED OUTCOMES

- 6.1 It is anticipated that this decision notice will be approved and delivery of the works will commence shortly after.
- 6.2 Delivery of this programme of works in 2020/21 will contribute to the transportation aims of both the Council and the Government by supporting the city's growth agenda; improving accessibility to key services, providing safer roads and reducing congestion.

7. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

7.1 Peterborough's Highway Asset Management Policy and Strategy provides a clear position on how the Council maintains the highway network to ensure that it is safe and supports the growth of the city in line with the Council's Strategic Priorities.

7.2 Key aspects of the Highway Asset Management Policy and Strategy include:

- Acknowledgement that effective asset management is critical to the delivery of its services and the realisation of the Council's long term vision and strategy;
- Asset management principles enable informed decisions to be made about investment and maintenance funding, assist in the targeting of resources to where they can be most effective, and enables the identification and management of the risks associated with statutory duties to manage and maintain public infrastructure;
- To promote a strategic and forward thinking approach to managing the highway network to give confidence to decision makers to take current and future planned maintenance decisions.

7.3 It is proposed that the programme of works for this funding stream will be carried out by Skanska through the Professional Services element of the Peterborough Highway Services Contract established in 2013. The award of these package of works is undertaken in accordance with clause Z44 and Schedule 2 of the Highway Services Contract.

7.4 Utilising an existing contract will allow physical works to commence far quicker than alternative procurement routes. Reduced procurement and mobilisation time will be a key factor in the Authority's ability to take full advantage of the £2.35m and achieve full spend of the funds. There is considerable risk that full spend will not be achieved if an alternative procurement route is required.

7.5 Skanska have delivered Highways schemes both and major and minor through the contact since 2013 with a great deal of success. Works have been delivered effectively and efficiently. Utilising the existing Highway Services Contract will mean that the Council will realise the following benefits:

- Reduced procurement costs and maximised delivery time by using an existing framework contract.
- Improved project management and cost certainty through the utilisation of a target cost style of contract.
- Reduced construction costs through 'Early Contractor Involvement' (ECI) at the design stage to manage and mitigate more effectively any potential issues with the scheme.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 Not to deliver a programme of works: A do-nothing scenario has been ruled out, since the impact on the road network to communities and businesses would not be welcomed. This additional budget is ring fenced to be spent on the road network and cannot be spent for alternative means.

8.2 Defer the works: The funding award is only for 2020/21 financial year and must be spent before 31 March 2021. Therefore, there is no option to defer the programme until next year as the Council will not have the budget internally to contribute to the programme subsequently creating pressure on other maintenance budgets.

- 8.3 External tender for delivery: It is important to consider the amount of time and resources that would be required in order to complete a full tender and contract award exercise. This would significantly reduce the amount of time for delivery and almost certainly prevent full delivery by the 31st March 2021. Given the prescribed spend date this delivery option has been discarded.

9. LEGAL IMPLICATIONS

- 9.1 The Highways Act 1980 prescribes that the highway authority is under a duty to maintain the highway. This requires that the highway has to be maintained so that it is reasonably passable by the ordinary traffic of the area.
- 9.2 Approving the programme of works shall ensure that the highway network can be maintained, thereby meeting the statutory duty to maintain the highway. The improvements can be carried out using grant funding from DfT, thereby meeting the Council's transport objectives.
- 9.3 The Peterborough Highway Term Services Contract was procured under the Competitive Dialogue Procedure (under regulation 18 of the Public Contracts Regulations 2006) and permits the Council to call-off further works which are within the scope of the Contract.

10. FINANCIAL IMPLICATIONS

- 10.1 Approving the recommendation will ensure that that the planned expenditure is consistent with the capital program of works via the performance measurement and efficiency mechanisms built into the Peterborough Highway Services Contract.
- 10.2 If the recommendation is not approved there is a risk that the funding will be lost, creating a revenue pressure to the authority in the future.

11. PROCUREMENT IMPLICATIONS

As set out in this report.

12. EQUALITY IMPLICATIONS

- 12.1 An Initial Equality Impact Assessment has been carried out and there are no detrimental effects associated with the recommendation.

13. CARBON IMPACT

- 13.1 It is planned that the works will be delivered using the deep in situ recycled materials. Providing recycled materials are of the right grade to complete the works effectively this will limit the amount of new materials required. This reduces not only the carbon impact of manufacturing new materials but also the carbon associated with delivering new materials to site.
- 13.2 Furthermore, the use of in-situ recycling reduces the amount of materials removed from site to a waste plant.
- 13.2 Where new materials are required, a local asphalt plant will be used to reduce the distance of delivery journeys. The works will also be programmed where possible to reduce the number of deliveries required.

14. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

14.1 None.

15. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- Peterborough Local Transport Plan 4 (2016 – 2021)
<http://www.peterborough.gov.uk/ltp>
- Highway Asset Management Policy and Strategy (2016)
<https://www.peterborough.gov.uk/residents/transport-and-streets/highway-assetmanagement/#PolicyAndStrategy>
- Peterborough Highway Services contract (2013-2023)
Cabinet Member's Decision Notice (AUG13/CMDN/068)
<http://democracy.peterborough.gov.uk/documents/s17190/PHS%20CMDN%20V5%20Final%20pub.pdf>