

EXECUTIVE BOARD – 17 JANUARY 2017

Subject:	Renewing the Nottingham and Derby Highway Framework Contract
Corporate Director(s)/Director(s):	Andy Vaughan, Corporate Director of Commercial & Operations David Bishop, Corporate Director Development and Growth Gordon Thomson, Director of Energy, Waste & Highways Peter Price, Director of Traffic & Transport
Portfolio Holder(s):	Councillor McDonald, Portfolio Holder for Business, Growth and Transport
Report author and contact details:	Chris Keane, Head of Highway and Energy Infrastructure Tel: 0115 876 1363 Email: chris.keane@nottinghamcity.gov.uk Peter Wells, Infrastructure Asset Manager Tel: 0115 876 1351 Email: peter.wells@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	£125 million
Wards affected:	All wards
Date of consultation with Portfolio Holder(s):	20 th December 2016
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input checked="" type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>Highway and Energy Infrastructure serves Nottingham City Council as a core highway and mechanical and electrical contracting arm. At its heart is a clear insourcing model providing both commercial income and employment opportunity at a local level.</p> <p>To support the service it is essential to have access to further technical and specialist delivery services available to work at a local level. This supports the overall management of construction programmes through the utilisation of both internal and external resources as well as for specialist work activities for e.g. planned carriageway resurfacing.</p> <p>The most efficient and cost effective method of delivering the wide range of highway and mechanical and electrical projects in our annual work programme is to procure a multi supplier Highways Framework Agreement divided into specialist lots of which a proportion will be for the sole use of Nottingham City Council.</p> <p>The existing contract will expire in July 2017 and this paper outlines the recommended procurement strategy to deliver highway improvement schemes for a four-year period between 2017 and 2021.</p>	

Exempt information: State 'None' or complete the following

None

Recommendation(s):

1 To approve the procurement of a replacement Highways Framework Agreement in-line with Public Procurement Regulation 2015, in partnership with Derby City Council.

2 To delegate authority to both the Director of Energy, Waste & Highways and the Director of Traffic & Transport to call off contracts under the Highways Framework Agreement up to the value of £999,999.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The Authority adopts a mixed approach to the delivery of highway work which utilises the Council's own skilled workforce and fully supports the City Council's ambitious commercialisation agenda.
- 1.2 Renewing the Highway Framework in partnership with Derby City Council will result in the following advantages;
 - Economies of scale by producing the contract in partnership with Derby City Council.
 - A value-for-money delivery model with no fixed financial commitment to use the framework.
 - Opportunities for local Small to Medium Enterprise (SME) companies to tender for the work.
 - The potential for a local workforce either through direct employment or through regional SME sub-contractors.
- 1.3 The delivery model has number of additional benefits including;
 - Strong links to our corporate value and objectives
 - A highly flexible and responsive structure to accommodate short term changes to design programmes.
 - Local knowledge available in the planning and assessment of proposed works

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 It is essential that the authority has a compliant procurement route for the delivery of our highway construction and maintenance activities.
- 2.2 The Employment and Skills Support Service is Nottingham City Council's local employment and training service and will help the Council to deliver opportunities for local people while providing a free recruitment and training service to meet the workforce needs of contractors.
- 2.3 It is anticipated that the contract model will satisfy the funding requirements for European Regional Development Fund (ERDF), the Department of Transport (DFT), and the Regional Local Enterprise Partnerships (LEP).

- 2.4 Nottingham City Council and Derby City Council Highway & Transportation teams worked closely together on the establishment of the current framework contract, contributing to its success, and continue to work in collaboration.
- 2.5 The Derby and Nottingham Metropolitan Strategy 2030 strengthens those existing partnership ties. The Strategy aims to establish the national presence and international reputation that will enable the Cities to take best advantage of opportunities (such as the Midlands Engine and foreign trade and investment) that will benefit the D2N2 area and boost the wider economy.
- 2.6 The original framework agreement was approved by Executive Board on 22 January 2013 as part of the Ring Road Major Improvement Scheme And Procurement decision.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not renewing the Nottingham and Derby Highway Framework Contract – no authorised procurement in place for the provision of services and as such would not be compliant with Nottingham City Council's Financial Regulations and Public Procurement Regulation 2015.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The proposal seeks the continued use of the Nottingham and Derby Highways Framework Contract in order to commission Highways delivery in line with the City Council's Financial Regulations and Contract Procedure Rules.
- 4.2 The framework does not guarantee any value to successful contractors therefore the Council is not committed to any expenditure; therefore approval to extend this framework agreement does not carry a contractual commitment to spend resources.
- 4.3 Value-for-money is expected through economies of scale, using a flexible and responsive local structure, and the sharing of local expertise. By using an efficient framework, this maximises the potential to achieve the City Council's commercialisation agenda, whilst also supporting delivery of the Council Plan.
- 4.4 The framework satisfies funding requirements for a variety of bodies which will maximise external income to the City Council.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The proposals in this report provide for an effective procurement approach in the delivery of Highways Works. The strategy is in line with the City Council's financial and procurement regulations and is considered appropriate and will provide good value for money.
- 5.2 This report does not raise any significant legal issues. The Legal Services team is working with the procurement and highways teams to develop the framework and call-off contracts and has discussed with the highways team the breakdown of the works into appropriate Lots.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

6.1 N/A

7 SOCIAL VALUE CONSIDERATIONS

7.1 The overall procurement arrangements ensure delivery of specialist elements, flexibility in programming and resource targeting, and opportunities for local training and employment by requiring contractors to source staff through the Employment and Skills support service

7.2 The Employment and Skills Support Service has agreed training and jobs outcomes with Highways and Procurement as part of the Business Charter process. Going forward we believe this framework will offer a good opportunity to generate jobs for local people and these will be facilitated by a dedicated account manager in the Jobs Hub.

REGARD TO THE NHS CONSTITUTION

8.1 N/A

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix A, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Sue Oliver, Category Manager (Places).

Tel: 0115 876 2789

Email: sue.oliver@nottinghamcity.gov.uk

Nigel Jackson, Employment & Skills Manager

Tel: 0115 876 2523

Email: nigel.jackson@nottinghamcity.gov.uk

Andrew James, Team Leader Contracts and Commercial

Tel: 0115 876 4431

Email: andrew.james@nottinghamcity.gov.uk

Claire Gavagan, Strategic Business Partner

Tel: 0115 876 3722

Email: claire.gavagan@nottinghamcity.gov.uk

Tania Clayton-Perez, Commercial Business Partner

Tel: 0115 876 1980

Email: tania.clayton-perez@nottinghamcity.gov.uk