

# Report of the Strategic Director, Place to the Regeneration and Economy Overview & Scrutiny Committee meeting to be held on 21 December 2021

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## **Subject:**

Highways Services Future Procurement Programme (2021-2023)

## **Summary Statement:**

This report is to provide information and to advise members on the Highways Services procurement plans covering the financial years 2021/22-2022/23.

The report also provides information for members on the forthcoming procurement of contracts with a value in excess of £2m that will be undertaken in line with this programme in accordance with the requirements of Contract Standing Order 4.7.4 (CSO 2021/22).

## **EQUALITY & DIVERSITY**

As part of the procurement process Equality Impact Assessments will be undertaken at key points in the process, where requirements necessitate. All work undertaken will address issues of equality and diversity as they apply to protected characteristic groups.

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**Portfolio:**  
Planning, Regeneration & Transport

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**Overview & Scrutiny Area:**  
Regeneration & Economy

## **1. SUMMARY**

- 1.1 This report is to provide information and to advise members on the Highways Services procurement plans covering the financial years 2021/22-2022/23.
- 1.2 The report also provides information for members on the forthcoming procurement of contracts with a value in excess of £2m that will be undertaken in line with this programme in accordance with the requirements of Contract Standing Order 4.7.4 (CSO 2021/22).

## **2. BACKGROUND**

- 2.1 The Council's Corporate Procurement Strategy (2021-25) underpins all procurement activity and provides the mechanism to ensure that procurement takes place in accordance with the Council's Strategic aims, that it is effective and delivers best value to the district's residents. This means that procurement decisions under the corporate procurement process considers, as appropriate, quality and all the costs what will be incurred by the Council throughout the life of a contract period, or asset, not simply the price. Optimum results are achieved by early market engagement before commencing procurement, to achieve a good level of response from suppliers. Robust contract management also ensures that what has been procured is delivered to meet the initial requirements within the contracted terms and conditions, and represents value for money.
- 2.2 The Council's commercial approach to procurement activity is based on the requirement for efficiency, cost effectiveness and meeting needs. This approach reflects the wider economic context in which the Council operates and the risks and opportunities this offers.
- 2.3 Highways Services' contracts which have previously been reported to this committee and considered independently are not included in this report, or the Highways Services' Procurement Forward Plan as attached. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to this committee if their value exceeds the £2m Contract Standing Order threshold.
- 2.4 Highways Services undertake frequent procurement activity to both maintain and improve the highway network within the district as well as support the Council in its role as Highway Authority. The frequency of procurements exceeding the £2m threshold for reporting to this committee is set to increase over the next two years as a number of major projects within the Council's capital portfolio reach their delivery stages, and specific framework contracts reach the end of their term.

### **Categories of Procurement and Routes to Market**

- 2.5 Over the past three years the Highways Services teams have made increasing use of national frameworks to procure support and construction of their capital works programmes. The increasing use of framework procurements presents many benefits and has proven a valuable route to market for many major programmes using frameworks such as Crown Commercial Services (CCS), PAGABO or SCAPE. The continued use of this procurement strategy is reflected in the procurement forward plan set out in this report.

2.6 The categories of procurement which are undertaken consist of a range of professional and technical consultancy services, materials supply, construction contracts and technical support. Some procurements are carried out by the service as part of a wider consortium of purchasers (e.g. the West Yorkshire Surface Dressing Contract) where the activity is led by one of the constituent authorities. The following categories are used in the Forward Plan to describe the goods/services being procured:

<b>Type of Procurement</b>	<b>Definition and example types of procurements</b>
Asset Management	Purchase of materials and/or services required for the maintenance of assets (e.g. replacement street lighting, CCTV cameras, traffic signals or resurfacing contracts).
Works Construction Contracts	Contracts for the construction of new capital assets (or modification of an existing asset) (e.g. Corridor Improvement Programme schemes, highway structures and junction improvements)
Professional Services	Contracts for the supply of professional services required to support the development of projects (e.g. legal advice, land negotiation, stakeholder engagement and communications, strategic delivery partners and transport modellers).
Technical Services	Services procured to support delivery of capital programmes through the delivery of technical reports or data (e.g. land survey, drainage survey, traffic census data, statutory undertaker's equipment and GPR surveys).
IT Systems	Procurement of specialist IT systems (e.g. Stock Control systems, route planning software, CRM solutions, Network co-ordination & management systems and mobile data connections 3G/4G)
Training	Procurement of training services to support the Road Safety team (e.g. Theatre in Education and Bikeability)

### **3. OTHER CONSIDERATIONS**

#### **Need for Procurement Forward Plan**

- 3.1 As part of the Council's Procurement Strategy (2021-25) the Council has committed itself to publishing a pipeline of opportunities, market positions statements and commissioning strategies. By sharing these intentions and plans publicly the market will have an opportunity and time to engage with the Council pre-procurement in a considered and intelligent manner.
- 3.2 The publication of the Procurement Forward Plan for highways related activities does not in itself preclude members of this committee requesting that a more detailed report on the procurement strategy for specific items or projects be presented to a subsequent committee meeting and does afford the opportunity for committee time to be more targeted in considering procurement matters.

## **Material and Supplier Shortage Impacts on Procurement**

- 3.3 The impact of Brexit and Covid-19 on supplies of materials and availability of resources to construct capital projects is impacting on the ability of the Council to effectively procure these types of work. Contractors and suppliers are now having to deal with increasing material prices and reduced workforce availability and capability which means they are becoming more selective in which projects they supply bids for. The publication of the Procurement Forward Plan for Highways & Transportation schemes gives increased visibility to the Council's plans in the short- to medium-term for procurement activities which in turn enables contractors to plan their workloads more effectively. Publication of the Forward Plan can also lead to earlier supplier engagement with the service which in turn can lead to efficiencies in the ultimate procurement undertaken.

### **4. FINANCIAL & RESOURCE APPRAISAL**

- 4.1 All procurement is undertaken in accordance with the Contract Standing Orders irrespective of the source of funding. Where specific capital grant funding has been awarded to the Council to deliver its projects and programmes progression to procurement will only take place following approval of the preceding requisite assurance process (e.g. Full Business Case).
- 4.2 Large value contracts (i.e. those in excess of £2m) are generally developed by a working group comprising representatives from the procuring service, Legal Services, and Procurement to ensure that a robust procurement specification is developed. This arrangement has been used previously on the Smart Street Lighting project.

### **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 Procurements associated with the delivery of specific projects are subject to oversight by both the Council and funding body. Governance, of delivery of these projects is typically mandated as part of any funding agreement with representatives of the funding body (e.g. WYCA) being a part of the board for transparency. Project specific risk registers are developed and routinely monitored through the development and delivery stages of the project and Quantified Risk Assessment ("QRA") processes are adopted to ensure that an appropriate level of risk funding is secured within funding agreements to manage risks which cannot wholly be mitigated which may have a financial impact on the project.
- 5.2 With the establishment of the Highways & Transportation Procurement Forward Plan the service has created a "live" process of planning and monitoring its procurement activity. The plan is updated frequently by managers responsible for the delivery of the highways function and shared with procurement officers who jointly review the programme with the service management team to ensure that early discussion on procurement strategies can take place.

### **6. LEGAL APPRAISAL**

- 6.1 All procurement activity will be carried out in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders. All social value activity shall be carried out in accordance with the requirements set out in the Public Services (Social Value) Act 2012.

## **7. OTHER IMPLICATIONS**

### **Sustainability Implications**

- 7.1 The sustainability implications of any of the schemes and procurements described in this Forward Plan would ultimately be assessed as part of the procurement development activity to ensure that the department's functions and services maintain their capability and quality in ensuring that compliance with funding requirements in relation to sustainability is maintained.
- 7.2 Highway improvement schemes now must demonstrate increased provision for sustainable transport modes including cycling (which must comply with LTN1/20 segregation requirements) and the national Bus Back Better strategy. Failure to adopt these requirements to the maximum extent possible could impact on current and future funding of the service's capital programmes.

### **Greenhouse Gas Emission Impacts**

- 7.3 Each procurement as set out in this Forward Plan will incorporate appropriate provisions to ensure that the works, services and products which are procured take due consideration of their contribution towards the Council's response to the Climate Emergency. The specific details of provisions incorporated within the range of procurements as set out in this report will be determined on an individual procurement basis as part of the specification development process. However, it should be noted that those contracts which relate to delivery of highway improvement schemes are now required to demonstrate to the scheme funders their contribution towards reducing CO<sub>2</sub> emissions.

### **Community Safety Implications**

- 7.4 There are no community safety implications arising from this report.

### **Human Rights Act**

- 7.5 The Human Rights Act 1998 provides a legal basis for concepts fundamental to the rights of people.

### **Trade Union**

- 7.6 There are no trade union implications associated with the contents and strategy outlined in this report.

### **Ward Implications**

- 7.7 There are no direct implications in respect of any specific Ward arising from the contents of this report. There are no Human Rights Act implications arising as a consequence of this report.

## **Implications for Corporate Parenting**

- 7.8 There are no implications for corporate parenting associated with the contents of this report.

## **Issues Arising from Privacy Impact Assessment**

- 7.9 A full Privacy Impact Assessment will be undertaken to determine specific areas of UK General Data Protection Regulations (UK GDPR) and information security as part of the commissioning process. Within the context of procurement activities within the Transportation & Highways disciplines it is unlikely that transfer of personal data to bidders is required. However, as part of any procurement exercise a specific privacy impact assessment will be carried out as part of the preparation process.

## **8. NOT FOR PUBLICATION DOCUMENTS**

- 8.1 None

## **9. OPTIONS**

- 9.1 Whilst the predominant basis of this report is for information only on the future procurement activities of the highways service as set out in paragraph 3.2 above members may identify procurements which they believe may benefit specific consideration at a future meeting of the committee. Where such procurements are identified more detailed discussion of the procurement can be given to the committee in advance of any recommendation for a future item to be added to the forward work plan.

## **10. RECOMMENDATIONS**

- 10.1 That the Committee note the report.

## **11. APPENDICES**

- 11.1 Appendix 1 – Highways Services Procurement Forward Plan (2021-23)

## **12. BACKGROUND DOCUMENTS**

- 12.1 None