

Committee	Cabinet
Date	3 August 2004
Report By	Director of Transport and Environment
Title of Report	Future Delivery of Highway and Vehicle Services
Purpose of Report	Future Delivery of Highway and Vehicle Services

RECOMMENDATIONS

The Cabinet is recommended to:

- 1. note the progress made to date on the future delivery of these services;**
 - 2. note the evaluation method and criteria to derive a shortlist of companies ;**
 - 3. agree the tender evaluation model; and**
 - 4. agree to branding the Highway element as East Sussex Highways.**
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1. Financial Appraisal

1.1 Details of the financial aspects of this report can be found elsewhere on the agenda.

2. Supporting Information

Introduction

2.1 On 19 November 2003 the Cabinet agreed the strategy for the future delivery of highway and vehicle services. The strategy was based on streamlining service delivery with internal changes to the Transport & Environment Department and a revised balance of in-house and external consultant and contractor service provision. The proposals are designed to deliver a quality service to the public with improved co-ordination of work on the highway and achieve better value for money. Consistent with these aims is the principle of branding the services as 'East Sussex Highways'.

2.2 The proposals for the new service delivery have been examined by the Project Board undertaking the Best Value Review of Transport and were strongly supported. Staff and Unison have been involved in the design of the new arrangements and support is generally good. Staff are now naturally keen to see the precise detail of where they will fit into the arrangements. Further details will be issued to staff as part of the second round of consultation in September.

Highway Works and Vehicle Maintenance Contracts

2.3 The documentation for both contracts is well advanced and on schedule to meet the deadline for inviting tenders. The official advert in the European Journal attracted a good level of interest for both areas of work. Interestingly only two companies wished to be considered for both areas of work, indicating that it was the right decision to separate these two services. It could still be possible for a 'combined' bid to be presented as an alternative option.

2.4 The evaluation process to get down to a shortlist of companies progressed well. The criteria used are included at Appendix A.

2.5 As part of this process a tender evaluation model needs to be established and approved by Cabinet. Details are outlined in Appendix B for the Cabinet's consideration.

2.6 The risks associated with this project remain as outlined in the report to Cabinet on 19 November 2003. The main risks relate to continued delivery of service through the major period of change, transfer of staff and the provision of modern facilities.

Property and IT Issues

2.7 In order to introduce the new arrangements modern facilities will be required with sufficient capacity and appropriate IT. A review of the highway depots has been undertaken by Corporate Resources Directorate's Head of Property and is set out in Appendix C. A summary of the options is discussed elsewhere on this agenda

Timetable

2.8 The timetable is set out in Appendix D.

3. Conclusion and Reason for Recommendation

3.1 It is important to keep up the momentum with this project and deliver the future arrangements for managing these services. The Cabinet is, therefore, asked to agree the recommendations with regard to the tender evaluation model and the branding of the highway element.

BOB WILKINS
Director of Transport and Environment
27 July 2004
C3 August-ROCS

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Evaluation Criteria and Selection of Short-listed Companies to be invited to Tender

The Council has received 17 responses to the pre-qualification questionnaire (PQQ) for Highway Services and 9 for the Vehicle Maintenance contract. These responses have been evaluated in accordance with the criteria set out in the Public Works Contracts Regulations 1991 for the Highway Works Contract which are:

- eligibility;
- economic and financial standing; and
- technical capacity

And the criteria set out in the Public Services Contract Regulations 1993 for the Vehicle Maintenance Contract which are:

- eligibility;
- economic and financial standing; and
- ability and technical capacity

The response to each question was marked out and a weighting factor applied to each question to reflect its importance and relevance within the overall context of the evaluation.

An initial evaluation was carried out and the scores entered into the evaluation model. For Highway Works there was a clear step between the scores of the first 11 companies and the remainder. As a result it was decided to invite the first 11 to attend clarification interviews. Of the 17 companies that did apply for Highway Services, three actually failed on financial grounds and one on a very poor submission.

For Vehicle Services, of the nine companies that applied, four failed for financial and technical reasons and the remaining five were considered of sufficient quality to invite to tender. There are only two companies that appear on both lists.

Following the interviews, the responses to each question were evaluated and the scores amended where necessary.

Proposed Tender Evaluation Model

To ensure that the best value most economically advantageous tender (MEAT), rather than merely the cheapest, is selected the evaluation will consider the quality and deliverability of the tenderer's proposals. It is proposed that a 50/50 weighting be given to the financial and the quality aspect of the tenders.

Each criterion will be backed up by an extensive schedule of sub-criteria identified in advance and evaluated by a wide range of officers and, where relevant, external advisors. The project team will make a final assessment of each summary criterion taking account of all contributions from those involved.

Property Review of Highway Depots

Background

Following a report to Cabinet on 19 November 2003 a way forward was agreed for the future provision of highway and vehicle services in East Sussex, and it was agreed to carry out a property review of depot facilities

The proposal to bring the highway design staff back in-house means that there is a requirement for additional offices to house them.

The proposal to retender the highway and vehicle maintenance contracts also has implications for the depots as the existing depots do not meet requirements.

The Transport and Environment Department (T&E) has seven main highway depots plus two smaller depots managed by two Area Offices situated in the East and West of the County. The highway design staff need to be accommodated at both area offices.

Eastern Area

Requirements:-

Offices for 74 – 104 staff (probably 90)	492 sq m – 688 sq m (586 sq m)
Gritter sheds for 11 vehicles	409 sq m
Messroom	70 sq m
Storage for files	46 sq m
Salt Barn	760 sq m

No vehicle workshop is to be included as the vehicle maintenance contractor will be required to provide their own garage.

Ideally T & E would wish to co-locate the offices with the depot space.

There are 2 County Council owned Eastern Area office buildings, one at Heathfield and one at Sidley Depot. Heathfield is in the wrong operational location and Sidley is too small.

Western Area

Requirements:-

<u>Ringmer Depot</u>	<u>Required</u>	<u>Available</u>
Offices for 126 -136 staff	737 - 818 sq m	823 sq m including extension
Gritter shed for 7 vehicles	260 sq m	171 sq m
Messrooms	85 sq m	85 sq m
ESCC storage	46 sq m	
Vehicle workshop	929 sq m	3497 sq m
Highways workshop	233 sq m	233 sq m
Salt Barn	604 sq m	604 sq m

There are several office buildings at Ringmer Depot, a Council owned freehold site, but the total space is insufficient to accommodate the proposed number of staff.

To overcome this, architects have drawn up plans to enlarge the existing Area Office by joining it by a ground floor link to the existing Materials Laboratory which would be converted to offices.

The new enlarged building would accommodate all the highways staff and the vehicle, street lighting and traffic signal staff could be accommodated in the offices currently occupied by Colas with some alterations.

Timescale

The timescale for the work at Ringmer would not meet the deadline of 1 September 2005 so temporary arrangements will be needed. It is proposed to use portacabins at Ringmer.

The financial options are discussed elsewhere on the agenda.

Project Timetable

Activity	Deadline
Existing Contracts	1 September 1998 – 31 August 2005
Short List Companies	July – August 2004
Invite Tenders	September 2004
Tender Period	September – December 2004
Tender Evaluation & Clarification	December 2004 – April 2005
Award Contracts	April 2005
Mobilisation	May – September 2005
Contracts Start	1 st September 2005
Restructuring Transport & Environment Department	September 2004 – September 2005