

Place Scrutiny Committee Members Briefing

7th March 2016

Future Highways Contract

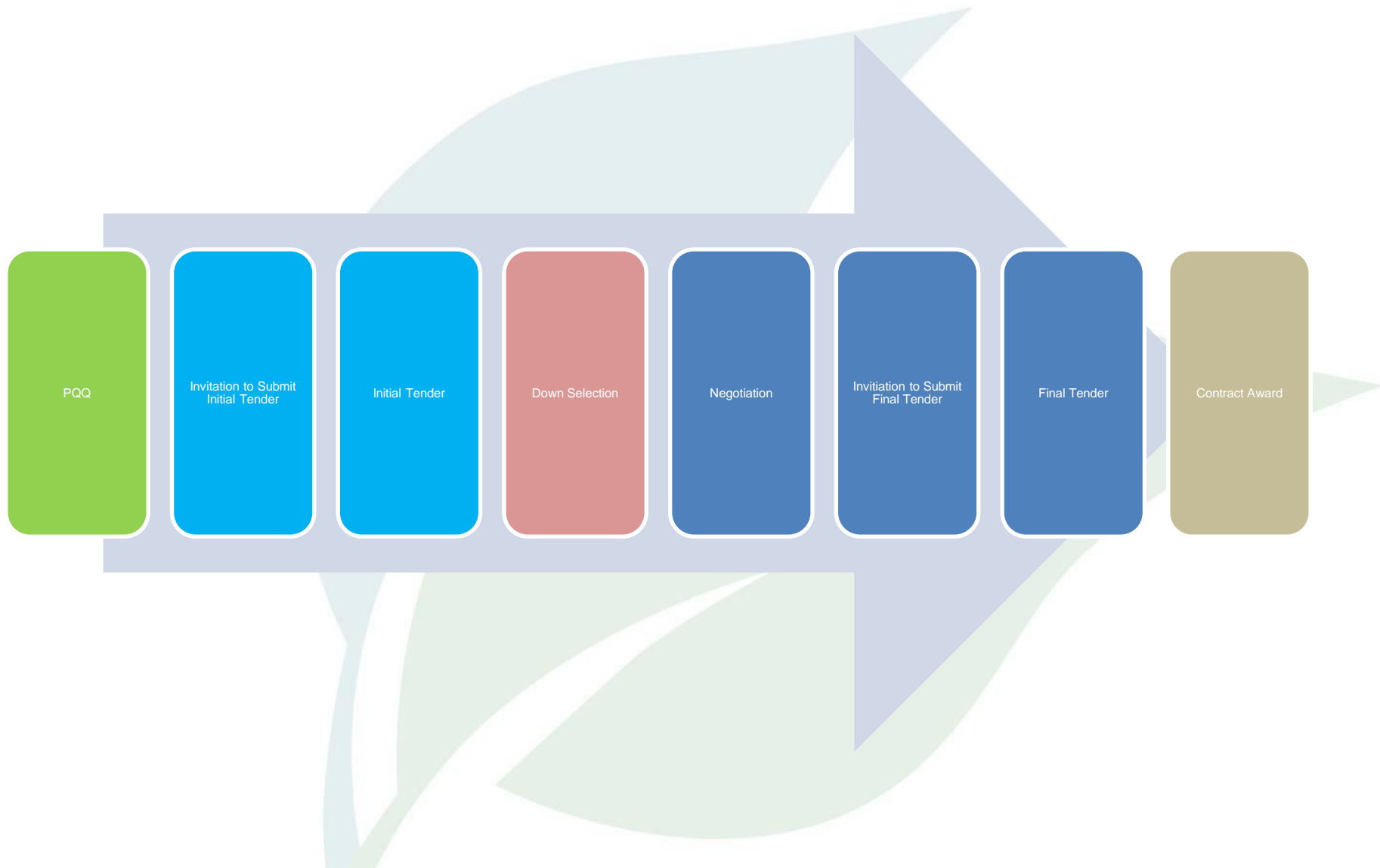
Purpose

- To update Members as to timescales for the contract
- To advise Members on procurement procedure
- To advise on evaluation methodology
- To advise on governance of procurement arrangements

Timescales

Deadline for Initial Tender submission	30 th March 2016
Notification of results of ISIT stage.	16 th May 2016
Negotiation with selected Tenderers	17 th May to 15 th July 2016
Issue ISFT Documents	18 th July 2016
Deadline for Final Tender submission	12 th August 2016.
Preferred Bidder identified	9 th September 2016
Cabinet Meeting	14th September 2016
Award Contract	26 th September 2016
Inaugural Meeting	10 th October 2016
Commence Mobilisation	17 th October 2016

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Procurement Route - Competitive Procedure with Negotiation

- New process introduced in the 2015 Public Procurement Regulations

Why use ?

- we are getting the market to move away from the traditional approach of bidding for one authority/contract to three, so there needs to be some tailoring of their normally readily available solution to best do this
- We are asking the market to bring innovation to the procurement through looking at how they can best support the strategic aims and expected benefits of working within collaboration.
- To bring together the knowledge of the industry to help co-design the contract

Procurement Route - Competitive Procedure with Negotiation

Advantages ?

- The procedure offers all of the benefits of a restricted procedure with additional flexibilities if required.
- Additional flexibility exists for documents to be developed through the process
- Suppliers can be “down-selected” or Direct award from initial tenders
- Indicates flexibility to the market which mean less risk is built into proposal as uncertainty can be removed and suppliers are not put off by the rigidity of alternative processes.

Evaluation Methodology

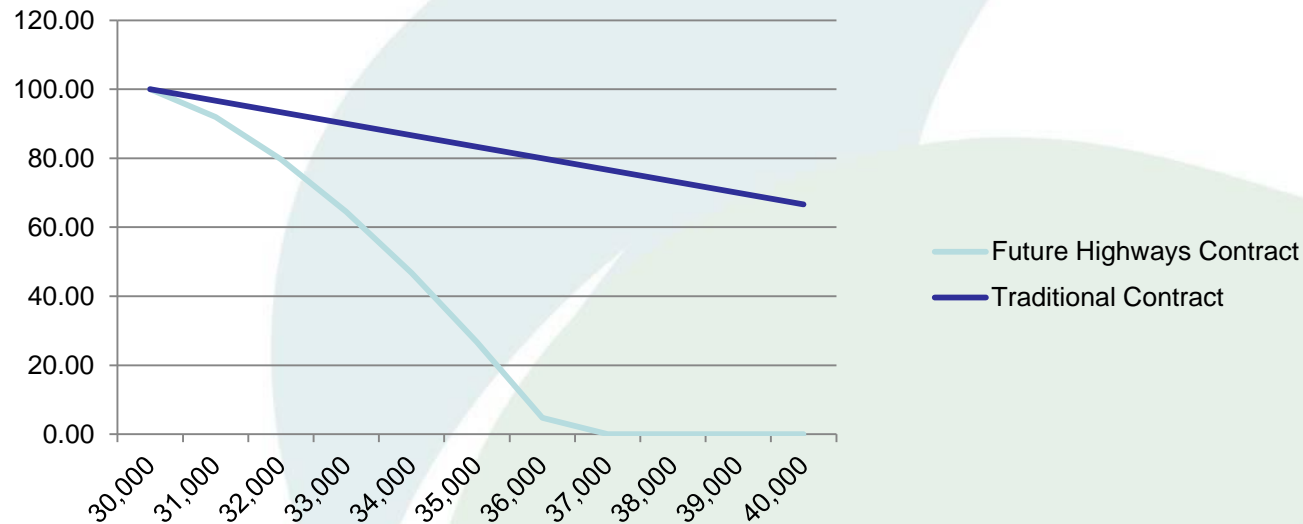
Three elements

Cost	40%
Technical Quality	25%
Additionality	35%

What is additionality ?

“The ongoing realisation of genuine benefits for the Authorities, beyond competent delivery of the Services (and which, as such, may also be fairly characterised as “value-added” components of the Tenderer’s offering)”

Evaluation Methodology – Cost 40% of score



if lowest tender is for £30million

=100 marks

or 40%

Traditional analysis if next one is £36 million

= 80 marks

or 32%

Future Highways analysis on £36 million

= 4.8 marks

or 1.9%

Evaluation Methodology – Technical Quality 25% of score

Analysed through a series of 11 questions, on

- Overall Service delivery
- Mobilisation
- Operational Structure
- Sustainable service (based on the LGA graph of doom)
- Structural maintenance *2
- Environment & sustainability
- Reactive maintenance
 - Safety Defects
 - Emergencies
 - Winter service
- Cyclical Maintenance

Evaluation Methodology – Additionality – 35% of score

Measured through 8 Quality Performance Objectives, based on 3 themes

Cultural Alignment

- Partnership principles
- Digital by Design
- Community Engagement and Social Value

Efficient Delivery

- Delivering integration and service deliveries
- Demand management
- Supply Chain Management

Innovation and Agility

- Innovation
- Agility

Evaluation Methodology – Additionality – 35% of score

Example

Quality Performance Objective 1: Partnership Principles 2.5% of Total Score.

The Contractor will work in accordance with partnership principles equivalent to those outlined within BS11000 (or similar) standards.

- Supports joint working across multiple authorities;
- Adopts a transparent approach;
- Drives regular continuous improvement and innovation through good working relationships;
- Demonstrates an awareness of cost, quality and customer perception through active benchmarking and performance review;
- Identifies and manages risk jointly with partners;
- Commits to cross-functional, integrated team-working and reporting (client(s) and contractor(s)).

Evaluation Methodology – Additionality – 35% of score

For each of the Objectives

Tenderers must provide up to five suitable Quality Undertakings

- Tenderer to take certain actions and / or achieve certain outputs in order to deliver
- Tenderers must also provide a clear mechanism for measuring successful delivery

The Quality Undertakings will be contractually binding.

Evaluation

- Only DCC staff will evaluate DCC tenders
 - > 20 staff involved
- Only DCC staff will undertake the negotiation for DCC tenders.
- Work externally audited by
 - Devon Audit Partnership
 - Foot Anstey

Governance

Strategic Partnership Board

Representatives from all three authorities

DCC representatives are Phil Norrey, David Whitton , Councillor Stuart Hughes

Most important underlying principle

That no authority will be put in a worse place by accepting a multi-lot tender than if the local authority had procured the contract independently.

Advantages of joint working

Provides multi-discipline input, across 3 Local Authorities

- Highways
 - Internal
 - HMEP peer review
- Business Strategy and Support
 - ICT
 - Procurement
 - Estates
- Finance
 - Internal
 - Devon Audit Partnership
- Legal
 - Internal
 - Foot Anstey
- HR

Advantages of joint working

Directly in line with devolution agenda

- Professional dialogue between 3 LA's to the benefit of the wider area
- Professional network developed for resilience

Economic multiplier

- Engagement of the local supply chain
- Money is “recycled” in the south-west

Allows access to industry knowledge in co-design

- Not an isolated viewpoint

Advantages of joint working

More important client than operating on own

- Generated national interest
- Core of what HMEP and industry seeking to achieve.
 - Incentive fund (worth up to £7m alone for DCC)
- Resilience of service delivery through collaboration between Authorities and Contractor (s)
- Supports mutual aid.

Paves way for future opportunities

- Harmonisation of back office support (ICT, etc)
- Business Growth (Materials Laboratory)
- Other joint procurements (salt purchase, high friction surfacing etc)