

Report To: Cabinet

Date of Meeting: 28 October 2014

Lead Member / Officer: Councillor David Smith, Lead Member Public Realm

Report Author: Andy Clark, Works Unit Manager / Stuart Andrews, Acting Strategic Procurement Manager.

Title: Award decision for the Denbighshire Highways and Civil Engineering Contractor Framework Agreement (Works up to £125 k. per contract).

1. What is the report about?

This report details the procurement provision for highway and civil engineering works up to the value of £125 k. per contract. This will be a collaborative framework agreement led by Denbighshire County Council, and will include Flintshire County Council and Conwy County Borough Council.

2. What is the reason for making this report?

A decision is required to approve the use of the Denbighshire Highways and Civil Engineering Contractor Framework Agreement (Works up to £125 k. per contract). The agreement covers the procurement of contractors for highway and civil engineering works and has been developed by Denbighshire County Council officers on behalf of Flintshire County Council and Conwy County Borough Council. The framework is a 'call-off' contract, i.e. with more than one provider, which will provide comprehensive coverage for the majority of highway and civil engineering works required within this Authority and participating neighbouring Authorities.

3. What are the Recommendations?

That Members authorise officers of the Authority to use the recently developed Denbighshire Highways and Civil Engineering Contractor Framework Agreement (Works up to £125 k. per contract)

4. Report details.

4.1 Denbighshire Highways and Environmental Services have previously procured contractors for highway and civil engineering works using a Minor Works Contract which has now expired. Since this contract expired contractors have been procured on an ad hoc basis. In order to comply with the requirements of the Official Journal of the European Union (OJEU) Regulations and Contract Procedure Rules it will be necessary to enter into a new framework agreement for the procurement of highway and civil engineering works.

4.2 In view of the above circumstances, Denbighshire County Council's Highway Works Unit Manager and Strategic Procurement Manager decided to develop

the framework agreement to cater for the delivery of these works. The opportunity to participate in this new agreement was offered to, and accepted by, both Flintshire County Council and Conwy County Borough Council, subject to receipt of confidentiality and participation documents.

- 4.3 This project will save DCC officers considerable time in procuring contractors for highway and civil engineering works and ensure that value for money is maximised.
- 4.4 The process has now reached a satisfactory conclusion and officers are therefore seeking permission to use the new framework agreement. Financial Regulation CPR 7.3 states that: "The use of any Framework Agreement resulting from a joint procurement with other local authorities or public bodies shall be approved by the Chief Finance Officer (Strategic Procurement Officer) prior to placing an order under the Agreement". The list of successful contractors is included in Appendix 1 attached.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 This agreement involves a collaborative partnership with neighbouring Authorities and will provide the scope for more cost effective procurement in order to achieve economies of scale and efficiency savings.

6. What will it cost and how will it affect other services?

- 6.1 Cost savings are difficult to predict but cost savings are anticipated as engineers using the framework will greatly reduce their time in obtaining approved contractors to carry out these types of work and they will also be able to assess projected costs for individual contracts more accurately.
- 6.2 The Framework is also available to other Departments such as schools, Property Services and Housing and Area Renewals to procure civil engineering works using approved contractors.

7. What are the main conclusions of the Equality impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

- 7.1 The adoption of the Framework agreement will have a neutral impact on protected characteristics.
- 7.2 The Equality Impact Assessment is attached to this report as appendix 2.

8. What consultations have been carried out with scrutiny and others?

- 8.1 The DCC Works Unit Manager and Strategic Procurement Manager consulted with their counterparts in both Flintshire County Council and Conwy County Borough Council.

- 8.2 The process was managed and led by the DCC Works Unit Manager and the Strategic Procurement Manager. This led to the establishment of a combined working group comprising of engineers and procurement officers to monitor and evaluate the progress of the agreement at every stage of the process thus ensuring the best possible outcome for all participating authorities. This group will continue to meet on a quarterly basis to monitor and evaluate the progress of the agreement.
- 8.3 Consultation took place with Business Wales to promote the Framework Opportunity to local contractors, which is in accordance with the Welsh Procurement Policy Statement.

9. Chief Finance Officer Statement

The proposal is in compliance with the Council's Contract Procedure Rules. The use of framework agreements has the potential to deliver procurement savings for the Authority whilst ensuring compliance with financial and OJEU regulations.

10. What risks are there and is there anything we can do to reduce them?

This framework agreement will mitigate the risk of future price increases whilst providing a comprehensive, standardised, procurement method for highway and civil engineering works.

11. Power to make the Decision

10.1 Section 111 of the Local Government Act 1972 and Clauses 7.3 and 25.4(c) of the Contract Procedure Rules.

Appendix 1

Denbighshire County Council. Highways and Environmental Services.

Denbighshire Highways and Civil Engineering Contractors Framework Agreement (Works up to £125 k. per contract).

SUCCESSFUL CONTRACTORS.

Contractor	Address of company
A .Parry Construction Co. Ltd.	Pleasant View, Bodfari, Denbigh, Denbighshire. LL16 4DY
Alun Griffiths (Contractors) Ltd.	Waterways, Merthyr road, Llanfoist, Abergavenny, Monmouthshire. NP7 9PE.
Dawnus Construction Holdings Ltd.	Unit 7, Dyffryn Court, Riverside Business Park, Swansea, SA7 0AP.
E. Jones and Son.	Bronallt, Clawddnewydd, Ruthin, Denbighshire. LL15 2NA.
G.H. James Cyf, Hogan Construction Ltd.	Utica Buildings, Trawsfynydd, Gwynedd, LL41 4DU. Drome Office, Gwalchmai, Holyhead, Anglesey. LL65 4RW.
Jones Bros, Ruthin (Civil Engineering) Co. Ltd.	Southern Region Office, Southern Office Suite 4, Dylan Thomas Centre, 1 Somerset Place, Swansea. SA1 1RR
K.M. Construction (NW) Ltd.	Lower Denbigh Road, St. Asaph, Denbighshire. LL17 0EL
Lawson Civil Engineering and Utilities Ltd.	Graig Farm Buildings, Graig Road, Denbigh, Denbighshire. LL16 5US.
G.H. Lewis and Sons Ltd.	Unit 1 Lon Parcwr Business Park, Ruthin, Denbighshire. LL15 1LY
M.W.T. Civil Engineering Ltd.	Oriel house, Tan-Y-Graig Road, Llysfaen, Colwyn Bay, Conwy. LL29 8UA
Peirianeg Sifil Gelli Civil Engineering Ltd.	Y Wern, Llanfrothen, Penrhyndeudraeth, Gwynedd, LI48 6LX