

**Open Report on behalf of Andy Gutherson, Executive Director - Place**

Report to:	<b>Highways and Transport Scrutiny Committee</b>
Date:	<b>10 June 2019</b>
Subject:	<b>Highways 2020</b>

**Summary:**

This report provides an update on progress with the Highways 2020 Project which will see the replacement of the existing three Lincolnshire Highway Alliance Contracts.

**Actions Required:**

Members are asked to comment on the report and its content.

1. The replacement of the current Highways Alliance contracts, which are due to reach full term on the 31st March 2020, remains on track. The current phase of the project is focused on finalising the evaluation of the tender submissions for the three Highways Alliance Lots – as indicated below

<b>Lot 1</b>	<b>Highway Works</b>
<b>Lot 2</b>	<b>Traffic Signals</b>
<b>Lot 3</b>	<b>Professional Services</b>

2. The Tenderers returned bids on the 25<sup>th</sup> March for all three Lots. . The overall project milestones remain on track to award in October 2019. Meeting this deadline will enable a suitable transition and mobilisation period.
3. In addition to the evaluation of the tenders received the project team is preparing for the next phase of the procurement process which requires a decision on whether the Council should enter into negotiations with the tenderers, or not.
4. As the authority has initiated all three Lots under the Competitive Procedure with Negotiation procurement route it has a decision to make on all three Lots of either award based on initial tenders or enter a negotiation phase.
5. Negotiation within the context of a public procurement activity is an exercise which requires significant resource and administration to complete compliantly.

Negotiations should therefore only be initiated where the benefits of negotiating outweigh the costs and risks associated with doing so.

6. A recommendation to not enter negotiations would be because the tenders received are generally good from a quality perspective and the costs submitted within the tenders are in line with the Councils expectations. Therefore opportunities to secure additional value through negotiation are limited.

### **Next steps**

7. The authority is reviewing the bid documentation to determine which Lots would benefit from entering into the Negotiation phase. During this phase, the Contractors and Consultants from their respective Lots would be invited to negotiate specific areas of the contract. The aim of this stage is to improve the bids by determining the best solution that delivers value for money for the residents of Lincolnshire.
8. If the authority chooses not to negotiate on one or all of the Lots the authority will continue to carry out due diligence on the submissions until the formal decision is made to award in line with the indicative timescales below.

### **INDICATIVE TIMESCALES**

<b>Stage</b>	<b>Deadline</b>
1. Issue Invitation to Negotiate - if negotiation not utilised, proceed to Stage 5.	31 <sup>st</sup> May 2019
2. Close negotiation, and issue Invitation to Submit Final Tender	28 <sup>th</sup> June 2019
3. Submission of Final Tender incl. Pricing	12 <sup>th</sup> July 2019
4. Final Tender Evaluation	12 <sup>th</sup> July 2019 – 23 <sup>rd</sup> August 2019
5. Highways and Transportation Scrutiny Committee	16 <sup>th</sup> September 2019
6. Executive	1 <sup>st</sup> October 2019
7. Contract Award	November 2019
8. Contract Start Date	1 <sup>st</sup> April 2020

### **4. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Paul Rusted, Infrastructure Commissioner, who can be contacted on 01522 782070 or [paul.rusted@lincolnshire.gov.uk](mailto:paul.rusted@lincolnshire.gov.uk)