



Mayor and Cabinet

Report title: Approval for Contract Award for Highways and Transport Services Framework Contract

Date: 26 August 2022

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Head of Strategic Transport, Head of Highways, Head of Public Realm Improvement and Delivery (report author), Director of Law, and Chief Accountant

Outline and recommendations

Mayor and Cabinet are recommended to award a contract to the following provider(s) as set out below to deliver the Highways and Transport Framework:

- 1) Project Centre Ltd,
- 2) Norman Rourke Pryme Ltd
- 3) Waterman Infrastructure and Environment Ltd

The contract will be for an initial period of 4 years, commencing October 2022, up to a maximum contract value of £2m.

Timeline of engagement and decision-making

The tender opportunity was advertised between 09/03/2022 – 22/04/2022 via the council's online tendering system (Pro-Contract Procurement Portal), as per the council's contract procedure rules.

An Approval to Procure report seeking permission was placed on the forward plan and approved at Mayor and Cabinet on 14 July 2021.

1. Summary

- 1.1. This report seeks approval to appoint three consultancy providers to a framework contract to work with the Public Realm division in delivering its traffic, highways, urban design and transport strategy programmes. This framework will cover transport and engineering services. This service will include but is not limited to:
 - Highways
 - Traffic
 - Urban Design/ Public Realm
 - Transport Strategy
 - Parking Policy
 - Traffic Order Making
 - Highways Engineering
- 1.2. This replaces the current Framework Contract for the Provision of Highways and Transport Design Services, which expired during 2021.
- 1.3. The majority of the council's capital programme is funded by external bodies and, consequently, annual workloads can vary significantly. In addition, the council has experienced significant difficulties in recent years in maintaining a stable workforce in this area due to the shortage of skilled staff in London.
- 1.4. The approach to this framework is different from the previous framework as it seeks to appoint a panel of consultants rather than a single supplier as previously; this is in order to increase resilience and to offer a variety in best practice for the council to consider and to ensure that the council has effective access to a flexible resource to enable it to deliver its traffic, highways, urban design and transport strategy programme to time and budget.
- 1.5. There is no guaranteed level of work and the consultants will be used in a supporting role to the council's in-house team. Previous experience in Lewisham and other similar authorities has demonstrated that this is a cost effective way of managing variable workloads.

2. Recommendations

- 2.1. It is recommended that the Mayor and Cabinet authorise officers to award a framework contract to three consultants: Project Centre Ltd, Norman Rourke Pryme Ltd and Waterman Infrastructure and Environment Ltd. The contract will be for four years, commencing October 2022, up to a maximum contract value of £2m.

3. Policy context

- 3.1. The Corporate Plan (2018-22) sets out the council's corporate strategy, values, priorities and budget. The contents of this report are consistent with the council's policy framework with particular relevance to the many economic, environmental and social improvements that rely on a modern transport system. The goals, objectives and outcomes for the intelligent management and delivery of highway service are aligned with the council's corporate priorities. In particular, highways services impacts on the following priorities:
 - open Lewisham
 - making Lewisham greener
 - building safer communities
- 3.2. To meet its priority to secure 'best value public services' the council is required to make arrangements to secure continuous improvement in the way it exercises its

functions, having regard to a combination of economy, efficiency and effectiveness.

4. Background

- 4.1. The council annually secures funding to supplement the core budgets for traffic and highways programmes. This comes from a variety of sources, including the Local Implementation Plan (funded by TfL), Section 106 income and special programme budgets. The level of funding from year to year can vary significantly and it can be difficult to adjust staffing levels to match the level of activity at any given time.
- 4.2. The Public Realm division has therefore adopted a mixed economy approach by having a core establishment supplemented by the use of consultants to cater for the peak demands. This is a particularly helpful and cost effective approach when operating in areas where availability of trained and experienced staff is limited.
- 4.3. The service was previously procured via the Framework Contract for the Provision of Highways and Transport Design Services. This contract went live in August 2017 and ended in August 2021.
- 4.4. The previous contract had a single consultant organisation. This limited the council's ability to be flexible and attain best value for money, as well as increasing risk in resource availability. Consequently, to ensure the council continues to have access to the skilled resources required to assist in the delivery of its traffic, highways, urban design and transport strategy programmes the procurement sought tenders from a range of consultants to work under a framework contract.
- 4.5. A comprehensive review of current provision was undertaken by officers across 2020/21 to inform the procurement approach for this service. Permission to proceed was agreed by Mayor and Cabinet on 14 July 2021.
- 4.6. Workloads are currently being managed following the end of the previous contract and the commencement of a new framework contract. Managing this interim period required calling off from the Ealing Framework Contract, of which Lewisham is part.
- 4.7. The council undertook a restricted tender process in accordance with the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations, inviting bids from consultancy services, for a fixed four year period, divided into two lots:
 - Lot 1: Traffic, Highways and Urban Design
 - Lot 2: Transport Strategy
- 4.8. During the tendering period nine submissions were received from contractors, all of whom submitted combined bids covering both lots.

5. Procurement process

- 5.1. The framework tender was open between 09 March 2022 to 22 April 2022.
- 5.2. The tender specification was reviewed on the procurement portal by 124 suppliers.
- 5.3. Forty-two suppliers expressed formal interest in the procurement.
- 5.4. Thirty-three of these opted out of the process or did not reengage after the initial expression of interest.
- 5.5. Nine valid submissions were received via the council's procurement portal.
- 5.6. The process was conducted in line with all applicable procurement legislation, and local policy and procedures.

6. Tender evaluation and synopsis of the bids received

- 6.1. Full synopsis of the bids received are set out in section 6 of the Part 2 report.
- 6.2. As stated in the 'Invitation To Tender' document the tender evaluation was weighted with 60% of the overall score based on quality and the remaining 40% on price. The price was split in to sub sections; A -20%,B -5%,C-5%, D-5% and E-5% the combined score results provided the final value for price evaluation.
- 6.3. The quality of bids was assessed based on nine criteria within the submissions. Two additional criteria were required as part of the submission but not used for weighted quality scoring.
- 6.4. The weighting of the individual quality criteria is set out as below:

Main Criteria	Weighting
Service Delivery	3%
Quality Assurance and Project Management (minimum standards and project management and control)	MS2A - 3%
	MS2B - 3%
Communication	6%
Key Performance Indicators (KPIs) and Continuous Improvement	5%
Equality, Diversity & inclusion	Un-weighted
Active Travel	10%
Parking	8%
Traffic Order Making	7%
Consultation and Engagement	10%
Social Value	5%
GDPR and Data Handling	Un-weighted
Total Quality Weighing	60%

- 6.5. Quality submissions were assessed between July and August 2022 by three separate assessors using the council's standard 0-10 scoring matrix. Any tenderers which failed to attain minimum threshold scores were deemed invalid.
- 6.6. Each officer undertook an independent evaluation of the submissions. A virtual moderation meeting supervised by a Senior Procurement Officer from the council's Procurement team took place, whereby all evaluators discussed their scores and reasoning, and agreed a moderated consensus score for each tender.
- 6.7. Moderation took place during August 2022.
- 6.8. The tables that follow summarise the final quality, price scores and overall scores for each tender:

6.9. Overall scoring

Rank	Tenderer	Overall score	Valid/Invalid
1	Project Centre Ltd	89.62	Valid
2	Norman Rourke Pryme Ltd	71.31	Valid
3	Waterman Infrastructure & Environment Ltd	67.64	Valid

4	Supplier A	62.85	Valid
n/a	Supplier B	n/a	Invalid tender submission
	Supplier C	n/a	
	Supplier D	n/a	
	Supplier E	n/a	
	Supplier F	n/a	

7. Financial implications

- 7.1 This report is asking Mayor and Cabinet to agree to the appointment of three consultants to the new Public Realm Framework Contract for a fixed period of four years and a maximum spend of £2m.
- 7.2 There are no direct implications relating to the new contract as all contracted works will be carried out within existing and ongoing funding agreements. No additional funding be required as a result of this report.
- 7.3 The latest CreditSafe reports have been reviewed and all nine tenderers' scores are acceptable.

8. Legal implications

- 8.1 The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV). Some of the requirements in those Rules are based on the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment) Regulations (EU Exit) Regulations ("the Regulations") with which the Council must comply. The value of the works contract is below the procurement threshold therefore the Regulations do not apply.
- 8.2 The report proposes the establishment of a framework agreement for four years. The potential value of the contract including the extension is above £500,000, which means that this is a Category A contract for the purposes of the Council's Contract Procedure Rules and one which is to be awarded by Mayor and Cabinet.
- 8.3 This contract has been externally and openly advertised as required by the Council's Constitution. If the proposal to award the contract is approved, award notices must be published in the prescribed form.
- 8.4 The report explains the evaluation approach and process applied to the bidders and the reasons for recommending the successful bidders for approval. The Invitation to Tender set out that tenderers had to reach specified scores. The process followed, including exclusion of tenderers who did not reach the minimum score, was in compliance with the advertised and required procedures.
- 8.5 The decision is a key decision under Article 16.2 (c) (xxiii) of the Constitution as the award of contracts is for £200,000 or more. It is therefore required to be contained in the current Forward Plan.
- 8.6 As part of this procurement and award the council's public sector equality duty has been taken into account. It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the council has shown due regard to the need to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; advance equality of

opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not

- 8.7 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. Mayor and Cabinet must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 8.8 The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.

9. Equalities implications

- 9.1 As part any tender evaluation process, tenderers were asked to address equal opportunities in the Method Statements
- 9.2 Consultation with hard to reach groups also formed a significant part of the assessment of the Consultation and Engagement criteria
- 9.3 Pedestrian and public transport users, particularly vulnerable users and people with mobility impairments are affected by a poorly designed environment. Best use of investment will improve access and ensure residents and visitors to Lewisham can move around safely and easily
- 9.4 The contract provides services for Highways and Transport Services Framework . The service is required to abide by equality legislation. The service specifications for the new services will focus on reducing barriers to employment and support for all underrepresented groups in line with the Equality Act 2010, and have considered the potential impact on all of the nine protected characteristics.
- 9.5 The Council's Equalities objectives are addressed in the contract documentation and were part of the tender evaluation criteria.

10. Climate change and environmental implications

- 10.1 The framework contract requires suppliers to incorporate best practice and demonstrate sustainable solutions, and minimise environmental impact of designs.
- 10.2 Consultants are expected to assist with designs and solutions that reduce carbon emissions, using innovative sustainable design and considering cleansing regimes. They will also consider construction solutions that have the potential to lower whole life carbon and whole life cost.
- 10.3 The council's environmental objectives are addressed in the contract documentation.

11. Crime and disorder implications

- 11.1 There are no specific crime and disorder implications resulting from this contract

appointment.

- 11.2 The services detailed in this report relates to the provision of The Highways and Transport Services Framework Contract. This will therefore make an important contribution to the work of the Safer Lewisham Partnership and link in directly with the Safer, Stronger Communities outcome to 'minimise harm caused by homelessness and rough sleeping'.

12. Health and wellbeing implications

- 12.1 Investment in and the design of highway environments has an indirect impact on health as a result of the positive impact on economic and environmental living conditions.
- 12.2 Providing a high quality public realm, improving access for all and delivering infrastructure for sustainable and active modes of travel contributes to encouraging people to walk and cycle more and to providing positive conditions for growth.

13. Social Value

- 13.1 The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured.
- 13.2 Bidders were therefore asked to submit a method statement that has a weighted score of 5%. Bidders needed to demonstrate how the service will contribute to the key social value outcomes, including how the organisation works with local employers and training organisations to remove stigma and barriers to support individuals in returning to employment, training and/or education
- 13.3 The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate. Successful contractors will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the tender documents.
- 13.4 The incorporation of social value into Lewisham contracts will significantly help the council to deliver on its strategic corporate and Mayoral priorities and deliver added value for the borough as a whole.
- 13.5 Once contracts have been awarded the social value delivery and monitoring be formally reported on the KPI Performance report.
- 13.6 The three appointed consultants will be encouraged to employ locally.
- 13.7 The recommendations included in this report will contribute to making Lewisham a greener more environmentally sustainable borough.

14. Contract Management

- 14.1 In accordance with the council's contract management framework this contract is a tier 3 contract. Contract Management meetings will be held on a monthly/quarterly basis and the key performance indicators (KPIs) on the contract management dashboard will be monitored and reported on accordingly.
- 14.2 The framework contract will be managed by staff in the Highways and Strategic Transport teams within the Public Realm division.
- 14.3 Where works for an individual project are costed below £50,000 the job will be awarded to the consultant with the highest overall score on the framework (Project Centre Ltd).
- 14.4 Any works with a predicted cost above £50,000 will be awarded to one of the three

chosen contractors via way of a mini-competition.

15. Background papers

15.1 The following background documents were referenced in this document.

- Approval to Procure report (14 July 2021)

16. Glossary

16.1 Description of terms below

Term	Definition
LLW	London Living Wage
TfL	Transport for London
LTN	Low Traffic Neighbourhood

17. Report author(s) and contacts

17.1 **Report author:** Joe Turner – Head of Public Realm Improvement and Delivery:
joe.turner@lewisham.gov.uk

17.2 **Comments for and on behalf of the Executive Director for Corporate Resources:**
Shola Ojo, Principal Accountant, Financial Services: shola.ojo@lewisham.gov.uk

17.3 **Comments for and on behalf of the Director of Law, Governance and HR:** Sohagi Patel, Senior Lawyer, Legal Services: sohagi.patel@lewisham.gov.uk

18. Approval

I approve the appointment, as per the details set out in this report.



Signed:

Date: ...22nd September 2022

Name: ... Zahur Khan, Director of Public Realm on behalf of Jennifer Daothong
Executive Director of Housing, Regeneration & Public Realm