Regional Transport Forum – 1st July 2011

Eastern Highway Alliance Framework

Report by: Keith Dove, Strategic Transport Sub Group

Purpose of report:

• To update the RTF about progress being made in the procurement of the Eastern Highways Alliance framework.

Recommendations:

• To note the significant progress being made in procuring the Eastern Highways Alliance framework.

1 Introduction

1.1 Members will recall that at the June 2010 meeting of the Forum, a timetable was set out for the procurement of the Eastern Highways Alliance Framework Contract. The purpose of this note is to update the RTF about progress being made to select the preferred Contractors.

1.2 Current members of the Alliance are Bedford Borough, Cambridgeshire, Central Bedfordshire, Essex, Hertfordshire, Luton, Norfolk, Southend and Suffolk. Peterborough are members of the Midlands Highway Alliance and Thurrock have decided not to join at this time.

2 Progress

2.1 The work is being progressed by two working groups, and co-ordinated by a Steering Group which meets quarterly. The Contract working group is preparing the contract documents which are based on the NEC3 Framework Contract and the Technical working group is developing the Specification, Methods of Measurement, Bill of Quantities, and Standard details.

2.2 A lot of work in finalising the work of both groups has taken place over the last few months, in particular informed by the “Industry Day” held on 17th May and attended by representatives of 26 contractors. There were two main strands of comments, one relating to the procurement of contractors for the Framework and the other related to the operation of the framework. The latter needed to be returned to when operational aspects are being decided. In regard to the framework procurement process key issues raised were:

• Number of contractors on the framework: after some discussion it has been agreed that this should be described as “up to 4”. This would give a bit of flexibility and a fourth could be added if very close to contractor 3.

• Quality/Price: The point had been made that too much emphasis on quality put smaller contractors at a disadvantage as they did not have the bid resources of bigger ones. This links particularly to the ability to evidence quality systems rather than the actual quality of the product or performance. It was agreed that as the ratio is currently proposed to be 40/60 this should not be changed but how quality is measured is the
key factor; so scoring mechanisms needed careful consideration to ensure they did not disadvantage smaller contractors.

- Sub-regional pricing: as the region is large some contractors had said that different pricing regimes should apply to different areas. It has been agreed that there should only be one set of prices.

2.3 The latest programme is as follows:

- Late July 2011 - Publication of OJEU notice
- Early September 2011 - Pre Qualification Questionnaire
- Late October 2011 - Tender documents issued
- Late February 2012 - Tender award
- 1\textsuperscript{st} April 2012 - Contract starts

2.4 All the Local authorities who are members of the EHA will shortly be invoiced for 2011/12, at a rate of £5,000 per Unitary authority and £10,000 per County. This is being co-ordinated by Cambridgeshire County Council. Additional funding has been sought via “Improvement East” (the new Regional Strategic Partnership for the East of England), and a report is going to their Board on 22\textsuperscript{nd} of June to, hopefully, approve £183,000 funding for this year. Any delay in a decision from Improvement East to continue to fund this project could impact on successful delivery of the above programme. In future financial years it is expected that the Alliance will be self-funding.

3 Conclusion

3.1 The programme for procurement of the contractors currently remains on target to commence in April 2012, as previously reported to the RTF. Good progress is being made in completing the Tender and Contract documents, although any delays in funding approval from Improvement East could impact on the programme.