

Item No. 19.	Classification: Open	Date: 11 December 2018	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval for Southwark Highways Works Contracts	
Ward(s) or groups affected:		All wards	
Cabinet Member:		Councillor Richard Livingstone, Environment, Transport Management and Air Quality	

FOREWORD – COUNCILLOR RICHARD LIVINGSTONE, CABINET MEMBER FOR ENVIRONMENT, TRANSPORT MANAGEMENT AND AIR QUALITY

In July, cabinet reviewed how it would contract its highways work in the future. It decided to bring back in-house those parts of this service where this would be practical: highway safety inspections, carriageway gully cleaning and some design work. For the remainder of the service, cabinet agreed that we should establish a tendering process to enable new contracts for highway works, which would start on 1 July 2020, and highway professional services, starting 1 January 2021.

This report sets out the strategy for the procurement process for these contracts. For highway works, the contract will be let in two lots: one for on-going maintenance and one for planned renewal and improvement projects. For professional services, the contract would comprise three lots: structure inspection and design; highway design and management; and drainage system design and management.

The approach set out will ensure that Southwark Council can procure high quality services for its highways that also represent good value for money, whilst also bringing back in-house those elements of the service where doing so makes sense.

RECOMMENDATIONS

1. That the Cabinet approves the procurement strategy outlined in this report for two separate contracts:

Works Contract

- Southwark Highways Works Contracts in two lots commencing 1 July 2020 for an initial duration of five years and nine months, with an option for the council to extend for up to two further years.
 - Lot A – Maintenance (for small scale reactive repairs) at an estimated maximum total cost of £15.9m (1 supplier)
 - Lot B – Projects (for planned renewal / improvement projects) at an estimated maximum total cost of £55.4m (1 supplier).

Services Contract

- Southwark Highways Professional Services Contract consisting of three lots, commencing 1 January 2021 for an initial duration of five years and three months, with an option for the council to extend for up to two further years.

- Lot A - Structures Inspections and Design at an estimated maximum total cost of £7.3m
- Lot B - Highway Design and Management at an estimated maximum total cost of £11.6m
- Lot C - Drainage and SUDS (Sustainable Drainage System) Design and Management at an estimated maximum total cost of £3.6m.

BACKGROUND INFORMATION

2. This Gateway 1 Procurement Strategy Report relates to the Gateway 0 Strategic Options Assessment for the 2019+ Highways Services Delivery that was approved at Cabinet on 24 July 2018.
3. That Gateway 0 approved the insourcing of:
 - Highway safety inspections
 - Carriageway gully cleaning
 - Enhancing the design team.
4. That Gateway 0 also required officers to prepare a Gateway 1 report for further Cabinet consideration on the procurement strategy for the out-sourced works and services.
5. These works and services are currently being provided by Conway Aecom Ltd under the Highways and Professional Services (HAPS) Contract. The provision of the services was divided into Lots as detailed below:
 - Lot A – Highways Maintenance
 - Lot B – Project Delivery (Works)
 - Lot C – Professional Services.
6. The lots commenced on 1 April 2013 for a duration of six years taking the contract through to an expiry date of 31 March 2019. The contract allowed for an option for Southwark Council to extend the contract for any duration of up to two years by informing Conway Aecom in writing with a minimum of three months notice. Cabinet approved an extension of this contract for up to two years on 13 March 2018. The decision on the actual duration of the extension has been delegated to the then strategic director for environment and social regeneration (now strategic director for environment and leisure). Southwark Council needs to inform Conway Aecom of the contract extension decision by 31 December 2018.
7. During 2017-18 spend on the reactive maintenance works remained steady at just over £2m per annum which is a full spend of the available budget. Spend on capital works was close to £10.5m per annum and there is a carry over of around £2m on major maintenance schemes (NPR & PR) to 2018-19. Spend on design and professional services was just over £3m per annum.
8. The average annual revenue budget for highways maintenance over the past three years (2015-16 to 2017-18) was £2.5m per annum. The average annual capital budget for work, including external funding, over the past three years (2015-16 to 2017-18) was £7.85m per annum. The average annual capital budget for professional services over the past three years (2015-16 to 2017-18) was £3.1m per annum.

Summary of the business case/justification for the procurement

9. Under the Highways Act 1980 Southwark Council, as Highway Authority for most of the public roads and pavements within the borough of Southwark, have a responsibility to ensure those public highways are maintained to a safe standard. This will cover everything from a standard “pothole” repair to gritting the roads and pavements deemed necessary during freezing conditions and snowfall. In addition to these statutory duties the council also has a responsibility to endeavour to improve the highway network where feasible. This is carried out by capital funding which can be from Southwark’s own budgets or from external partners such as TfL or through developers S106 / CIL funds. The contract arrangements will require flexibility to accommodate uncertainty over future budget levels, particularly where these funds are from external sources.
10. Improvements to the highways network will help the council achieve a number of their Fairer Future Commitments. Improvements to the footways and cycleways will encourage residents and visitors to adopt a more sustainable mode of transport than a motor vehicle, to help provide a greener borough and encourage more active and a healthier life. A number of highway improvement schemes are implemented alongside other initiatives to help create a vibrant Southwark.
11. The services in scope can be summarised as follows:
 - Emergency or urgent reactive repairs
 - Planned maintenance and repairs
 - Carriageway gritting / winter service
 - Carriageway resurfacing
 - Footway renewal
 - Capital project delivery
 - Design and associated professional services.
12. Although there are many challenges and pressures placed upon it, Southwark Council has a highway network to be proud of. In the 2017 National Highways and Transport Surveys Southwark achieved “Best in Country” in nine categories and “Best Improved” in seven categories. In 2018 Southwark Council went one better and were awarded the National Transport Local Authority of the Year. This doesn’t mean Southwark Council are complacent – Southwark Council know they have to continue to improve to provide the best possible highway network for the residents, businesses and visitors to Southwark.

STRATEGIC SERVICE DELIVERY OPTIONS AND ASSESSMENT

13. During the first few months of 2018 a project board was developed to consider the most appropriate method of delivering the highways services once the current HAPS contract expires. A number of meetings and discussions have been held with Southwark officers, suppliers and other Highway Authorities, which have allowed Southwark to review the success and issues of the current contract and consider different options including possible joint working with neighbouring boroughs.
14. As mentioned above under Background Information all three lots of the current contract were awarded to Conway Aecom as the tender assessment concluded this was the most beneficial option. However, the perceived benefits of having an

integrated contract including the maintenance functions, project delivery and professional services delivered under one contract has not materialised. Therefore, a decision was taken to recommend a separate contract for works and a separate contract for professional services.

15. A workshop was held with the project board and other strategic heads of service within the Environment Department to consider the various tasks required of the highway service and review the most effective methods to deliver them. This review considered in-house delivery and external provision for the full range of tasks and functions.
16. For the tasks where it was considered that outsourcing was the most appropriate delivery option these were split into the separate works and professional services packages. These were then further split into the most appropriate lots for each contract.
17. For the works contract these were split into two lots. It was considered to be most appropriate to split these lots into task size and required speed of action. The first lot will be Lot A Maintenance for small scale reactive repairs and the second lot will be Lot B Projects for planned renewal / improvement projects. It was felt that some smaller contracting firms may be tempted to bid for the smaller scale Lot A contract but might not have the management or financial resource for larger scale planned projects. There would be no restrictions on firms bidding for one or the other lot or both lots together.
18. For the professional services it was considered most appropriate to split these into task disciplines. Splitting the professional services contracts in this manner will allow smaller scale, and possibly local, SMEs who may specialise in one discipline to bid for any one of the lots. There would be no restrictions on firms bidding for any one, two or all three lots together.
19. To provide continuity of service it is the intention to extend the current professional services element of the contract for a period of six months longer than the current Highway Maintenance and Project Delivery (Works) elements of the contract. Each of these projects and schemes will have a planning and programming mobilisation period of around three months to request Streetworks permits, issue statutory notifications and request Temporary Traffic Regulation Orders etc. This will ensure that the new contractor for the Lot B Projects contract will have a number of projects and schemes that they can commence as soon as their contract starts.
20. The items below are the considerations made during this assessment.

Market considerations

Benchmarking

21. As highway maintenance is a statutory requirement, and highway improvements are essential for the ever increasing population and to drive regeneration and improve safety every highway authority ensures this function is delivered. All authorities in London rely on outsourced provision for at least some of these services. A small number deliver some of these elements in-house. The highways maintenance, highways improvements and highways professional services market is very competitive throughout the UK. This is even more so in London due to the close proximity of 34 different highway authorities (32 London Boroughs, City of London

and Transport for London) and a number of major development sites that require roads, pavements, cycleways, open spaces etc. There are currently at least eight contractors and eight consultants who provide similar services within the London Boroughs. The works provision across the London Boroughs can be summarised as:

- 5 x Mixture of in house and out source delivery
- 1 x PFI
- 5 x TfL London Highways Alliance Contract (LoHAC) framework (all services)
- 23 x Complete out source.

22. The current HAPS contract was tendered at a time when, according to the Office for National Statistics, the UK was slowly recovering from an economic recession and construction output figures were in steady decline. However, the recent construction output figures from the Office for National Statistics indicate little recovery and some sectors, including public, are still in decline.
23. Therefore, it could be expected that any tenders carried out soon would be as competitive as those carried out some years ago.
24. There are a number of contractors capable of delivering highways maintenance and improvements projects for Southwark Council ranging from fairly small family run businesses to multi-national and multi-disciplined conglomerates.
25. Similarly for the professional services delivery there are a range of professional consultants who operate within the London area who are all capable of delivering the services required.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

Do nothing

26. This is not an option as the council has a responsibility to ensure the highway network is maintained in a safe condition under the Highways Act 1980. Improvements to the network, and in particular the cycle routes and footways, will also help the council to meet some of their Fairer Future Commitments. The current HAPS contract can only be extended for a maximum of two years and must terminate by 31 March 2021. If no action is taken, Southwark Council will be left with no ability to carry out their statutory duty to ensure the highway is maintained in a safe condition. This would leave the highway slowly degrading, resulting in a potentially hazardous network for the public and possible disruption to those travelling on the highway network. This would leave the council in a vulnerable position in relation to insurance claims and possible litigation.

In-Source

27. The Gateway 0 approval was to in-source the highway safety inspections and carriageway gully cleaning operations and enhance the current design team. This report highlighted the reasons for outsourcing the remaining works such as the fluctuation of workflows and the required capital investment in plant, machinery and materials. The report also highlighted that the numbers of the current design team would be enhanced to an optimum level to undertake all standard designs for

highways, structures and drainage project works. An outsource option will be available through the Southwark Highways Professional Services Contract for fluctuations in workflow and specialist design or professional services.

External procurement

28. The nature and value of these works and services means that the full tendering requirements of the Public Contract Regulations 2015 and the Public Sector Directive 2014/24/EU/ would apply.
29. External procurement is required for the remaining works and services that need to be delivered to maintain a highway network that is safe, in good condition and functional for the residents, businesses and visitors of Southwark. Various delivery methods have been considered and these are detailed below:

Private finance initiative

- Normally this type of contract is for those authorities whose networks are in a very poor condition at the start of the contract and needed a dramatic initial investment. Compared to current national road conditions the highways within Southwark are in a relatively good condition. This option would provide an initial boost in improvements into the Southwark highway network. However, the council would be committed to long term investment (normally 25 years) with little return after the first few years. In the October 2018 budget the Chancellor of the Exchequer announced the Government would not enter into any further Private Finance Initiative contracts.

Existing frameworks

- The council's Housing and Modernisation department is currently tendering for a new Professional Services Framework. Where this framework contract provides the required services at economically advantageous rates and service it will be used. However, due to the nature of this contract the opportunity to use it within the specialised industries of highways, structures and drainage will be limited.
- LoHAC was created by TfL to cover the highways maintenance and project delivery service throughout the TfL Road Network. The LoHAC contract is due to expire in March 2021. Discussions have been ongoing between TfL and Southwark Council, particularly through the London Technical Advisers Group, regarding the format of the TfL delivery mechanism to replace these contracts. The current plan for the replacement contracts indicates they would not be efficient for Southwark's delivery method, but could be used as a back up if required.
- Ealing Framework (for Professional Services) – Southwark Council has an Access Agreement with Ealing Council for the London Contracts and Supplies Group for Lot 3 – General Engineering and is using this framework for design and professional services for highway schemes. This framework is not sufficient for all the services that Southwark require. The council could extend their agreement to include other lots including Bridge Inspections, Condition Surveys and Flood Management. This Framework runs until March 2021 and is likely to be extended beyond that time.

Tender

- A competitive tender to select a suitable supplier or suppliers to take over the relevant works and services on expiry of the current HAPS contract would ensure value for money is being achieved and the latest industry standards and guidance is being followed.
- Following a well established decision tool, providing a series of questions to help determine the most appropriate procurement route, considering elements such as the requirements of the market and needs, resulted in a choice of the restricted procedure. This will enable the council to ensure all bidders have suitable experience and knowledge and have the financial standing for such a contract prior to invitations to tender being issued.
- Using the proposed procurement route of a restricted process will ensure the works and services are being undertaken by an experienced and capable contractor or supplier.
- The restricted process is a two stage process.
- For both the Works Contract and Professional Services Contract, the first stage is a Supplier Questionnaire where potential bidders will apply to be shortlisted for an Invitation to Tender. All potential bidders will need to supply company or organisation details along with their experience of providing similar services elsewhere.
- From this Southwark Council will select the top ranked potential bidders as outlined later in this report and invite them to submit a tender. Their bids will be evaluated on both their price and quality of tender submission.
- For the works contract the assessments will be based on an individual assessment of each tender for each lot and for those contractors that have bid for both lots an assessment of their bid for both lots. The most economically advantageous tender to the council will be awarded the contract. This may be a separate contractor for each lot or a single contractor for both lots.
- For the professional services contract the assessments will be based on an individual assessment of each tender for each lot and for those consultants that have bid for two or all three lots an assessment of their bid for two or all three lots. The most economically advantageous tenders to the council will be awarded the contract. This may result in different suppliers being appointed to each of the lots under the contract or having the same supplier for either two, or for each of the three lots.
- This is a robust procedure for selecting the most economically beneficial tender for the council. It will provide the council with the confidence that the selected supplier has the necessary skills, experience and financial stability to undertake the contract.
- This procedure has been market tested on numerous previous tenders within Southwark, the UK and the EU and is shown to provide a fair and comprehensive selection method.

- The different types of contract have been considered and the NEC4 Term Service Contract is the most appropriate for both the works contracts and the professional services contract.
- The impact of the exchange rate of sterling and the changes to the free movement of labour due to the UK's imminent withdrawal from the EU would need to be considered. The UK road maintenance, project delivery and professional services industry is fairly reliant on the free movement of labour from Europe and the free movement of materials, plant and labour from Europe to provide an efficient and free flowing service to the highway authorities.
- It is uncertain how suppliers will view these risks in their pricing strategy or how long it will be until the risks are resolved. It may be that bidders feel they need to increase their prices to cover a "worst case" scenario regarding the final deal of the UK withdrawal from the EU. In this case Southwark may end up paying a higher rate for the works and services. If the bidders do not allow a sufficient contingency to cover this risk the successful contractor(s) may end up having under-priced the contract and may seek ways of redressing their loss.
- To provide some certainty for the bidders and the council it is recommended to issue the first stage of the tender documents for the works contracts – the Supplier Questionnaire – in April 2019 following the deadline for the UK withdrawal from the EU. The tender documents, when the bidders will be pricing for the contracts, will be issued in August 2019, allowing the industry to assess the impact of the withdrawal agreement.
- The tender process for the professional services contract will follow approximately six months later.

Shared service delivery

- Discussions have been held with a number of neighbouring Boroughs. A number of these (City of London, Tower Hamlets, Bromley and Croydon) have recently extended their current contracts or awarded new contracts under long term arrangements. Both Lewisham and Lambeth councils have contracts due to expire between March 2019 and March 2021. Further discussions were held with both boroughs regarding the possibility of a service shared between the three boroughs. The possibility of aligning the contract and tender documents across the boroughs was considered in some depth. It is considered by Southwark officers the benefits of any reduced costs would not outweigh any dis-benefits of additional contractual complexities and contract management. It is therefore not proposed that we enter into a shared procurement and contract but officers will continue to work with Lambeth and Lewisham regarding aligned contract, specification and tender documents to ensure value for money and avoid unnecessary duplication of effort.

Voluntary sector/not for profit

- There are no known voluntary sector or not for profit organisations that provide the required service.

Contract packaging

30. To provide the flexibility needed to deliver capital funded projects it is the intention to split the works and design / professional services into different contracts.
31. The works contract will be known as the Southwark Highways Works Contract (SHWC) and be split into two Lots.
 - Lot A – Maintenance
 - Lot B – Projects
32. The works contracts would need a high level of initial investment from the successful contractor(s). To be able to deliver the service efficiently they would need a compound / depot in or close to Southwark for the duration of the contract. A workforce sufficient to carry out all the tasks required would need to be secured. The contractor(s) would need to procure vehicles, plant, equipment, tools and materials to carry out all the tasks that may be expected of them. There is no guarantee of spend and there will be no exclusivity in the contracts. The market testing via the tender may result in the most economically advantageous contractual arrangement being a single supplier awarded to both lots of the works contract.
33. At the workshop mentioned in the strategic service delivery options and assessment section above each task required to be undertaken by out-sourcing was analysed to determine the most appropriate lot to put it in.
34. Southwark Highways Works Contract Lot A Maintenance will be a single supplier contract and include the routine maintenance, winter service and reactive repairs to the highway. The tasks will include, but not be limited to:
 - Urgent reactive maintenance of footways (2 / 24 hour call outs)
 - Urgent reactive maintenance of carriageways (2 / 24 hour call outs)
 - Urgent reactive maintenance of structures (2 / 24 hour call outs)
 - Planned maintenance of footways (7 / 28 days)
 - Planned maintenance of carriageways (7 / 28 days)
 - Planned maintenance of structures (7 / 28 days)
 - Planned maintenance of drainage (7 / 28 days)
 - Winter stand-by provision (Oct to Apr only)
 - Gritting of carriageways (Oct to Apr only)
 - Site investigations as instructed (trial holes, topographical surveys etc).
35. The intention is to group all routine maintenance and minor repairs into one lot. The repairs would mainly be reactive following safety inspections by the Southwark Highways Safety Inspectors or through investigations by members of the highways team following notification from third parties such as members of the public. This would produce one lot with a fairly high volume of small repairs and maintenance tasks. There would be a fluctuation of workflow from the reactive repairs. The contractor would not need to carry out too much planning or programming / works co-ordination functions. Generally these repairs could be carried out with standard highways maintenance plant and equipment such as flat bed vans, breakers, hot boxes, whacker plates and hand tools. Large or specialist items of plant and equipment would only be rarely needed and these can easily be hired in by the contractor as needed. These tasks have been grouped together in one lot, which will be known as Lot A Maintenance.

36. Southwark Highways Works Contract Lot B Projects will be a single supplier contract and include the works delivery of footway replacement, carriageway resurfacing, improvements and safety schemes. The tasks will include, but not be limited to:
- Non Principal Road footway replacement
 - Non Principal Road carriageway resurfacing
 - Principal Road footway replacement
 - Principal Road carriageway resurfacing
 - Structures works
 - Safety Improvement schemes
 - Quietways and Cycleways
 - Drainage and SUDS.
37. The larger scale capital investment works generally require a greater management input into planning, programming, notifying, co-ordinating and supervision. These projects will normally form part of a longer term programme of renewal or improvements. The contractor will be required to have an input into the projects before they arrive on site to carry out the works. This will include liaison with the designers, designing traffic / pedestrian management, co-ordinating works with the network management team, programming the works, pre-works notification and a higher level of site supervision. These works will often require large items of plant and machinery such as road planers, resurfacing machines and excavators. Quite often specialist equipment would be needed, especially for the structures and SUDS / drainage works. Therefore, these tasks have been grouped together in one lot, which will be known as Lot B Projects.
38. The design and professional services will be known as the Southwark Highways Professional Services (SHPS) and split into three lots:
- Lot A Structures Inspections and Design
 - Lot B Highways Design and Management
 - Lot C Drainage and SUDS Design and Management.
39. The design and professional services contracts would need a lower level of initial investment from the suppliers. With the exception of site visits and meetings with the Council or other key stakeholders these services could be provided remotely in the suppliers own offices. To aid close working relationships with the council the suppliers will be offered the opportunity to work alongside council officers on an ad-hoc basis. In an attempt to attract SMEs and local enterprises the contract has been split into three separate lots based on task disciplines.

Proposed procurement route

Southwark Highways Works Contract

40. The Southwark Highways Contracts will be procured under the EU restricted procedure in two Lots:
- Lot A – Maintenance
 - Lot B – Projects
41. This works contract will be procured so that the start date immediately follows the expiry of the current HAPS Contract Lots A and B. This is to ensure continuous

provision of these essential services. It is anticipated the contract will be tendered in Summer / Autumn 2019 with a contract start date of July 2020. The contract will have an initial duration of five years and nine months with an option for the council to extend for up to two further years.

42. The estimated total value of Lot A over the full five years and nine months initial duration plus two year extension is £15.9m. The estimated total value of Lot B over the full five years and nine months initial duration plus two year extension is £55.4m. The details of the budgets are shown in the table below:

Table 1 – Estimated values of Southwark Highways Works Contracts

Year	£000's					
	Lot A		Lot B			
	Revenue	Structures Capital	LBS Highway Capital	TfL LIP (m'ance) 3 rd party	TfL LIP (schemes) 3 rd party	Dev't 3 rd party
2020/21*	1,500	75	2,250	560	750	560
2021/22	2,000	100	2,000	750	1,000	750
2022/23	2,000	100	3,400	750	2,000	750
2023/24	2,000	100	3,400	750	2,000	750
2024/25	2,000	-	4,000	750	2,500	750
2025/26	2,000	-	4,000	750	2,500	750
2026/27	2,000	-	4,000	750	3,000	750
2027/28	2,000	-	4,000	750	3,000	750
Total	15,500	375	27,050	5,810	16,750	5,810
	£15,875		£55,420			

* 9 months only

Southwark highways professional services

43. The Southwark Highways Professional Services Contract will be procured under the EU restricted procedure in three lots:
- Lot A Structures Inspections and Design
 - Lot B Highway Design and Management
 - Lot C Drainage and SUDS Design and Management
44. This contract will be procured so that the start date immediately follows the expiry of the current HAPS Contract Lot C. This is to ensure continuous provision of these essential services. It is anticipated the contract will be tendered in Spring / Summer 2020 with a contract start date of January 2021. The contract will have an initial duration of five years and three months with an option for the council to extend for up to two further years. This is to align the completion dates of the works and professional services contracts.
45. The estimated total value of the Southwark Highways Professional Services Contract lots are detailed below:

Table 2 – Estimated values of Southwark Highways Professional Services

Year	£000's		
	Lot A	Lot B	Lot C
	Structures Inspections and Design Capital	Highways Design & Management Capital	Drainage and SUDS Capital
2020/21*	250	400	125
2021/22	1,000	1,600	500
2022/23	1,000	1,600	500
2023/24	1,000	1,600	500
2024/25	1,000	1,600	500
2025/26	1,000	1,600	500
2026/27	1,000	1,600	500
2027/28	1,000	1,600	500
Total	£7,250	£11,600	£3,625

* 3 months only

46. There will be no restrictions on the number of works contract lots that any single supplier can tender for or be awarded. Each lot will be a separate contract between the council and successful tenderer with individual specification and terms of delivery. The lots will be managed separately within the Highways Division although it is the intention there will be a shared Service Manager for all the contracts.

Identified risks for the procurement

47. The identified risks are listed below:

No	Risk	Risk rating	Mitigation
1	Challenges to award decision	L	Ensure procurement is carried out in line with EU / UK regulations and guidance. Evaluation methods to be clearly identified within procurement documents and evaluation carried out as stated.
2	Delays to the procurement process	L	It is intended to carry out the procurement process for the works contracts in 2019 and the professional services contracts in early 2020. If this is delayed the current HAPS contract can be further extended to ensure continuity of service.
3	Possible delays in obtaining potential TUPE transfer details and required due diligence	L	At this stage, liabilities are unknown. Early liaison with legal teams regarding TUPE implications has commenced.
4	Contractors and Consultants are not interested in bidding for the work	L	Early engagement with potential bidders. Hold a "Bidders Day" when the SQ is issued.

No	Risk	Risk rating	Mitigation
5	Possible impact on the exchange rate of sterling and free movement of labour when the UK leaves the EU	M	Undertake the tender in mid to late 2019 for works and 2020 for services when a better understanding of the impact should be known.
6	Regulations and guidance may alter when the UK leaves the EU	L	Procurement Team to advise of any alterations and ensure any new regulations or guidance is passed on to the project team.
7	Either Lambeth or Lewisham may request a joint procurement strategy at a later date.	M	Officers have been contacted regarding possible joint procurement routes and negotiations are continuing.
8	A contractor or supplier awarded one or more of the lots ceases trading	L	As part of the Supplier Questionnaire process, each potential bidder will be evaluated for their financial stability. Existing alternative contracts could be used to provide the services until a long term solution is identified.
9	A contractor or supplier submits an abnormally low tender in an attempt to win the contract at any cost	L	The evaluation process will include a review to aim to ensure that no abnormally low tender is included as part of the tender evaluation, in line with Public Contract Regulations (2015).

48. Due to the value and nature of the Southwark Highways Works Contract a Performance Bond is likely to be required. Consideration is being given to the possibility of reducing the value of the Performance Bond as the contract progresses. This will be clearly identified within the tender and contract documents.
49. NEC4 contracts allow the council to require a guarantee from a supplier's ultimate holding company. Where a supplier has an ultimate holding company the council will seek this guarantee. This will apply to the Southwark Highways Works Contract and Southwark Highways Professional Services Contract.

Key / Non-key decisions

50. This is a key decision.

Policy implications

51. Having an effective highways service is an important component of delivering the councils plan and fairer future commitments. In particular theme 3 – a greener borough, theme 5 – a healthier life and theme 8 – a vibrant Southwark will benefit from this service.

Procurement project plan (key decisions)

Activity – Gateway Approval	Complete by:
Enter Gateway 1 decision on the Forward Plan	20/09/2018
DCRB Review Gateway 1	06/11/2018
CCRB Review Gateway 1	15/11/2018
Brief relevant cabinet member (over £100k)	22/11/2018
Notification of forthcoming decision - Cabinet	03/12/2018
Approval of Gateway 1: Procurement strategy report	11/12/2018
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	02/01/2019

Activity – Southwark Highways Works Contract	Complete by:
Completion of tender documentation	18/04/2019
Publication of OJEU Notice	29/04/2019
Publication of Opportunity on Contracts Finder	30/04/2019
Closing date for receipt of expressions of interest	14/06/2019
Completion of short-listing of applicants	26/07/2019
Invitation to tender	05/08/2019
Closing date for return of tenders	11/10/2019
Completion of any clarification meetings / evaluation interviews	09/12/2019
Completion of evaluation of tenders	20/12/2019
Forward Plan Gateway 2	15/11/2019
DCRB Review Gateway 2	07/01/2020
CCRB Review Gateway 2	23/01/2020
Notification of forthcoming decision – despatch of Cabinet agenda papers	12/02/2020
Approval of Gateway 2: Contract Award Report	20/02/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	28/02/2020
Contract award	02/03/2020
Add to Contract Register	12/03/2020
TUPE Consultation period	31/03/2020
Place award notice in Official Journal of European (OJEU)	01/04/2020
Place award notice on Contracts Finder	09/04/2020

Activity – Southwark Highways Works Contract	Complete by:
Contract start	01/07/2020
Initial contract completion date	31/03/2026
Contract completion date – (if extension(s) exercised)	31/03/2028

Activity – Southwark Highways Professional Services	Complete by:
Completion of tender documentation	25/09/2019
Publication of OJEU Notice	05/09/2019
Publication of Opportunity on Contracts Finder	06/09/2019
Closing date for receipt of expressions of interest	25/10/2019
Completion of short-listing of applicants	19/12/2019
Invitation to tender	06/01/2020
Closing date for return of tenders	02/03/2020
Completion of any clarification meetings / evaluation interviews	01/06/2020
Completion of evaluation of tenders	12/06/2020
Forward Plan Gateway 2	16/06/2020
DCRB Review Gateway 2	07/07/2020
CCRB Review Gateway 2	23/07/2020
Notification of forthcoming decision – despatch of Cabinet agenda papers	07/09/2020
Approval of Gateway 2: Contract Award Report	15/09/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	23/09/2020
Contract award	25/09/2020
Add to Contract Register	28/09/2020
TUPE Consultation period	30/09/2020
Place award notice in Official Journal of European (OJEU)	30/09/2020
Place award notice on Contracts Finder	01/10/2020
Contract start	04/01/2021
Initial contract completion date	31/03/2026
Contract completion date – (if extension(s) exercised)	31/03/2028

TUPE/Pensions implications

52. A change in the provider of existing services is likely to amount to a Service Provision Change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). However whether TUPE will apply and the extent to which it may result in the transfer of employees will depend on a number of factors,

in particular whether there is change in identity from an incumbent provider to a new provider and, if so, how the existing provider organises its workforce to deliver the services under its current contract or sub-contract.

53. Due diligence needs to be undertaken with the current provider to obtain a clearer picture of the TUPE implications for the contract stage and legal advice is being sought in light of the result of that due diligence.

Development of the tender documentation

54. The existing project board will be responsible for ensuring all documentation that is required has been produced and for approving the final tender packs to be issued. Fortnightly meetings have been held between officers from the highways, legal and procurement teams. The documents have been reviewed at these meetings and a gap analysis carried out to ensure the package of documents due to be issued at SQ, ITT and award stage are complete.
55. A consultant has been procured to produce an up to date technical specification suitable for the highway network in conjunction with Lambeth and Lewisham councils. The Highways cost consultant has been commissioned to produce the necessary commercial documents and data.
56. The council will be using a NEC4 Term Service form of contract, which has been specifically written for term contracts of this nature. The NEC4 was published in June 2017 to replace the NEC3 Term Service contract. Sharpe Pritchard have been appointed as legal advisers to produce the contract clauses and contract documents. They will also review the procurement documents and provide legal advice on the contract requirements and procurement process.
57. Members of the Highways Team are producing the supplier questionnaires and tender documents. These documents are comprehensively reviewed by the project board, the legal team and the procurement team.

Advertising the contract

58. The contracts will be advertised by way of an official notice that will be published in the Official Journal of the European Union (or the UK equivalent as this will be after the UK withdrawal from the European Union). After publication of this notice, the council will also publish a contract notice on the Contracts Finder website.

Evaluation of Southwark Highways Works Contracts

SHWC Supplier Questionnaires

59. All submitted Supplier Questionnaires (SQ) will be subject to a three stage evaluation.
 - Stage 1 – compliance checks. All submissions will be checked to ensure they were submitted in accordance with the SQ instructions. They will then be checked to ensure there are no grounds for exclusion for the contracts in accordance with the Standard Supplier Questionnaire. The grounds for excluding a company include, but are not limited to criminal activities, corruption, fraud, terrorist offences, money laundering and child labour or human trafficking.

- Stage 2 – financial evaluation. All submissions that are considered compliant following stage 1 will be checked to ensure the applicants are in a sound financial position to participate in a procurement of this size and nature in accordance with regulation 58 of the Public Contracts Regulations 2015.
- Stage 3 – technical evaluation. The technical evaluation at SQ stage will assess each potential suppliers' previous experience in this type of work. It will cover their technical competence including their existing health and safety, social value and supply chain management experience. All submissions that pass Stages 1 and 2 will have their technical responses independently assessed by members of an evaluation panel. Each section will be scored independently by each member of the evaluation panel from 0 to 5. There will then be a consensus meeting to agree an consensus score for each question for each submission to produce an overall technical score.

60. The top five bidders will be invited to submit a tender. If any other bidder is within 5% of the fifth highest bidder, at the council's discretion they will also be invited to tender.

SHWC tender

61. The Southwark Highways Works Contracts tender submissions will be subject to evaluation on price and quality.
62. As the Lot A Maintenance contract concerns a high number of minor reactive repair works this Lot will be assessed in accordance with the Southwark standard of 70% price and 30% quality ratio.
63. The Lot B Projects contract concerns larger scale planned renewal and improvement schemes which are designed to last a number of years. These projects will require a significant planning and management input from the successful contractor to ensure they are carried out with minimal disruption to the residents, businesses and visitors to Southwark. The works themselves will have a significant impact on the council's highway network and it is imperative the works are carried out to a high standard to protect the council's most valuable asset. Therefore it is intended this lot will be assessed using a 60% price and 40% quality ratio.
64. Each lot will be evaluated separately.
65. Price evaluation will be carried out separately from the quality evaluation.
66. Price evaluation will be carried out by representatives from the Highways Division. It is proposed to use a price model that ensures that only tenders that are deemed sustainable are considered for selection. Bids significantly below the market price will be reviewed and checked that they are sustainable rather than abnormally low, before the evaluation process continues.
67. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack with suppliers completing a schedule of rates according to the specification of the lot, with a basket of these goods (weighted according to frequency of usage) used to calculate the basis of the price evaluation. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation in each of the lots.

68. As tenderers will have the opportunity to bid for both works contract lots and submit a referential discount to their prices for each lot if they were to win both lots, suppliers will be awarded price scores based on individual prices for lots A and B and then prices reviewed across lots A and B, that will be awarded the best tender price, based on the cheapest overall cost of the council across both contracts.
69. A set of quality questions will be issued for each lot. Although these will be similar for the two lots they will be tailored to suit the working methodology of the specific lots. The questions will revolve around how the tenderer intends to deliver the works and the answers submitted by the winning tenderer will become contractually binding. It is expected the questions will be based around:
- Proposed management structure
 - Contractors proposed method statements for carrying out the works
 - Quality management and quality control of workmanship and materials
 - Social value and benefits to local community
 - Compliance with traffic management and permit requirements
 - Equality and Diversity
 - Innovations to improve the highway network / service
70. Quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the evaluation panel from 0 to 5. Once each question is scored the appropriate weighting, as identified within the tender documents, will be applied to each score.
71. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
72. The price score and the quality score will then be added together to produce an overall score for each tender for each lot. This will be repeated for both lots for those tenderers who have bid for both lots and offered a discount for the award of both lots.
73. The tenderer(s) providing the most economically advantageous tenders evaluated across the quality and pricing to deliver both contracts for the contract will be awarded the contracts.

Evaluation of Southwark Highways Professional Services

SHPS Supplier Questionnaires

74. All submitted Supplier Questionnaires (SQ) will be subject to a three stage evaluation.
- Stage 1 – compliance checks. All submissions will be checked to ensure they were submitted in accordance with the SQ instructions. They will then be checked to ensure there are no grounds for exclusion for the contracts in accordance with the Standard Supplier Questionnaire. The grounds for excluding a company include, but are not limited to criminal activities,

corruption, fraud, terrorist offences, money laundering and child labour or human trafficking.

- Stage 2 – financial evaluation. All submissions that are considered compliant following stage 1 will be checked to ensure the applicants are in a sound financial position to participate in a procurement of this size and nature in accordance with regulation 58 of the Public Contracts Regulations 2015.
- Stage 3 – technical evaluation. The technical evaluation at SQ stage will assess each potential suppliers' previous experience in this type of work. It will cover their technical competence including their existing health and safety, social value and supply chain management experience. All submissions that pass Stages 1 and 2 will have their technical responses independently assessed by members of an evaluation panel. Each section will be scored independently by each member of the evaluation panel from 0 to 5. There will then be a meeting to agree a consensus score for each question for each submission to produce an overall technical score.

75. The top five bidders will be invited to submit a tender. If any other bidder is within 5% of the fifth highest bidder, at the council's discretion they will also be invited to tender.

SHPS tender

76. The Southwark Highways Professional Services tender submissions will be subject to evaluation on price and quality.
77. This professional services will have a considerable impact on the council's highways asset. The consultants will be using their considerable expertise and experience to produce high quality and comprehensive designs to improve structures, drainage systems and the highway infrastructure. There are generally two ways in which consultants will get paid for this work. If the council has a very clear understanding of the work that is required then a brief can be written and the consultant can calculate a lump sum to fulfil the requirements of the brief. However, any additional work required will be at the council's expense. It is often the case that at the very beginning of a project the council will not have an absolute clear understanding of the requirements. This will generally be due to outside influences such as the location of third party apparatus such as utility services and property basements, requirements of key stakeholders such as TfL buses etc and analysis of traffic flow and accident data to produce an optimum design solution. When this is the case, it is industry standard practice to issue these works to a consultant on a time charge hourly basis. As rates of pay for different grades of staff are similar across the industry it would be difficult to provide a meaningful assessment based on hourly rates. Therefore, it is the intention that the Southwark Highways Professional Services Contract lots will be assessed in a 50% price and 50% quality ratio.
78. Each lot will be evaluated separately.
79. Price evaluation will be carried out separately from the quality evaluation.
80. Price evaluation will be carried out by representatives from the Highways Division. It is proposed to use a price model that ensures that only tenders that are deemed sustainable are considered for selection. Bids significantly below the market price

will be reviewed and challenged to ensure it is sustainable and not abnormally low, before the selection process continues.

81. Each tenderer's price will be calculated in accordance with the price evaluation methodology detailed in the tender pack. Prices will detail include a schedule of rates that includes hourly rates by staffing levels for the services to be carried out with each lot. A basket of goods from these prices, according to the estimated usage will be calculated and used as the tender evaluation price. The lowest sustainable tender price will be awarded the maximum scores for the price evaluation in each of the lots.
82. As tenderers will have the opportunity to bid for any single lot up to and including all three of framework lots, those bidding for multiple lots will be asked to submit a referential discount to their prices for each lot if they were to win multiple lots. Suppliers will be awarded price scores based on individual prices for each lots, and then an analysis of the overall prices reviewed across all three lots that include discounted rates. These will be awarded the best tender price, based on the cheapest overall cost of the council across all contracts lots.
83. A set of quality questions will be issued for each lot. Although these will be similar for each lot they will be tailored to suit the specific disciplines of each lot. The questions will revolve around how the tenderer intends to deliver the services and the answers submitted by the winning tenderers will become contractually binding. It is expected the questions will be based around:
 - Proposed management structure
 - Provision of the required skill set to deliver the services
 - Delivery methodology including liaison with the council, all stakeholders, and contractor
 - Quality management and document control
 - Social value and benefits to local community
 - Equality and Diversity
 - Innovations to improve the highway network / service.
84. Quality evaluation will be carried out independently by an evaluation panel. Each question will be scored independently by each member of the evaluation panel from 0 to 5. Once each question is scored the appropriate weighting, as identified within the tender documents, will be applied to each score.
85. A quality moderation meeting will be held. This will be chaired by an officer who has not independently scored the quality submissions and attended by all officers who have independently scored the quality submissions. At this meeting a consensus score will be agreed to ensure consistency in the scoring methods. The consensus scores will then be weighted as defined in the tender documents and will be added together to produce the final quality score for that tender.
86. The price score and the quality score will then be added together to produce an overall score for each tender for each lot. This will be repeated for each lot for those tenderers who have bid for two or three lots and offered a discount for the award of more than one lot.
87. The tenderers providing the most economically advantageous tenders evaluated across the quality and pricing to deliver all contracts will be awarded the contracts.

Community impact statement

- 88. People in all areas of the borough are affected by the quality of the public highway and its assets.
- 89. The very young, the disabled and the elderly would benefit the most by having a footway network which is well maintained and safe to use.
- 90. The award of new contracts or delivering some of the services directly is not considered to have any detrimental impact on local people and communities.
- 91. All service elements contained in the contracts are a borough-wide service. The updated technical specification addresses planning and delivery of planned and responsive works and seeks to improve quality of the service and product and customer satisfaction.
- 92. The impact of the service will affect all communities / groups, residents, businesses, visitors and those that pass through the borough and will in turn improve the quality of life to all. Direct benefits are a well maintained infrastructure which makes an important contribution to the safety of all. Continued emphasis on maintenance will especially benefit the most vulnerable members of the community i.e. the elderly, the disabled and young children.

Social value considerations

- 93. 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 well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

- 94. As the council explores ways it can continue to deliver value for money, it is essential that it make even better use of its resources to meet the needs of residents and businesses in the borough.
- 95. Under theme 4 – a full employment borough of the Fairer Future Commitments, Southwark pledge to help create 2,500 new apprenticeships. There will be a requirement for the successful southwark highways works contract contractors to provide some of these opportunities based on their projected annual income from the contract.

Social considerations

- 96. The council can exclude companies who break the law by blacklisting if they are either still blacklisting or have not put into place genuine actions concerning past blacklisting activities. The council can require "self cleaning" which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:

- “Owned Up”: clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities
 - “Cleaned Up”: taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct, and
 - “Paid Up”: paid or undertaken to pay compensation in respect of any damage caused.
97. The council will include a request for the necessary information from tenderers (using the council's standard documentation in relation to blacklisting). The council's contract conditions will include an express condition requiring compliance with the blacklisting regulations and include a provision to allow the contract to be terminated for breach of these requirements.
98. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, development partners engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful suppliers on these contracts will result in quality improvements for the council. These should include a high calibre of multi-skilled operatives that will contribute to the delivery of works on site and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful suppliers will be expected to meet the LLW requirements and call-off contract conditions requiring the payment of LLW will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of LLW. Following award, these quality improvements and any cost implications will be monitored as part of the call-off contract review process.
99. Bidders will also be required to demonstrate that they acknowledge and meet the legal requirements around an individual's rights to be members of trade unions.
100. Suppliers will be evaluated at tender stage on how they intend to attract and support more women and BME residents who are underrepresented in the professional technical services industry into these opportunities.

Environmental/Sustainability considerations

101. The new contracts and service provision will adhere to industry best practice on sustainability and arisings from highways maintenance will be recycled and re-used in the borough whenever possible.
102. The contract specifications will set out the need for the completion of specific project / works related environmental assessments including impact on fauna, flora, soil and water and installation of required control measures where necessary.
103. The contract specifications will demand the latest Euro standard engines on new fleet in this contract, and encourage more sustainable forms of transport where this is feasible.
104. The use of dust suppression techniques for all construction activities will be a contractual requirement. Road planers will be fitted with systems using computer controls to manage suppression whilst minimising water consumption.

Plans for the monitoring and management of the contracts

105. The works and services contracts will be managed by officers from the Highways Division. KPIs will be used to measure the contractor's performance.
106. The works contracts will include performance payments and low service damages as appropriate. There will be defined steps to be taken in the event of a supplier failing to provide the works or services as specified.
107. On the professional services contracts the financial spend of each supplier will also be recorded to ensure:
 - That no supplier is overburdened with projects
 - A detailed record of expenditure is maintained for each lot to ensure compliance with contract standing orders (CSO's).
108. Officers will also produce annual performance reviews in line with the council's contract standing orders.
109. The successful contractors and suppliers on both the Southwark highways works contracts and Southwark highways professional services contracts will be required to update the council's highways asset management database with the relevant information as works progress.

Staffing/procurement implications

110. Due to the separation of the professional services into lots there may be some increased administrative and contract management responsibilities. With the proposed enhancement of the design team this workload will be manageable within the existing Highways structure.

Financial implications

111. The proposed contract does not commit the council to any minimum contract value as the estimated contract values reflected in the report are indicative and will be subject to funding available from revenue and capital budgets.
112. The highways budgets indicated in the table below for future years are indicative only and will require approval through the council's annual budget setting process for both revenue and capital budgets. Similarly TfL / LIP / Dev't funding will also require confirmation from respective authority.
113. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.
114. The current and proposed highways revenue and capital budgets are detailed in the table below.

Table 3 – Highways budgets

Year	£000's					
	Revenue	LBS Capital	Structures capital	TfL LiP (m'ance)	TfL LIP (schemes)	Dev't
2018/19	2,000	4,000	1,400		500	750
2019/20	2,000	3,000	250		500	750
2020/21	2,000	3,000	100	750	1,000	750
2021/22	2,000	2,000	100	750	1,000	750
2022/23	2,000	3,400	100	750	2,000	750
2023/24	2,000	3,400	100	750	2,000	750
2024/25	2,000	4,000	0	750	2,500	750
2025/26	2,000	4,000	0	750	2,500	750
2026/27	2,000	4,000	0	750	3,000	750
2027/28	2,000	4,000	0	750	3,000	750
2028/29	2,000	4,000	0	750	3,000	750
Total	22,000	38,800	2,050	6,750	21,000	8,250

Legal implications

115. Please see concurrent from the director of law and democracy

Consultation

116. Formal consultation with the incumbent supplier and potential tenderers will be undertaken in accordance with the current contract and procurement regulations and guidance.

117. Individual projects and initiatives will require public consultation.

Other implications or issues

118. N/a

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC18/023)

119. This report is requesting cabinet to approve the procurement strategy for the Southwark highways works contracts and Southwark Highways professional services contract. Full details are provided within the main body of the report.

120. The strategic director of finance and governance notes that there are no additional financial implications from this report as the proposed contracts do not expose the council to any minimum contract value and the work and services commissioned under the proposed contracts will be subject to confirmed budgets.

121. Staffing and any other costs connected with this contract to be contained within existing departmental revenue budgets.

Head of Procurement

122. That the Cabinet approves the procurement strategy outlined in this report for the highway works and professional service contracts.
123. The Southwark highways works contracts is split into two lots and would commence on 1 July 2020 for an initial duration of five years and nine months, with an option for the council to extend for up to two further years. The scope and value of contracts is split into Lot A for Maintenance for small scale reactive repairs at an estimated maximum total cost of £15.9m. Lot B would cover planned renewal / improvement projects at an estimated maximum total cost of £55.4m. Both of these contracts would be awarded to a single supplier, which could be the same organisation for both where this offers best value to the council.
124. For the Southwark highways professional services, the intention is to award a contract across three lots, that would commence on 1 January 2021 for a duration of five years and three months. The details of these lots and estimated maximum values are:
- Lot A - Structures Inspections and Design at an estimated maximum total cost of £7.3m
 - Lot B - Highway Design and Management at an estimated maximum total cost of £11.6m
 - Lot C - Drainage and SUDS (Sustainable Drainage System) Design and Management at an estimated maximum total cost of £3.6m.
125. London Living Wage will apply to all of the contracts above and would be included in the tender documentation as set out in paragraph 98. Additional social value, especially for the works contracts would include looking to secure at least one apprenticeship for each £1m of spend under the contract as is documented in paragraph 95 of the report. Blacklisting information for suppliers would be managed in line with the council's policy as set out in paragraph 96 and 97.
126. The plans to monitor and manage the contracts is set out in paragraphs 105-109 of the contract.

Director of Law and Democracy

127. This report seeks approval of a procurement strategy for the new Southwark highways works and professional services contracts, as summarised in paragraph 1.
128. The procurement of those works and services will assist the council to fulfil its statutory duties as local highway authority.
129. As noted in paragraph 28 the procurement of both the works and services required by the council is subject to the application of the current EU procurement regulations. Paragraph 58 confirms that appropriate notices will be published in the Official Journal of the European Union and Contracts Finder for the purposes of inviting expressions of interest in the contract opportunities.

130. The proposed procurement strategy for all of the proposed contracts is consistent with domestic legislation and with relevant corporate policy and the requirements of the council's Contract Standing Orders ("CSOs").
131. The proposed procurement strategy for both the works and services contracts is in relation to a strategic procurement as defined in CSOs, which means that the decision to approve the report recommendations is one which is expressly reserved to the Cabinet, after consideration of the report by the corporate contract review board.
132. In making procurement decisions cabinet should be mindful of the Public Sector Equality Duty under section 149 of the Equality Act 2010, and to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, relation, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). Cabinet is specifically referred to the community impact statement at paragraphs 88 to 92, setting out the consideration that has been given to equalities issues, and it is recommended that an equality analysis should be undertaken periodically in order to measure the likely and actual effect and impact of the works and services on individuals and groups within the community, in particular those having a protected characteristic under the Act. Cabinet is also referred to paragraphs 116 and 117 which acknowledge that appropriate consultation will be required with contractors, consultants, tendering firms and the public.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gateway 0 Strategic Options Assessment for 2019+ Highways Services Delivery Options and Contract Procurement Strategy	Southwark Council Environment and Leisure, Highways Division 160 Tooley St SE1 2QH	Jason White 020 7525 4032
Link (please copy and paste into your browser): http://modern.gov.southwark.gov.uk/documents/s76582/Report%20Gateway%20-%20Strategic%20Options%20Assessment%20for%202019%20Highways%20Services%20Delivery%20Options%20and%20C.pdf		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Richard Livingstone, Environment, Transport Management and Air Quality	
Lead Officer	Ian Smith, Director of Environment	
Report Author	Jason White, Highways Consultant	
Version	Final	
Dated	29 November 2018	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		29 November 2018