

CABINET

DATE	8th October 2025
REPORT OF	Councillor Stewart Swinburn – Portfolio Holder for Housing, Infrastructure and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom Director of Economy, Environment and Infrastructure
SUBJECT	Procurement of Highways Framework for Capital Works
STATUS	Open
FORWARD PLAN REF NO.	CB 10/25/04

CONTRIBUTION TO OUR AIMS

The procurement of a Highways Framework for capital works, minor civils work, Civil structural works, surface dressing, road marking road signing, carriageway surfacing and traffic management will primarily contribute to the Council's priority of 'Strong Economy' by delivering value for money, engaging the local supply chain with the emphasis on delivering social value and reduction in carbon supporting sustainable communities.

EXECUTIVE SUMMARY

The Council's Highways Framework will expire on 31st March 2026. This report therefore seeks approval to procure the renewal of the Highways Framework, with additional lots to provide competition and value for money. The tender process is being managed by the Council ensuring the delivery of a compliant Framework. A key element of the process is engaging the local supply chain with the aim of driving local economic benefit.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the procurement of a Highways Framework for capital works as set out in this report.
2. Delegates authority to the Director of Economy, Environment and Infrastructure in consultation with the Portfolio Holder for Housing Infrastructure and Transport to commence and conduct such exercise and thereafter to make such awards and carry out all ancillary matters reasonably arising.
3. Authorises the Assistant Director Law and Governance (Monitoring Officer) to complete all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

The Council is required to demonstrate value for money in the procurement of capital works under the Procurement Act 2023. This legislation specially prohibits the use of local bias while undertaking procurement activities. However, as outlined below, several initiatives are being included as part of this exercise to actively deliver social value.

1. BACKGROUND AND ISSUES

- 1.1 The current portfolio of Frameworks is due for renewal and needs to be in place to commence in April 2026.
- 1.2 New Lot Structure Will be as follows:
 - £0k - £75k – minor civils work
 - £0k - £75k – minor civil structural Repairs
 - £75k - £1.5m Civil structural repairs
 - £0k - £500k – highways capital works
 - £500k - £1.5m highways capital works
 - £0 - £1.5m carriageway surfacing
 - Surface dressing
 - Traffic management
 - Road Markings
 - Road Signing
- 1.3 The updated NEC (new engineering contract) 4 suite of engineering contracts will replace the current NEC3, which is used on the current framework.
- 1.4 The values of the capital works lots have been realigned to better distribute projects across the lots. In addition, three additional lots have been added. Road Markings, Road Signing and Civil Structural Repairs.
- 1.5 Experience has shown that the projects above £1.5million tend to be few and far between. The Council will likely achieve greater value by approaching the open market on a project-by-project basis for these works. This will may afford more opportunities to shape aspirations around local supply chains and labour.
- 1.6 Supplier engagement days to be arranged to engage with the supply chain and targeting suitable suppliers. The sessions are aimed at providing refresher training on completing a compliant tender, provide information and receive further feedback from the suppliers to ensure the tender requirements are targeted to the right level of supply.
- 1.7 The Frameworks will be procured for a period of Eight (8) years in line with the Procurement Act 2023. This framework type is intended to improve flexibility and should facilitate a more competitive market. By providing suppliers with multiple opportunities to join, open frameworks are less likely to exclude smaller and newer suppliers. The hope is that this will make it easier for the Council to engage with SMEs.

- 1.8 The procurement will be carried out using the open process in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023.
- 1.9 All resultant contracts between the Council and Contractor will have a signed contract in place. For contracts over £100k in value, contracts will be signed under seal with approval from the Council's Legal Team.
- 1.10 Framework suppliers will need to demonstrate a commitment Social Value for the people of North East Lincolnshire. Over the life of current highway framework, the consistent volume of capital works has allowed supplier to permanently employ people and access the local supply chain. Framework suppliers have shown their commitment to Social Value by supporting local charitable organisations and town and parish councils.

2. RISKS, OPPORTUNITIES AND EQUALITY ISSUES

- 2.1 The key risk around failing to renew the Frameworks is that all capital works would need to be tendered on a case-by-case basis. This would be inefficient and potentially result in additional costs for projects through increased administration and also, the opportunity to develop ongoing commercial relationships is limited.
- 2.2 Opportunity - Positive engagement with the local supply chain
- 2.3 Opportunity - Management of capital project related costs.

3. OTHER OPTIONS CONSIDERED

- 3.1 Status Quo;
 - 3.1.1 A decision could be made not to implement additional contracting arrangements; however, this may limit opportunities to achieve better value for money through the aggregation of demand which combines purchasing requirements across various departments, resulting in competitive pricing, greater efficiency and stronger negotiating power.
- 3.2 e-Auctions ;
 - 3.2.1 e-Auctions are best suited to commodity and service-based contracts. They are also difficult to design for works requirements and therefore this option is not recommended.
- 3.3 Central Purchasing Bodies;
 - 3.3.1 The Council could access Government framework arrangements such as the YORcivils3 Highways and Civil Engineering Framework managed by ERYC for Yorkshire and Humber. However, Government frameworks do not necessarily consider local supply chain development and there is an associated cost per project to access the call off arrangements. Therefore, this option is not recommended.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

Risk of Financial Loss: There is a risk of financial loss/increased costs if the framework agreements are not renewed. Without a formal arrangement the services are unable to manage the market effectively and would be required to undertake individual tenders for each piece of work required, which increases administrative costs.

5. FINANCIAL CONSIDERATIONS

5.1. Framework agreements are required to be renewed to ensure continued value for money is achieved.

5.2. The use of framework agreements has several benefits, including –

- Reduced administrative burden from running a full procurement procedure each time specific works is required from external contractors.
- Opportunity to identify suppliers and contractors that meet quality and deliverability criteria.
- Able to expedite tendering process resulting in cost effective and efficient delivery of works.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The framework will encourage all contractors that are admitted becoming Foster Friendly in line with the Council's foster friendly business scheme .

7. CLIMATE CHANGE, NATURE RECOVERY AND ENVIRONMENTAL IMPLICATIONS

In accordance to the Public Procurement Note – Taking into account of Carbon reduction Plans in the procurement of major government contracts 06/21- 'As part of assessing a supplier's technical and professional ability, in scope organisations should include, as selection criterion, a requirement for bidding suppliers to provide a carbon reduction plan (using the template in Annex A) confirming the supplier's commitment to achieving Net Zero by 2050 in the UK, and setting out the environmental management measures that they have in place and which will be in effect and utilised during the performance of the contract'

Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts - GOV.UK (www.gov.uk)

8. CONSULTATION WITH SCRUTINY

There has been no consultation with Scrutiny at this stage

9. FINANCIAL IMPLICATIONS

The procurement of a Highways Framework for capital works supports the

principles of value for money by supporting cost effective and efficient delivery of works.

10. LEGAL IMPLICATIONS

- 10.1 Legal Services will support the completion of this procurement exercise and review the contractual documentation to ensure that the Council's interests are protected to the greatest extent reasonably and commercially possible.
- 10.2 The approach recommended is a framework contract which has the benefits stated in the report. A framework contract is an agreement with suppliers establishing contracts that may be awarded during the life of the agreement. It also sets out the terms and conditions for making specific purchases of goods, services and works also known as call-offs. This approach is considered good practice and efficient.
- 10.3 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023 and supported by relevant officers. Legal Services will support the completion of contractual documentation on award.

11. HUMAN RESOURCES IMPLICATIONS

There are no Human Resources Implications.

12. WARD IMPLICATIONS

This proposal affects all wards.

13. BACKGROUND PAPERS

There are no background papers at this time.

14. CONTACT OFFICER(S)

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