

North Lanarkshire Council Report

Council

Does this report require to be approved?

☒ Yes ☐ No

Ref JMcK/GP

Date

28/03/24

The Enterprise Strategic Vehicle – Roads and Infrastructure Maintenance and Improvement Services – Contract Award

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Executive Summary

The purpose of this report is to seek approval to award a contract for the future delivery of Roads and Infrastructure maintenance and improvement services to Hochtief PPP Solutions GmbH following the completion of a procurement exercise undertaken in accordance with the Public Contracts (Scotland) Regulations 2015 and the council's General Contract Standing Orders.

The proposed contract will allow the council to access a range of maintenance, repair and investment services for its roads and related infrastructure assets, under a single contractual agreement. These include:

- reactive maintenance;
- incident response services;
- routine maintenance;
- winter maintenance planning and delivery;
- inspections; and
- investment and improvement projects/programmes.

The proposed contract will have a minimum initial period of eight years with contract extensions available, at the council's discretion, to a maximum contract duration of twelve years.

The estimated upper financial limit of the proposed contract, over the maximum duration of the contract, including contingency, is £450 million.

From the outset the council had a strong conviction that the proposed contract needed to be more than a straightforward buyer - contractor transactional arrangement. Pre-procurement development work and early market engagement indicated that a strategic relationship, with long term commitment, a focus on operational delivery, joint improvement and high level of cooperation had scope to achieve added value and long-term gains for North Lanarkshire's residents, communities, and businesses.

The proposed contract will deliver a range of service improvements, increase efficiency and importantly create significant social value for the local area at a scale not achievable from current practice.

Should the Council approve the award of the proposed contract, the contractual documentation will be concluded, and subject to the observance of a mandatory standstill period, the contract will be awarded and mobilised. 'Day one' services are now targeted to commence on 5 August 2024, and the remaining services commencing thereafter on a phased basis in accordance with the agreed service transition plan.

Project Governance

The Project Board meets regularly to oversee all aspects of the Enterprise Project, in addition periodic reports are provided to the corporate management team and Committee.

Internal Audit has reported previously on this project on three occasions, with the reports providing generally positive assessments of the project governance arrangements. Internal Audit has recently completed further work in relation to aspects of the Enterprise Project as part of the 2023-24 Internal Audit Plan. The results of the latest audit were reported, under separate cover, as part of the agenda for the meeting of the Council on 28 March 2024.

Recommendations

It is recommended that the Council:

1. approve the award of the contract, as detailed in this report, for Roads and Infrastructure Maintenance and Improvement Services to Hochtief PPP Solutions GmbH;

The Plan for North Lanarkshire

Priority	All priorities
Ambition statement	(24) Review and design services around people, communities, and shared resources

1. Background

In 2019, North Lanarkshire Council (the 'council') outlined a shared vision for long-term growth and prosperity for the area's communities focused on inclusivity - plan for North Lanarkshire (the 'Plan').

The Enterprise Project is a key element of the council's work programme to fulfil the Plan. It aims to establish an integrated approach for the future delivery of repairs, maintenance and investment in the council's housing, corporate and roads and infrastructure asset portfolio.

Phase one of the Enterprise Project focuses on three substantial public procurements to support the agreed delivery model and to secure continuity of essential service provision;

1. Housing and Corporate maintenance and improvement services (the 'Housing and Corporate Contract');
2. Roads and infrastructure maintenance and improvement services (the 'Roads Contract'); and
3. Place shaping advice and services (the 'Place Shaping Contract').

Its ambition is to:

- develop an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments to ensure the Council delivers on its shared ambition for inclusive growth and prosperity for the people and communities of North Lanarkshire;
- create strategic relationships with a small number of best-in-class, Tier 1, private sector contractors while cultivating an integrated internal 'intelligent client' function and bolstering internal commercial capacity and expertise;
- support the delivery of key policy themes, such as social value, fair work practices; and
- deliver a range of service improvements and increase efficiency.

The Policy & Strategy Committee has previously received a number of reports updating on the progress and development of the Enterprise Project and in its previous form, the Enterprise Strategic Commercial Partnership;

- Enterprise Strategic Commercial Partnership reports:
 - February 2019;
 - March 2020;
- Enterprise Project reports:
 - December 2021;
 - December 2022; and
 - December 2023.

In addition, a report was provided to a meeting of the Council on the 17 August 2023.

This report confirms the outcome of the procurement exercise for the Roads Contract, the financial implications of the award of the proposed contract, and the benefits that the contract will deliver.

The existing Roads and Infrastructure maintenance contract currently delivered by Amey LLP in a Joint Venture with the council was due to expire on 1 June 2024.

The short-term extension to the current contract with Amey Public Services LLP, approved by the Policy and Strategy Committee on 7 December 2023 has been actioned, the contract now due to expire on 4 August 2024.

The award of the proposed contract will provide the successor arrangement to the current contract.

2. Report

2.1 The proposed contract will allow the council to access a range of maintenance, repair and investment services for its roads and related infrastructure assets, under a single contractual agreement. These include:

- reactive maintenance;
- incident response services;
- routine maintenance;
- winter maintenance planning and delivery;
- inspections; and
- investment and improvement projects/programmes.

2.2 The services will be delivered to the following roads and related infrastructure assets including but not limited to:

- approximately 11.5 million square metres of carriageways;
- approximately 4.5 million square metres of footways;
- approximately 550 structures (bridges, retaining walls, subways, etc);
- three reservoirs (Strathclyde Loch, Broadwood Loch and Forrestburn Reservoir);
- approximately 250 culverts and trash screens;
- approximately 64,000 luminaries and approximately 2.3 million metres of street lighting cables;
- more than 3,000 signs; and
- more than 200 traffic management systems.

2.3 The size and scale of the roads and related infrastructure assets to be maintained may increase or reduce during the contract term as a result of new or additional assets being added (e.g., via scheme / developer led schemes, new adoptions, etc) or the impact of changes to the built environment, supply arrangements, or other legislative measures or policy decisions.

The Proposed Contract - scope, duration and estimated spend

2.4 The scope of the proposed contract comprises two main parts:

Core Services

- The provision of reactive services initiated by the council including fixing a service failure or service performance issue where the work can be determined from the specification / price list set out in the contract, normally without requirement for design, professional services, consents, specialist elements, changes to the specifications and / or provision of drawings (the 'Core Services'). Core Services include repairs to carriageways, car parks, structures, replacement of street lighting luminaires, traffic light outages. Core Services are generally revenue funded with an estimated value of circa £13.4m per annum; and
- Services and works projects / programmes initiated by the council to comply with legislation, and to maintain the performance of an asset where the work can be determined from the specification / price list set out in the contract, with minimal requirement for design, professional services, consents, specialist elements, changes to the specifications and / or provision of drawings (may include repetition, delivery at scale).

Core Projects

- The provision of works projects / programmes (the 'Core Projects') initiated by the Council up to stated value thresholds for design (£450k per order) and works (£3m per order) delivery to maintain and / or improve the performance of an asset where the work may be determined from the specification and price list or agreed via an engagement process in which case pricing shall be wholly derived from the specification and price list; design and project management may be required relating to the works, including in-scope professional services, consents, specialist elements, changes to the specifications and / or provision of drawings (may include repetition and / or delivery at scale). Core Projects include road junction upgrades, re-lamping investment programmes, resurfacing programmes. Core Projects are generally funded from capital with an estimated value of circa £16.6m per annum.

2.5 Further detail as to the services that will be provided under the proposed contract and the individual contracts that will be incorporated in the proposed contract was included in the report considered at the meeting of the Council on 17 August 2023, for convenience, this information is reproduced as Appendix 3 and Appendix 4 respectively.

2.6 The proposed contract will have a minimum initial period of eight years with contract extensions available, at the council's discretion, to a maximum contract duration of twelve years. When considering any extension(s) to the contract, the council may take into account factors such as the contractor's performance, changes in service requirements and consideration of alternate service delivery options.

2.7 The proposed contract was advertised with an estimated maximum value of £450m over the maximum twelve-year contract period. The estimated value of the proposed contract was derived from analysis of historical spend data, adjusted where required, to reflect future service requirements and estimated order volumes. The estimated contract value ensures that there is sufficient capacity within the proposed contract to

accommodate all aspects of the contract scope, and a contingency allowance to accommodate growth and unforeseen peaks in demand.

- 2.8 The proposed contract does not guarantee the contractor a minimum level of business. The actual value of the contract will be determined by the work types and volumes the council orders, the extent to which the contractor secures Core Projects, and ultimately by budget availability. This means that the actual total value of the proposed contract when in operation, will fall somewhere in the range of between £160m¹ and £450m².

¹Assumes that the contract is in operation for the maximum 12-year contract term, Core Services only and that no contingency is required.

²Assumes that the contract is in operation for the maximum 12-year contract term, Core Services and all Core Projects and that all of the contingency is required.

Exclusivity and the Contractors obligation to provide the services

Core Services

- 2.9 Subject to the satisfactory performance of the contract, the contractor shall have an exclusive right and obligation to act as the council's external provider in the delivery of the majority of Core Services during the term of the contract. The exceptions offered on a non-exclusive basis, are shown in Appendix 3.
- 2.10 The contractor is obligated to provide the Core Services granted on an exclusive basis. Where the contractor fails to deliver these services in accordance with the contract the council shall, be entitled to:
- remove the contractor's exclusivity (in whole or in part) for such period of time as the council may determine; and/or
 - exercise its contractual options in respect of the contractor's failure to carry out the services or meet quality standards.
- 2.11 For in-scope design and professional services orders, as part of Core Services, the contractor shall have exclusivity up to a financial threshold of £250,000. Subject to the contractor satisfying criteria relating to performance and capacity, the contractor shall have first opportunity to develop proposals through a documented engagement process for orders between £250,000 and £450,000. If the contractor fails to satisfy the council's requirements, then the council reserves the right to procure the required services by other means. Design and professional services above the £450,000 threshold are excluded from the contract, these will be procured and from a wider market representation.

Core Projects

- 2.12 For Core Projects the contractor shall have exclusivity up to a financial threshold of £750,000, subject to the contractor satisfying criteria relating to performance and capacity.
- 2.13 The council will provide the contractor with the 'first opportunity' to submit proposals for the delivery of individual Core Projects as described in the Annual Service Delivery Plan.
- 2.14 Where the council issues a project request for a Core Project and the Core Project is included in the Annual Service Delivery Plan, the contractor is obligated to submit a project response for and (where required by the council) to provide that Core Project. Where the Core Project is not included in the Annual Service Delivery Plan the

contractor shall use all reasonable endeavours to submit a project response for that Core Project within the required timescales and (where a Core Project Contract is agreed by the council) deliver the Core Project.

- 2.15 The decision to issue a project request is at the council's sole discretion. The contractor's right of 'first opportunity' is awarded at the discretion of the council. In reviewing the position, the council may take into account factors such as:
- the contractor's performance of its obligations under the contract;
 - the quality and/or competitiveness of previous project responses;
 - the extent to which it has met its social value commitments;
 - the council's timescales; and
 - the contractor's capacity.
- 2.16 This commercial approach ensures that the council will always pay the 'market rate' for Core Projects.

The Procurement Process

Pre- procurement activity

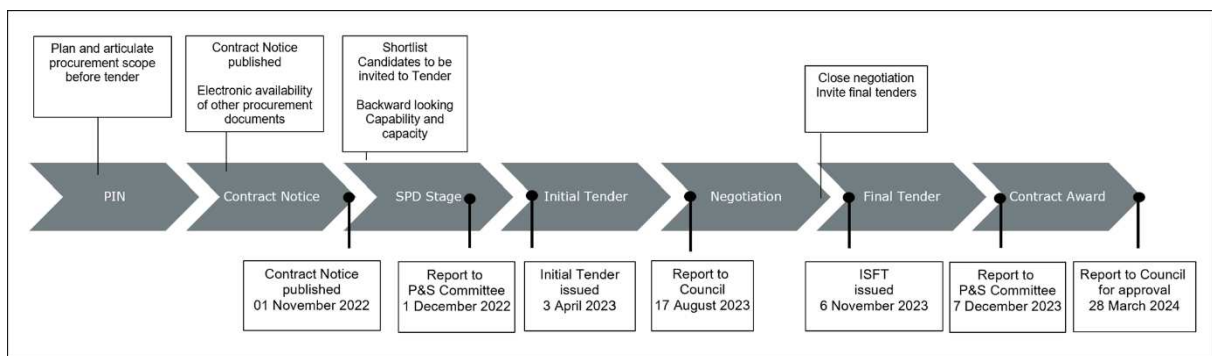
- 2.17 The procurement of the service requirement was complex and required significant market engagement, stakeholder consultation, scope and price modelling, contract drafting, data gathering, and analysis.
- 2.18 The pre-procurement preparatory work, undertaken collegiately with internal service teams and drawing on advice and expertise from the project's external advisers, involved a comprehensive review of terms and conditions of contract, service requirements, pricing approaches, and performance monitoring to ensure that the successor contracts to the current arrangements deliver commercial advantage for the council, the public purse and secure the intended wider socio/economic benefits for North Lanarkshire.
- 2.19 A Prior Information Notice (PIN) was published on 21 September 2021 and received 103 notes of interest from potential contractors. Thereafter, between October 2021 and August 2022, the council conducted 5 rounds of market engagement. The engagement took the form of online plenary events, followed by one-to-one meetings between potential bidders and the Project Team and senior stakeholders.
- 2.20 The council also issued a number of supplier surveys which resulted in the sharing of valuable information which helped inform the final design of the proposed contract and to structure the procurement approach in a way that would deliver the project objectives and encourage a level of market participation that would support a viable procurement.
- 2.21 The extensive interaction with potential bidders provided the council with a reasonable degree of confidence that the contract opportunity would attract sufficient market interest and an expectation that the procurement could be progressed to a successful conclusion.
- 2.22 The council also held an information event in conjunction with Supplier Development Programme to signpost the tender opportunity, explain the council's approach, the potential implications and opportunities for the market, including small and medium sized organisations ('SMEs') to engage with the contract opportunity.
- 2.23 An update on the pre-procurement activity and the challenging prevailing market conditions, which may adversely impact on the number of potential bidders participating

in the procurement, was provided to the Policy and Strategy Committee in December 2021.

The procurement procedure

- 2.24 The procurement procedure was conducted in accordance with the Public Contracts (Scotland) Regulations 2015 (the 'Regulations') and the council's General Contract Standing Orders. The tender process was conducted digitally using the Public Contracts Scotland Tender (electronic PCS-T) system.
- 2.25 The procurement process was undertaken in accordance with the Competitive Procedure with Negotiation procedure (Regulation 30 of the Public Contracts (Scotland) Regulations 2015), which involves two post-selection stages of tendering (Initial Tenders and Final Tenders, both with clarification exchanges as required) with an intervening period of negotiation. An overview of the procurement procedure, current status and timeline for completion of the procurement and mobilisation of the proposed contract is summarised in Figure 1.

Figure 1



- 2.26 The Contract Notice and supporting procurement documentation was published on the UK Find a Tender Portal and the Public Contracts Scotland Portal on 1 November 2022, this formally launched the procurement.

Selection stage

- 2.27 Following the comprehensive and positive pre-procurement market engagement, four requests to participate in the procurement (the "Selection Stage submissions") were received by the 9 December 2022 response deadline.
- 2.28 The Selection Stage submissions were evaluated against the council's predetermined published selection criteria, which included economic and financial standing, business probity, technical and professional ability, and organisational approaches to fair work and environmental practices.
- 2.29 The evaluation determined that all four Selection Stage submissions met the council's selection criteria and could be progressed to the next stage of the procurement. However, in accordance with the published evaluation methodology only the three highest scoring Selection Stage submissions were progressed to the next stage of the procurement. The following organisations, presented in alphabetical order, were progressed to the next stage of the procurement:

- Amey OW Ltd;

- Hochtief PPP Solutions GmbH; and
- Kier Highways Ltd.

collectively (the 'Bidders').

Aitkins Ltd who achieved the fourth highest score was discontinued from the procurement at this point. Atkins Ltd was formally notified of this decision.

- 2.30 The selection stage criteria and outcome of the evaluation of the Selection Stage submissions was included in the report considered at the meeting of the Council on 17 August 2023, for convenience, this information is reproduced as Appendix 5.

Initial Tender stage

- 2.31 The Bidders were issued with Invitation to Negotiate documentation on the 3 April 2023 and invited to provide an Initial Tender submission to the council.
- 2.32 All three Bidders submitted Initial Tender submissions (the 'Initial Tender submissions') by the 30 June 2023 response deadline. The Initial Tender submissions were assessed against the council's predetermined published award criteria, which included service delivery, social value, contract terms and commercial approaches.
- 2.33 The summary assessment of the financial elements of the Bidder's Initial Tender submissions indicated that the cost of providing the services under the proposed contract will be broadly comparable with current costs.
- 2.34 Assessment of the qualitative aspects of the Initial Tender submissions comprised, at this stage of the procurement, an assessment, as to whether for each of the qualitative award criteria, the Bidders either 'met the requirement' or as 'not yet meeting the requirement'.
- 2.35 The assessment determined that only one Bidder satisfied all 26 of the 26 criteria assessed at this stage. The other two Bidders, at this stage of the procurement, assessed as yet not meeting 1 and 7 of the 26 criteria assessed. The 'Legal' criterion was not assessed at this time.
- 2.36 The qualitative award criteria assessed as 'not yet meeting the requirement' was not of significant concern at that time, as the next steps in the procurement process were designed to facilitate improvement in both the financial and qualitative aspects of a Bidders' Initial Tender submission, and that a positive contract award decision would be contingent on the Bidder who is recommended for contract award meeting the council's requirements in full.
- 2.37 The high-level award stage criteria and outcome of the assessment of the Initial Tender submissions was reported to the Policy and Strategy Committee on 7 December 2023. Appendix 6 contains further detail of the award criteria and for convenience the outcome of the assessment of the Initial Tender submission is reproduced as Appendix 7.

Negotiation stage

- 2.38 The negotiation stage commenced on 1 September 2023 and completed on 3 November 2023.
- 2.39 The negotiations focused on key technical, operational, legal and commercial issues aimed at the Bidders improving on their Initial Tender submissions in their Final Tender submissions. The negotiation stage was also used to emphasise to the Bidders any

elements of their Initial Tender submissions which ‘as yet does not meet’ the council’s requirements, with the Bidders encouraged to improve their proposals appropriately in their Final Tender submissions in accordance with the procedure set out in the Regulations.

- 2.40 The project plan made provision for three rounds of negotiation with the Bidders, however given the complexity, the range and importance of the discussions, an additional round of negotiation was required.
- 2.41 The negotiations were positive, providing a high degree of confidence that the improvement opportunities and other matters discussed during the negotiations would be confirmed / addressed in the Bidders’ Final Tender submissions.

Final Tender stage

- 2.42 An invitation to submit a Final Tender was issued to the Bidders on 6 November 2023 with all three Bidders providing their Final Tender submissions by the 8 December 2023 response deadline.
- 2.43 The Final Tender submissions were evaluated against the council’s predetermined published award criteria, the award criteria remained unchanged from the Initial Tender stage.
- 2.44 The award criteria included technical and commercial sections that were evaluated against the following high-level criteria and weightings:
- Quality 60% (Technical); and
 - Price 40% (Commercial).
- 2.45 Evaluation of all stages of the procurement was undertaken in accordance with the approved evaluation plan for each respective stage of the procurement. Evaluation was undertaken by a multi-disciplinary team, with over 40 individual evaluators involved in the evaluation of each of the Selection stage, Initial Tender, and Final Tender submissions.
- 2.46 The price and quality evaluations were undertaken concurrently but remained separate and independent to each other. The scores for both were consolidated at the final tender stage to provide an overall score.

Price evaluation

- 2.47 The price evaluation was conducted in accordance with the methodology set out in the procurement documents. The outcome of the price evaluation is shown in Table 1.

Table 1

Level 1 Criteria	Level 1 Weighting	Bidder 1 Weighted Price Score	Bidder 2 Weighted Price Score	Bidder 3 Weighted Price Score
Price	40%	40.00%	32.64%	26.06%

Evaluation of Quality criteria

- 2.48 The project objectives comprise a number of factors designed to contribute to the delivery of the Council’s vision for the area and wider policy commitments. Cost, while an important factor, is not the only consideration.

- 2.49 Evaluation of the qualitative aspects of the Final Tender submissions comprised the scoring of each of the qualitative award criteria using the agreed marking scheme, all 27 award criteria were scored at the final tender stage.
- 2.50 The evaluation determined that all three Bidders' Final Tender submissions met all 27 of the council's qualitative award criteria, most by a comfortable margin, Table 2 provides further detail.

Table 2

Possible quality scores	Number of award criteria		
	Bidder 1	Bidder 2	Bidder 3
Score of 100 (max possible score)	24	22	14
Score of 75	-	4	8
Score of 50 (min scoring threshold required)	3	1	5
Score of 25	-	-	-
Score of zero (min possible score)	-	-	-
Total	27	27	27

- 2.51 The evaluation of the qualitative criteria was conducted in accordance with the methodology set out in the procurement documents. The outcome of the qualitative evaluation is shown in Table 3.

Table 3

Level 1 Criteria	Level 1 Weighting	Bidder 1 Weighted Quality Score	Bidder 2 Weighted Quality Score	Bidder 3 Weighted Quality Score
Quality	60%	54.60%	54.85%	48.11%

Appendix 8 provides further detail of the outcome of the evaluation of the qualitative criteria.

Most Economically Advantageous Tender

- 2.52 The total scores for Price and Quality were combined to provide the overall outcome of the evaluation of the Final Tender submissions (the identification of the Most Economically Advantageous Tender). Table 4 provides the final overall outcome of the procurement.

Table 4

Bidder	Quality score (max 60%)	Price score (max 40%)	Overall score	Overall Rank
Bidder 1 - Hochtief PPP Solutions GmbH	54.60%	40.00%	94.60%	1
Bidder 2	54.85%	32.64%	87.49%	2
Bidder 3	48.11%	26.06%	74.17%	3

- 2.53 As identified in Table 4, the Bidder who has submitted the most economically advantageous Final Tender is Bidder 1 - Hochtief PPP Solutions GmbH (the 'Preferred Bidder') and is therefore recommended for contract award.
- 2.54 A summary of the procurement process is provided as Appendix 1 and the SME status and location of Bidders as Appendix 2.

Financial Implications

- 2.55 The cost of the Preferred Bidder providing Core Services and Core Projects under the proposed contract would decrease by 26% when modelled against current costs (the 'Should Cost Model see para 2.80(c)').
- 2.56 One off contract mobilisation costs, which include the development of IT business interfaces and associated hardware/software, rebranding, training and development, and the expansion and upgrades to operational premises, of circa £932,655 would also be payable in the first year of the proposed contract.
- 2.57 The phased mobilisation of the new Core Services into the proposed contract will include the transition of existing contracts at their expiry. All in scope contracts are expected to have transitioned by March 2025.
- 2.58 The price evaluation included consideration of whether any of the Final Tender submissions appeared to be abnormally low (i.e. more than 15% below the median price). Extensive due diligence and a risk assessment was conducted on the Preferred Bidder's price submission, the explanations and supporting evidence provided by the Preferred Bidder satisfactorily accounts for the prices/costs contained in its Final Tender submission. The cost of providing the services under the proposed contract is assessed, as representing fair market rates and falling within acceptable parameters.
- 2.59 It is long established economic impact modelling principle, that money spent and retained in the local area has a significant multiplier effect as the spend circulates further through the local economy. General economic impact assessment modelling estimates that, for every £1 spent by, in this case, the council, there would be at least £3.00 of benefits delivered to North Lanarkshire as a whole by increasing output, increasing access to employment opportunities and improving health and social mobility, plus a series of other positive outcomes.

Comparison of the position at the Initial Tender stage with the Final Tender stage

- 2.60 The report to the meeting of the Policy and Strategy Committee on 7 December 2023, indicated that improvements/refinements to the Initial Tender submissions could reasonably be expected as the procurement progressed through the Negotiation stage to the final Tender stage.
- 2.61 The anticipated improvement opportunities and other matters discussed and agreed during the Negotiation stage were confirmed in the Final Tender submissions, the key outcomes for the Preferred Bidder are set out in Table 5.

Table 5

	Description	Initial Tender submission	Final Tender submission
a.	Cost implications – estimated percentage variation when compared with current costs. (the ‘Should Cost Model’ para 2.80 (c)).	minus 14.87%	minus 26.56%
b.	Extent to which the council’s qualitative criteria are met (27 criteria)	25 of 26*	all 27
c.	Terms and conditions of contract	not yet agreed	agreed
d.	Mobilisation costs	£1.23m	£0.93m

*The Legal qualitative criterion was not assessed at the Initial Tender stage.

Price Stability

- 2.62 The Preferred Bidder’s tendered prices and percentages will remain fixed during the tender validity period, thereafter, adjusted in line with good industry practice by the application of the Price Adjustment Formulae Indices Series 4 – Civil Engineering (referred to as PAFI 4 CE WCI).
- 2.63 The first price adjustment will be made on the contract commencement date and annually thereafter throughout the contract term.

Supply chain opportunities

- 2.64 The proposed contract will provide subcontract opportunities for local and regional organisations as not all the services to be provided under the proposed contract will be delivered directly by the Preferred Bidder.
- 2.65 Approximately 46% of the services (by value) will initially be delivered through a supply chain established and managed by the Preferred Bidder. The Preferred Bidder’s supply chain strategy is based on a combination of local supply chain partners and tier 1 strategic partners who can deliver at scale. The Preferred Bidder has indicated that its reliance on subcontractors will reduce in favour of in-house delivery over the contract term, where beneficial, to increase the resilience of the services, and to maximise the opportunities for local employment.

Social Value

- 2.66 Delivering social value at scale to benefit the local area was a key objective of the procurement. The community benefits approach was designed to deliver targeted benefits specific to the market and deliver outcomes such as:
- creating pathways into employment, training and apprenticeship opportunities for residents and priority groups;
 - supporting and creating significant and meaningful education initiatives to maximise opportunities for children and young people to realise their full potential;

- addressing skills shortages and improve the skills of local people for in-demand roles including digital skills;
- ensuring there are significant opportunities within the supply chain for local businesses, the third sector, and supported businesses; and
- engaging and listening to residents, communities, and businesses to maximise participation, capacity, and empowerment to ensure the Project is making a real difference and delivering impact across all communities.

2.67 To illustrate the positive step change that the proposed contract will secure, the Preferred Bidder's social value commitments, which will be contractualised, include:

- significant local new apprentice programme ;
- accelerator programme for local SMEs or voluntary, community and social enterprises;
- commitment to invest in innovations with up-front capital;
- commitment to annual budget for community partners community fund;
- investment in "women in construction" and "diversity of construction" programmes;
- commitment to building tendering capabilities through 'Meet the Buyer' events;
- commitment to run employability programmes that remove barriers to work for under-represented groups;
- fast-track procurement process in place to encourage local supply chain participation;
- development of bespoke social value communications app for all stakeholders to engage communities in reporting, providing feedback and prioritising needs/solutions;
- volunteer programme;
- sponsorship of local annual carbon reduction prize incentivised through an innovation seed fund;
- contribute to purpose-built community training hub offering training to apprentices and the wider community;
- contribute to virtual learning academy offering learning experiences to engage communities in learning about the sector and the contract whilst developing digital capabilities;
- procedure for all new employment opportunities (including apprenticeships) to be advertised locally via Jobcentre Plus and Fair Start Scotland employability contractors;
- employability training programme; and
- commitment to work with the council's community boards to establish an annual community partners programme.

The full list of the social value commitments contained in the Preferred Bidder's Final Tender submission is provided as Appendix 9.

Contractual Benefits

2.68 The proposed contract is markedly different from the current contract. The proposed contract and associated business change will secure a range of improvements and benefits when compared with the current contract and business practices including:

- all roads and infrastructure maintenance and investment projects/programmes from one contractor either directly or via supply chain arrangements established and managed by the contractor;
- updated Schedule of Rates and supporting specifications;
- removal of redundant Schedule of Rates;
- continuity of essential service provision;
- a large contract which adopts partnering principles that is aligned to deliver service improvement and increased value for money with appropriate risk/reward mechanisms in place;
- granular visibility over individual cost components with open book accounting by the contractor;
- further development of digitisation to support service delivery and reporting;
- designed to provide local and regional expertise by attracting and keeping SMEs;
- built in legal protections: contractual terms based on public sector model conditions (with appropriate adjustments) designed to protect public sector buyers. Investment projects/programmes adopting standard industry terms: various NEC4 forms of contract;
- supports council key policy themes such as: social value, sustainability, fair work practices and prompt payment;
- an environmental impact reduction plan to capture and monitor the contractor's commitments to emission reductions over the contract term (aligned to Scottish Government climate reduction measurement and the council's net zero priorities to 2030 and beyond);
- enhanced approach to performance monitoring through the use of strategic and operational Key Performance Indicators (KPI's), including the introduction of a Service Credit Model with financial deductions for failure to meet KPI's;
- an internal client team that is more effective and focused on meeting key objectives, through performance monitoring, forward planning, contract management and improvement initiatives, rather than handling day to day operational issues;
- a fully integrated internal client team that has access to good quality data in which to shape joined up strategies for asset management and meeting the needs of service users;
- an internal client team with the capacity, capability, training and experience to manage and deliver against objectives that link with the contract;
- flexibility in service to continuously evolve to reflect changes in financial and other circumstances; and
- to drive continuous improvement and seek opportunities to promote ongoing integration with other teams and initiatives within the wider council.

Full details of the benefits and improvements that the proposed contract will deliver are provided as Appendix 10.

Fair Work First Practices

- 2.69 The council is committed to the delivery of high-quality public services and recognises that this is dependent on a workforce that is well rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, is diverse and is engaged in decision making.
- 2.70 Within the procurement documentation, the Bidders were asked a question on their approach to Fair Work First and payment of the real Living Wage to their workforce. This question was in accordance with the applicable Scottish Government guidance on

“Fair Work First in Scottish Procurement”, the Scottish Government’s policy for driving high quality and fair work across the labour market in Scotland.

- 2.71 The Preferred Bidder has committed to adopt the principles of Fair Work First, by applying Fair Work criteria to its directly employed workforce and through its tender processes with its supply chain. This includes:
- paying the Real Living Wage to all employees, agency and sub-contractor workers;
 - removing any zero hours contracts, delivering its commitment of not using zero hours contracts and contractually cascade this commitment down to its supply chain;
 - support its SME supply chain via a dedicated supplier portal to:
 - assess gender equality in the workplace, and support improvement action plans;
 - assess subcontractor performance;
 - receive and evaluate tenders; and
 - embed and track achievement of environmental goals.
 - reducing environmental impacts and continue to practice responsible supply chain selection and management;
 - investing in its workforce development through annual accredited training;
 - embedding employee forums, surveys and board level representation;
 - driving innovation in collaboration with staff and supply chain partners to generate ideas for improvement; and
 - paying its suppliers on time (30 days) and through negotiation agree payment terms within 14 days of invoice receipt for SMEs.

Contract Management

- 2.72 It is recognised that a positive stepped change in the council's approach to contract management will be required in line with good industry practice to ensure that the proposed contract is managed effectively.
- 2.73 The foundations for the required improvement in the management of the proposed contract were laid in the pre-procurement development of performance measures and standards, monitoring and reporting provisions, contractual protections and remedies, these then integrated in the procurement process and embedded in the contract drafting.
- 2.74 The enabling provisions in the proposed contract need to be implemented as part of the transition arrangements to ensure, that in operation, the new contract is managed effectively, the benefits are secured, risks managed and the opportunities for continuous improvement maximised.
- 2.75 The essential elements for effective contract management will be in place for contract commencement, with the more advanced approaches developed and introduced, as a priority, on a phased basis thereafter. The approach will involve multiple layers of governance to provide essential scrutiny and oversight and set out clear roles and responsibilities for contract management and contract development activity.
- 2.76 [Community Operations], as the ‘contract owner’ will be responsible for the development and introduction of the improved contract management approach and implementation timeline.

- 2.77 Elected members will receive regular reports on contract and contractor performance through an enhanced suite of strategic and operational performance indicators at the relevant committee.

Best Value

- 2.78 The completion of the competitive procurement exercise has allowed the council to identify the bid that provides the optimal balance of benefits and cost. While this is sufficient to demonstrate that the award of the proposed contract represents best value, the council has incorporated a number of additional measures in the procurement, tender evaluation and the management of the proposed contract to reinforce the achievement of best value.
- 2.79 Collectively, these additional measures were designed to provide comparator(s) to the Preferred Bidder's Initial and Final Tender submissions to ensure that the council could:
- best understand the future cost of providing Core Services (affordability); and
 - secure and further evidence achievement of best value over the contract term.
- 2.80 The actions taken and the outcomes, are set out in paras 2.80(a-f):

a) Identify benchmarks to validate costs;

To validate the overall affordability, the Bidders' price submissions, in relation to a number of sample projects, was compared with current costs (the Should Cost model, para 80(c)). Costs were compared for the following sample projects:

- consultancy works;
- footways works;
- carriageway schemes; and
- improvement works.

The analysis of the comparison of the sample projects showed that the Bidders' price submissions fell within a range of minus 21% to plus 5% when compared with the Should Cost Model, all Bidders' price submissions within acceptable parameters.

b) Expect the Preferred Bidder to demonstrate value by using transparent pricing and other mechanisms ('open book');

The Preferred Bidder's commitment to transparent pricing and other mechanisms ('open book') was confirmed in its Final Tender submission.

The pricing model in the council's existing contracts only provide an overall total price for each Schedule of Rates item. The tender pricing model for the proposed contract was structured to include a breakdown of each Schedule of Rates into its component parts labour, materials, plant, management fee and profit to improve transparency of pricing.

c) Develop a 'Should Cost' model;

A Should Cost Model was developed to represent what the council would expect to pay for the proposed contract and to allow comparison with the cost of the current contracts. The Should Cost Model, aligned with good industry practice, used a number of existing sources of information including the schedule of rates costs of

current contracts for the in-scope services. Adjustments were made to the model to reflect the different pricing approaches included in the proposed contract, rates added to the scope, changes to the method of measurement, anticipated changes in rates based on market intelligence and adjustments for inflation.

The Should Cost Model also included an estimated future demand frequency for each schedule of rates item to represent a typical year's work for the services using historical information from existing contracts, and where appropriate, adjusted for anticipated changes in future demand.

The Should Cost Model allowed a comparison to be made with the financial elements of the Bidders' Initial and Final Tender submissions to identify the extent of any variation between the prices and rates in these submissions when compared with the Should Cost Model.

As the scope and the requirements of the proposed contract differ from the current arrangements it is not possible to compare all costs on the same basis, however around 80%, by value, are comparable.

The comparison between the Should Cost Model and the financial elements of the Preferred Bidder's Initial and Final Tender submissions is the means by which the percentage decrease in the cost of the services under the proposed contract, detailed at para 2.61 was calculated.

Given that the construct of the Should Cost Model is derived from reliable data sources and the high match rate that it provides with current costs, the Should Cost Model was assessed as being a reliable means to understand the financial implications of the proposed contract in addition to the Final Tender submissions received from the Bidders.

The Should Cost Model allows the council to best understand the future cost of providing Core Services (affordability).

d) to balance the scope of work which is granted on an exclusive basis;

Under the proposed contract, the contractor will not have an exclusive right to deliver all Core Projects (described in para 2.4). The contractor will only be awarded this work if the council is satisfied that the contractor's offer for these services, on a case-by-case basis, represents Best Value and otherwise meets the council's requirements, see paras 2.12 to 2.16.

Under the proposed contract, the contractor shall have an exclusive right and obligation to provide the majority of Core Services (described in para 2.4). However, the exclusivity arrangements may be partially or fully withdrawn if the contractor's performance is poor, based on agreed targets for performance and continuous improvement. Those offered on a non-exclusive basis will only be awarded if the council is satisfied that the contractor's offer for these services, on a case-by-case basis, represents Best Value and otherwise meets the council's requirements.

e) to increase the requirement for the Bidder to demonstrate value for money over the contract term for non-exclusive work; and

In addition to the provisions described in paras 2.80(b) and 2.80(d) the contractor is contractually obliged to conduct an annual review for the council, part of which

requires the contractor to demonstrate that Best Value has been achieved in the delivery of the in-scope services.

Contract provisions set out the requirements for future benchmarking and market testing.

(f) prescribe the procurement policy terms for advertising, quotations, and subcontracting.

Contract provisions set out the requirements in relation to subcontracting, advertising, quotations for non-exclusive works, elements of narrative orders and general requirement for a fair and transparent procurement process.

Best Value conclusion

- 2.81 The contract has been assessed on the basis of the Most Economically Advantageous Tender (MEAT) with price having 40% of the total score. The price / quality ratio was determined by reference to Scottish Government procurement journey guidance where the contract was classified as a “strategic” contract. The Preferred Bidder’s achievement of a 54.60% quality score, see para 2.52, also supports the positive assessment of Best Value.
- 2.82 The council is under a general duty of Best Value to *“make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.”* In addition, Audit Scotland has updated its approach to Best Value in October 2023 which will be reflected in its future audits of the Council – *“it is about ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes for the public”*.
- 2.83 The outcome of the competitive procurement, the collective actions set out in paras 2.80(a–f) together with;
- consideration of the financial implications detailed at paras 2.55 to 2.59;
 - the contractor’s quality submission, set out at para 2.51;
 - the contractors social value commitments, set out at para 2.66;
 - the benefits that the proposed contract, properly managed, will provide at para 2.68;
 - the provisions in the proposed contract to drive continuous improvement; and
 - the wider economic benefits, the ‘multiplier impact’, for the local area, set out at para 2.59.

has led us to conclude that the award of the proposed contract represents Best Value.

- 2.84 The assessment of Best Value is expected to continue throughout the contract term. The contract has been set up with sufficient flexibility to drive long term continuous improvement with contractual provisions for collaboration, meeting community needs through social value delivery, transparency, benchmarking, innovation, and efficiency in directly delivered and sub-contracted services embedded in the terms of the proposed contract.

Next steps

- 2.85 Subject to Council approval of the recommendation in this report, the council will, in accordance with the Regulations, commence a 10-day mandatory standstill period.

Subject to successful completion of the standstill period, the Council will award the contract to the Preferred Bidder.

- 2.86 Award of the contract will allow the commencement of a mobilisation period. A mobilisation plan will be developed with the Chief Officer – (Community Operations) overseeing delivery of the plan. The mobilisation plan will consist of activities such as preparation for integration of business systems; agreement of first year statutory compliance and planned preventative maintenance plan; year one service delivery plan; developing additional performance reporting; stakeholder communications and engagement plan; and process and procedure implementation.
- 2.87 The mobilisation plan will allow the agreed 'day one' services to commence on 5 August 2024, with the remaining services commencing thereafter on a phased basis in accordance with the agreed service transition plan.

3. Measures of success

- 3.1 The measures of success remain as previously reported to the Committee on 19 March 2020, namely that the Enterprise Project will help the council to:
- shape North Lanarkshire;
 - enhance our economy;
 - regenerate our communities;
 - provide cohesive maintenance and repairs;
 - focus on whole-life investment;
 - achieve more efficient and effective delivery;
 - move towards more sustainable and carbon neutral communities; and
 - provide access to additional resources.
- 3.2 The delivery model will continue to support twenty of the twenty five ambition statements, being a key driver for nine of these ambition statements (2, 3, 5, 6, 17, 21, 22, 24, 25) and contributing to eleven other ambition statements (1, 4, 10, 11, 12, 14, 15, 16, 18, 19, 23) and will be a catalyst for the successful delivery of the Plan for North Lanarkshire and its key priorities.
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4. Supporting documentation

Appendix 1 – Summary of procurement process

Appendix 2 – SME status and location of Bidders

Appendix 3 – Scope of services

Appendix 4 – List of new services / current contractors

Appendix 5 – Selection stage outcome

Appendix 6 – Award criteria

Appendix 7 – Initial Tender outcome

Appendix 8 – Final Tender outcome - qualitative criteria

Appendix 9 – Social value commitments

Appendix 10 – Contractual benefits

Appendix 11 – External advisors fees

A handwritten signature in black ink that reads "James McKinstry". The signature is written in a cursive style with a long horizontal line extending from the end.

James McKinstry
Chief Officer – Assets and Procurement

A handwritten signature in black ink that reads "Lyall Rennie". The signature is written in a cursive style with a large, stylized 'L'.

Lyall Rennie
Chief Officer – Community Operations

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to create, through the council's strategic contractual relationships with contractors, social value at scale for local communities. This will help the council to meet the requirements of the Fairer Scotland Duty to reduce socio disadvantage.

Socio economic impact is at the heart of the Enterprise Project and related contracts. The Enterprise Project will deliver a range of socio-economic benefits for the local community at a scale that cannot be achieved from current procurement and contract management practices. Targeted social value benefits will include;

- Employment Education & Skills - generate employment and training opportunities for school leavers, apprentices and unemployed people;
- Supply Chain Development & Opportunities - use small and medium sized enterprises (preferably local). Social enterprise or a supported business in supply chain;
- Community Engagement & Capacity Building – to benefit local communities;
- Environment - implement carbon reduction and sustainability initiatives; and
- Innovation - introduce innovation in delivery of services (e.g., digital tools, automation, working practices).

A single co-ordinated framework for delivering, measuring, and reporting socio economic impact across all Enterprise Project related contracts will be developed and implemented, this framework will be scalable for use across the wider organisation.

The council incorporates the statutory guidance on addressing 'Fair Work Practices' including payment of the Living Wage in all significant procurements

If Yes, has an assessment been carried out and published on the council's website? <https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments>

Yes ☒ No ☐

5.2 Financial impact

Does the report contain any financial impacts?

Yes ☒ No ☐

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Finance has been engaged with the Enterprise Project since its inception and is represented on the Project Board and the supporting professional advisors group.

The financial implications are set out at paras 2.55 to 2.59 of this report.

Contract expenditure will be managed from current General Fund budgets for repairs and winter maintenance and, where relevant, capital expenditure. Future costs will be incorporated into medium term financial planning processes considering contract inflation and thereafter considered as part of the Council's normal budget setting processes.

Given the potential scale, complexity and importance of this project in helping to realise the ambitions for North Lanarkshire, the Policy and Strategy Committee meeting in February 2019 agreed that to supplement inhouse capacity and capability, the procurement of appropriate specialist advice to support the procurement exercise be authorised.

External advisors' fees, for all aspects of Enterprise Project (including the linked predecessor project, the Enterprise Strategic Commercial Partnership) total £4.089m (as at Feb 2024). The external advisors' fees equate to 0.18% of the combined total upper estimated contract value of the two phase one Enterprise Project procurements. Professional advisors' fees typically equate to around 10% of the total cost of a project.

Advisors fees paid remain within estimates, fees have been incurred in accordance with internal procedures including committee approval/noting of contract awards.

Appendix 11 provides further details of external advisors fees.

External advisors are managed by the Project Team, with regular reports provided to the Project Board.

5.3 HR policy impact

Does the report contain any HR policy or procedure impacts?

Yes ☒ No ☐

If Yes, have all relevant HR impacts been discussed and agreed with People Resources?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

People Resources has been engaged with the Enterprise Project since its inception to ensure any and all HR considerations are addressed.

HR is represented on the Project Board and the supporting professional advisors' group.

5.4 Legal impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes ☒ No ☐

If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Legal and Democratic service has been fully involved with the Enterprise Project since its inception and has sought advice from external legal advisors to ensure the council manages legal risks effectively.

Legal and Democratic is represented on the Project Board and the supporting professional advisors' group.

Legal advice has been and will continue to be sought to ensure compliance with applicable legislation and to ensure the council manages legal risks effectively.

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes ☒ No ☐

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes ☐ No ☒

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes ☐ No ☒

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The project includes securing efficiencies through further digitising aspects of information exchange and ways of working.

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes ☒ No ☐

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The Enterprise Project aims to develop an innovative new approach to delivery for a full range of interconnected property, community asset and infrastructure investments. As such, will help the council to create more attractive town centres, address areas of poor quality in the built environment, and encourage town centre living through greening and improved community assets. Added to this, the reshaping of North Lanarkshire's town centres will aim to incorporate more energy efficient housing and infrastructure and promote active travel and the use of public transport via the development of transport hubs / interchanges, to support future council targets for net zero emissions.

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Regular updates relating to the Enterprise Project have been provided in line with the agreed project communication plan, this will continue as the project progresses, through contract award, contract mobilisation and ongoing contract management phases.

5.9 Risk impact

Is there a risk impact?

Yes ☒ No ☐

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Associated risks for the Enterprise Project are identified and managed in accordance with the agreed corporate project risk management methodology and monitored and reported via the Project Team and/or Project Board with risk escalation as required.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes ☐ No ☒

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

The Preferred Bidder has made a commitment to diversifying its workforce through initiatives such as "Tradeswomen into Maintenance", and the "Armed Forces Covenant".

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes ☐ No ☒

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes ☐ No ☒

Appendix 1 – Summary of procurement process

CPT contract reference allocated:	NLC-SLP-22-064
Procurement procedure utilised:	Competitive Procedure with Negotiation
Governing legislation / regulations:	Public Contracts (Scotland) Regulations 2015
Date contract strategy approved:	24 October 2022
Date contract notice published:	01 November 2022
Tender platform utilised:	PCS-Tender (PCST)
Total expressions of interest received:	26
NLC based expressions of interest:	4
Selection Stage Submission return deadline:	09 December 2022
Number of Selection Stage Submissions received:	4
Selection Stage Submission's from SME's:	Nil
Selection Stage Submission's from NLC based Candidates:	1
Selection Stage Submission's from supported businesses:	Nil
Number of non-compliant Selection Stage Submission's:	Nil
Number of compliant Selection Stage Submission's:	4
Number of Candidates invited to Negotiation Stage:	3
Negotiation Stage commencement date:	01 September 2023
Negotiation Stage conclusion date:	03 November 2023
Final Tender Stage publication date:	06 November 2023
Final Tender Stage return deadline:	08 December 2023
Number of Tenders received:	3

Tenders from SME's:	Nil			
Tenders from NLC based bidders:	1			
Tenders from supported businesses:	Nil			
Number of non-compliant tenders:	Nil			
Number of compliant tenders:	3			
Number of recommended bidders:	1			
Basis of Award:	Quality:	60%	Price:	40%
Evaluation Team:	Combination of Council Officers across Enterprise & Communities.			
Anticipated Start Date of the Agreement:	05 August 2024			
Total Agreement Period (Months):	144 (includes available extension options)			
Awarded Value of the Agreement:	Up to £450 million			

Appendix 2 – SME status and location of Bidders

Name of Bidder	Size of Bidding Organisation (Micro, Small, Medium or Large)	Location of Bidder (Local Authority / Council Area)
Hochtief PPP Solutions GmbH	Large	Essen, Germany
Bidder 2	Large	North Lanarkshire
Bidder 3	Large	Salford

Appendix 3 - Roads and infrastructure maintenance and improvement services – Scope of services

Key	Activity
A	Reactive Maintenance and Incident Response Services
B	Routine Maintenance, Winter Maintenance Planning / Delivery, and Network Inspections
C	Investment / Improvement Projects and Programmes
D	Other Related Work

Level 1	Level 2	Level 3	A.	B.	C.	D.
1. Carriageways & Car Parks	1.1 Area	1.1.1 Central reservation, roundabout, lay-by, traffic island, etc.	YES	YES	YES	YES
		1.1.2 Earthworks (embankments and cuttings, retaining walls height <1.35m)	YES	YES	YES	YES
		1.1.3 Fords and causeways	YES	YES	YES	YES
		1.1.4 Other surface types (e.g. paved)	YES	YES	YES	YES
		1.1.5 Pavement Layers	YES	YES	YES	YES
		1.1.6 Sweeping (large mechanical)	YES	YES	N/A	N/A
		1.1.7 Traffic calming	YES	YES	YES	YES
	1.2 Linear	1.2.1 Boundary fences, screens, environmental barriers and hedges	YES	YES	YES	YES
		1.2.2 Hard strip/shoulder verges/vegetation/road trees/arboriculture	YES - 1	YES - 1	YES - 1	YES - 1
		1.2.3 Kerbs	YES	YES	YES	YES
		1.2.4 Road drainage elements (gullies, drains, trash screens etc., but not large structures)	YES	YES	YES	YES
		1.2.5 Road markings	YES	YES	YES	YES
		1.2.6 Road studs	YES	YES	YES	YES
2. Winter / Severe Weather			YES	YES	YES	YES
3. Footways, Footpaths, Pedestrian Areas, Other Paved Areas & Cycle Tracks	3.1 Area	3.1.1 Other surface types (e.g. block paving & high amenity)	YES	YES	YES	YES
		3.1.2 Pavement Layers	YES	YES	YES	YES

		3.1.3 Unbound materials	YES	YES	YES	YES
4. Structures	4.1 Bridges	All elements including Heritage Repair and Restoration - Masonry and Metalwork	YES	YES	YES	YES
	4.2 Chambers		YES	YES	YES	YES
	4.3 Culverts (span > 0.9m)		YES	YES	YES	YES
	4.4 High Mast Lighting Columns		YES	YES	YES	YES
	4.5 Retaining Walls (height > 1.35m)		YES	YES	YES	YES
	4.6 Sign / signal gantries and cantilever road signs / masts		YES	YES	YES	YES
	4.7 Special Structures		YES	YES	YES	YES
	4.8 Structural Earthworks		YES	YES	YES	YES
	4.9 Underpass / Tunnels		YES	YES	YES	YES
	4.10 Vehicle restraint systems		YES	YES	YES	YES
5. Street Lighting	5.1 CCTV masts	All elements including column and foundations, brackets, luminaires, control equipment, cables, switching and internal wiring cabling.	YES	YES	YES	YES
	5.2 Heritage columns		YES	YES	YES	YES
	5.3 Illuminated bollards		YES	YES	YES	YES
	5.4 Illuminated signs		YES	YES	YES	YES
	5.5 Lighting columns		YES	YES	YES	YES
	5.6 Lighting units attached to walls / wooden poles		YES	YES	YES	YES
	5.7 Seasonal & event Lighting		YES	YES	YES	YES
6. Street Furniture	6.1 Roads	6.1.1 Safety fences	YES	YES	YES	YES
	6.2 Street scene / amenity	6.2.1 Bins	YES	YES	YES	YES
		6.2.2 Bus shelters	YES	YES	YES	YES
		6.2.3 Bollards	YES	YES	YES	YES

		6.2.4 Cattle grids	YES	YES	YES	YES
		6.2.5 Gates	YES	YES	YES	YES
		6.2.6 Grit bins	YES	YES	YES	YES
		6.2.7 Pedestrian barriers	YES	YES	YES	YES
		6.2.8 Seating	YES	YES	YES	YES
		6.2.9 Street name plates	YES	YES	YES	YES
		6.2.10 Trees / tree protection etc. (decorative)	YES	YES	YES	YES
		6.2.11 Verge marker posts	YES	YES	YES	YES
	6.3 Transport	6.3.1 Traffic signs (non-illuminated) including Decriminalised Parking Enforcement Signing and Lining	YES	YES	YES	YES
7. Traffic Management Systems	7.1 Information systems	7.1.1 Real-time passenger information	YES	YES	YES	YES
		7.1.2 Variable message signs	YES	YES	YES	YES
		7.1.3 Vehicle activated signs	YES	YES	YES	YES
	7.2 Pedestrian signals	7.2.1 Maintenance	YES - 1	YES - 1	N/A	N/A
		7.2.2 New Infrastructure / Upgrades	N/A	N/A	YES	YES
	7.3 Traffic signals	7.3.1 Maintenance	YES - 1	YES - 1	N/A	N/A
		7.3.2 New Infrastructure / Upgrades	N/A	N/A	YES	YES
	7.4 Zebra crossings	7.4.1 Maintenance	YES - 1	YES - 1	N/A	N/A
		7.4.2 New Infrastructure / Upgrades	N/A	N/A	YES	YES
8. Land	8.1 Verges and open space	8.1.1 General fencing, barriers & gates	YES - 1	YES - 1	YES - 1	YES - 1
		8.1.2 Grass cutting	YES - 1	YES - 1	N/A	N/A
		8.1.3 Landscape and Ecology	YES - 1	YES - 1	YES - 1	YES - 1
9. Specialist	9.1 Asset Surveys	9.1.1 Asset Inventory Information Data Collection (linked to in-scope services)	YES	YES	YES	YES
		9.1.2 Asset Surveys - Cyclical	YES - 1	YES - 1	N/A	N/A
		9.1.3 Asset Surveys - Specialist	N/A	N/A	YES - 1	YES - 1

	9.2 Cemetery memorial headstone stabilisation		YES	YES	YES	NO
	9.3 Electric vehicle infrastructure		YES - 1	YES - 1	NO	NO
	9.4 Memorial maintenance and cleaning		YES	YES	N/A	N/A
	9.5 Public Art Maintenance		YES	YES	N/A	N/A
	9.6 Reservoirs	9.6.1 General maintenance	YES - 1	YES - 1	N/A	N/A
	9.7 Roads Incident Response	9.7.1 Incident response	YES	N/A	N/A	N/A
	9.8 Specialist playground installation & surfacing works		YES - 1	YES - 1	YES - 1	YES - 1
	9.9 Temporary traffic management	9.9.1 Traffic Management to facilitate Grass Cutting and Graffiti removal	YES - 1	YES - 1	N/A	N/A
	9.10 Third party liability cost recovery	9.10.1 Recovery of costs relating to damaged council property	YES	YES	YES	YES
10. Professional Services	10.1 Consultancy	10.1.1 Capital projects - scheme prep, design & construction	N/A	N/A	YES - 1	YES - 1
		10.1.2 Professional Services General	YES - 1	YES - 1	YES - 1	YES - 1
		10.1.3 Programme Management	N/A	YES - 1	YES - 1	YES - 1
	10.2 Investigation	10.2.1 Specialist inspections, including reservoirs	NO	NO	YES - 1	YES - 1
	10.3 NRSWA noticing	10.3.1 NRSWA noticing	YES	YES	YES	YES

KEY	
YES	In-scope (exclusive)
YES - 1	In-scope (non-exclusive)
N/A	N/A
NO	Excluded from scope

Appendix 4 – New services

Service Description	Estimated Annual Value	Bidder's Indicative Delivery Method
Strategic Partnership - Roads, Street Lighting & Winter Maintenance	£10,500,000	Self-deliver majority of works
Carriageway & Car Park Resurfacing / Reconstruction and Minor Repairs	£5,000,000	Subcontract
Footway, Footpath and Paved Areas Resurfacing/Reconstruction and Minor Repairs	£2,500,000	Subcontract
Provision of a Winter Assistance	£1,250,000	Subcontract
Supply and Install of Electronic Signs	£500,000	Self-deliver majority of works
Bridge Inspections	£280,000	Subcontract
Supply of Electrical Road Signs	£225,000	Self-deliver majority of works
Vehicle Restrain Systems Assessment	£150,000	Subcontract
Traffic Signal Maintenance Contract	£65,000	Subcontract
North Lanarkshire Council Road Lighting Design	£33,150	Subcontract
Decriminalised Parking Enforcement Signing and Lining Maintenance	£32,000	Subcontract
Traffic Management to Facilitate Grass Cutting Operations	£20,000	Subcontract
Vehicle and Plant Hire	£15,000	Subcontract

Appendix 5 – Selection stage outcome summary

Stage	Criteria	Results			
		Amey OW Ltd	Atkins Limited	Hochtief PPP Solutions GmbH	Kier Highways Limited
1G1	Receipt and Collation of SPD Submissions	Pass	Pass	Pass	Pass
2A1	Compliance and Completeness Check	Pass	Pass	Pass	Pass
2A2	Information about the Bidder Check	Pass	Pass	Pass	Pass
3B1	Exclusion Grounds (Mandatory)	Pass	Pass	Pass	Pass
3B2	Exclusion Grounds (Discretionary)	Pass	Pass	Pass	Pass
3B3	Concluding Statement Check	Pass	Pass	Pass	Pass
4C1	Economic and Financial Standing (4B.4)	Pass	Pass	Pass	Pass
4C2	Economic and Financial Standing (4B.5.1, 5.2)	Pass	Pass	Pass	Pass
4C3	Economic and Financial Standing (4B.6)	Pass	Pass	Pass	Pass
5D1	4D.1 and 4D.2	Pass	Pass	Pass	Pass
5D2	4C.2, 4C.4, 4C.7, 4C.8.1, 4C.8.2, 4C.9	Pass	Pass	Pass	Pass
5D3	4C.1.2	3.45	2.00	2.90	3.80
5D4	Candidate Shortlisting Rank	2	4	3	1
	Shortlist	Yes	No	Yes	Yes

Appendix 6 – Award criteria

Level 1 Award Criteria	Level 1 Award Criteria Weighting	Level 2 Award Criteria	Level 2 Award Criteria Weighting
Quality	60%	1. Service Delivery	60%
		2. Social Value	20%
		3. Commercial	10%
		4. Legal	10%
Price	40%	1. Price	100%

Level 2 Award Criteria	Level 2 Award Criteria Weighting	Level 3 Award Criteria	Level 3 Award Criteria Weighting
1. Service Delivery	60%	1.1 Contract Management	15%
		1.2 Delivery approach and Methodology	40%
		1.3 Staffing proposals	10%
		1.4 Fair Work Practices	5%
		1.5 Subcontracting / supply chain proposals	10%
		1.6 Mobilisation Plan / Exit Plan	5%
		1.7 ICT Arrangements	10%
		1.8 Management systems / service planning	5%
2. Social Value	20%	2.1 Employment, education and skills	30%
		2.2 Supply Chain Development & opportunities	15%
		2.3 Community Engagement & Capacity Building	15%
		2.4 Environment	30%
		2.5 Innovation	10%
3. Commercial	10%	3.1 Commercial Proposals	80%
		3.2 Pensions Proposals	20%
4. Legal	10%	4.1 Legal	100%

Level 4 Criteria	Level 4 "Question Weighting"
1.1a Please provide a Governance and Contract Management Plan detailing how you will support the governance and management of the service over the full Contract Term.	75%
1.1b Please provide a Depot Plan detailing how your selection, management and operation of depots will contribute to the successful delivery of the contract.	25%
1.2a Please provide a Service Delivery Plan for Core Services Reactive Maintenance, Statutory Compliance / Servicing, Project/Programmes: Investment Works and Other Related Works for the following asset types: <ul style="list-style-type: none"> • Carriageway and Car Parks (Area and Linear Assets) • Footways, Footpaths and Pedestrian Areas • Structures • Street Furniture • Land 	16%
1.2b Please provide a Severe Weather Service Delivery Plan.	14%
1.2c Please provide a Service Delivery Plan for Street Lighting for Reactive Maintenance, Statutory Compliance/Servicing, Core Projects/Programmes: Investment Works and Other Related Works.	14%
1.2d Please provide a Traffic Management Systems Service Delivery Plan for Reactive Maintenance, Statutory Compliance/ Servicing, Core Projects/ Programmes: Investment Works and Other Related Works (NB This question is not about temporary traffic management).	14%
1.2e Please provide a Services Delivery Plan for Specialist Services (excluding Roads Incident Response). (Services include – Reservoirs, Specialist playground installation and surfacing works, Temporary traffic management, 3 rd Party liability cost recovery, Asset surveys, Electric vehicle infrastructure, Cemetery memorial headstone stabilization, Memorial maintenance and cleaning, and Maintenance of public art).	14%
1.2f Please provide a Service Delivery Plan for Roads Incident Response.	14%
1.2g Please provide a Services Delivery Plan for Professional Services for Reactive Maintenance, Statutory Compliance/Servicing, Core Projects/Programmes: Investment Works and Other Related Works.	14%
1.3 Please provide a Resources Plan detailing how you will successfully resource and deliver the service over the Term.	100%
1.4 Please provide a Fair Work Plan detailing how you will comply with Fair Work First principles where directly employed and subcontracted workers are used.	100%
1.5 Please provide a Supply Chain Plan outlining your approach to the selection, management and payment of suppliers and SubContractors.	100%
1.6a Please provide a Mobilisation Plan detailing how you will mobilise the Services.	50%

1.6b	Please provide a Service Exit Plan detailing how you will manage the handover of services and supporting information to the Authority.	50%
1.7	Please provide a Technology Plan detailing how you will use IT & technology to robustly and reliably support the delivery of the contract.	100%
1.8a	Please provide a Health and Safety Plan detailing your management arrangements for the health, safety and wellbeing of the workforce, client and service users.	25%
1.8b	Please provide a Quality Management Systems Plan detailing your management systems for managing quality.	25%
1.8c	Please provide an Environmental Management System Plan detailing your management systems for managing environmental impact.	25%
1.8d	Please provide a Service Continuity Plan detailing how you will maintain continuity of service delivery.	25%
2.1	Please provide a Social Value Plan detailing how you will deliver specific and tangible Social Value measures and benefits that you will offer the Authority.	100%
2.2	Please provide a Local Supply Chain Development Plan detailing how you will deliver support local supply chain participation in the Contract.	100%
2.3	Please provide a Local Community Engagement and Capacity Building Plan detailing how you will support local community engagement over the Term.	100%
2.4	Please provide an Environmental Impact Reduction Plan detailing how you will reduce environmental impact over the Term.	100%
2.5	Please provide a Innovation and Improvement Plan for delivery of innovation, new technologies and new methods of service delivery.	100%
3.1	Please provide a Commercial Plan describing your commercial management approach to the Contract.	100%
3.2	Please provide a Pensions Plan describing your approach to pension arrangements for the Contract.	100%
4.1	Legal	100%

Appendix 7 - Initial Tender review outcome summary – qualitative criteria

Reference	Question	Bidder 1	Bidder 2	Bidder 3
Question 1.1a	Governance and Contract Management Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.1b	Depot Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2a	Service Delivery Plan for Core Services Reactive Maintenance, Statutory Compliance / Servicing, Project/Programmes: Investment Works and Other Related Works	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2b	Severe Weather Service Delivery Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2c	Service Delivery Plan for Street Lighting for Reactive Maintenance, Statutory Compliance/Servicing, Core Projects/Programmes: Investment Works and Other Related Works	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2d	Traffic Management Systems Service Delivery Plan for Reactive Maintenance, Statutory Compliance/ Servicing, Core Projects/ Programmes: Investment Works and Other Related Works	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 1.2e	Services Delivery Plan for Specialist Services (excluding Roads Incident Response).	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2f	Service Delivery Plan for Roads Incident Response	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.2g	Services Delivery Plan for Professional Services for Reactive Maintenance, Statutory Compliance/Servicing, Core Projects/Programmes: Investment Works and Other Related Works	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 1.3	Resources Plan	Does not yet meet the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 1.4	Fair Work Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.5	Supply Chain Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement

Question 1.6a	Mobilisation Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.6b	Service Exit Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.7	Technology Plan	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 1.8a	Health and Safety Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.8b	Quality Management Systems Plan.	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.8c	Environmental Management System Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 1.8d	Service Continuity Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 2.1	Social Value Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 2.2	Local Supply Chain Development Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 2.3	Local Community Engagement and Capacity Building Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 2.4	Environmental Impact Reduction Plan	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 2.5	Innovation and Improvement Plan	Meets the minimum requirement	Meets the minimum requirement	Meets the minimum requirement
Question 3.1	Commercial Plan	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 3.2	Pensions Plan	Meets the minimum requirement	Meets the minimum requirement	Does not yet meet the minimum requirement
Question 4.1	Legal	Not assessed at this stage	Not assessed at this stage	Not assessed at this stage
Total number of criteria met		25 of 26	26 of 26	19 of 26

Appendix 8 - Final Tender evaluation outcome summary – qualitative criteria

Level 4 Criteria	Maximum Score Available	Score Achieved		
		Hochtief	Bidder 2	Bidder 3
1.1a Please provide a Governance and Contract Management Plan detailing how you will support the governance and management of the service over the full Contract Term.	100	100	100	100
1.1b Please provide a Depot Plan detailing how your selection, management and operation of depots will contribute to the successful delivery of the contract.	100	100	100	100
1.2a Please provide a Service Delivery Plan for Core Services Reactive Maintenance, Statutory Compliance / Servicing, Project/Programmes: Investment Works and Other Related Works for the following asset types: <ul style="list-style-type: none"> • Carriageway & Car Parks (Area & Linear Assets) • Footways, Footpaths and Pedestrian Areas • Structures • Street Furniture • Land 	100	100	100	100
1.2b Please provide a Severe Weather Service Delivery Plan.	100	100	100	100
1.2c Please provide a Service Delivery Plan for Street Lighting for Reactive Maintenance, Statutory Compliance / Servicing, Core Projects / Programmes: Investment Works and Other Related Works.	100	100	100	75
1.2d Please provide a Traffic Management Systems Service Delivery Plan for Reactive Maintenance, Statutory Compliance/ Servicing, Core Projects/ Programmes: Investment Works and Other Related Works (NB This question is not about temporary traffic management).	100	100	100	75
1.2e Please provide a Services Delivery Plan for Specialist Services (excluding Roads Incident Response). (Services include – Reservoirs, Specialist playground installation and surfacing works, Temporary traffic management, 3 rd Party liability cost recovery, Asset surveys, Electric vehicle infrastructure, Cemetery memorial headstone stabilization, Memorial maintenance and cleaning, and Maintenance of public art).	100	100	100	75

Level 4 Criteria	Maximum Score Available	Score Achieved		
		Hochtief	Bidder 2	Bidder 3
1.2f Please provide a Service Delivery Plan for Roads Incident Response.	100	100	100	100
1.2g Please provide a Services Delivery Plan for Professional Services for Reactive Maintenance, Statutory Compliance/Servicing, Core Projects/Programmes: Investment Works and Other Related Works.	100	100	75	50
1.3 Please provide a Resources Plan detailing how you will successfully resource and deliver the service over the Term.	100	100	100	100
1.4 Please provide a Fair Work Plan detailing how you will comply with Fair Work First principles where directly employed and subcontracted workers are used.	100	100	100	100
1.5 Please provide a Supply Chain Plan outlining your approach to the selection, management and payment of suppliers and Sub-Contractors.	100	100	100	100
1.6a Please provide a Mobilisation Plan detailing how you will mobilise the Services.	100	100	100	100
1.6b Please provide a Service Exit Plan detailing how you will manage the handover of services and supporting information to the Authority.	100	100	100	100
1.7 Please provide a Technology Plan detailing how you will use IT & technology to robustly and reliably support the delivery of the contract.	100	100	100	75
1.8a Please provide a Health and Safety Plan detailing your management arrangements for the health, safety and wellbeing of the workforce, client and service users.	100	100	100	100
1.8b Please provide a Quality Management Systems Plan detailing your management systems for managing quality.	100	100	100	50
1.8c Please provide an Environmental Management System Plan detailing your management systems for managing environmental impact.	100	100	100	100
1.8d Please provide a Service Continuity Plan detailing how you will maintain continuity of service delivery.	100	100	100	100

Level 4 Criteria	Maximum Score Available	Score Achieved		
		Hochtief	Bidder 2	Bidder 3
2.1 Please provide a Social Value Plan detailing how you will deliver specific and tangible Social Value measures and benefits that you will offer the Authority.	100	50	75	75
2.2 Please provide a Local Supply Chain Development Plan detailing how you will deliver support local supply chain participation in the Contract.	100	100	100	75
2.3 Please provide a Local Community Engagement and Capacity Building Plan detailing how you will support local community engagement over the Term.	100	100	75	50
2.4 Please provide an Environmental Impact Reduction Plan detailing how you will reduce environmental impact over the Term.	100	100	100	100
2.5 Please provide a Innovation and Improvement Plan for delivery of innovation, new technologies and new methods of service delivery.	100	100	100	75
3.1 Please provide a Commercial Plan describing your commercial management approach to the Contract.	100	100	100	50
3.2 Please provide a Pensions Plan describing your approach to pension arrangements for the Contract.	100	50	75	75
4.1 Legal	100	50	50	50

Appendix 9 - Social value commitments

- significant local new apprentice programme;
- accelerator programme for SMEs'/VCSE;
- commitment to invest in innovation with up-front capital;
- commitment to annual budget for a community partners community fund;
- investment in "women in construction" and "diversity of construction" programmes;
- resources to gain certification on social value outcomes;
- commitment to building tendering capabilities through 'Meet the Buyer' events;
- commitment to run employability programmes that remove barriers to work for under-represented groups;
- work with the council to develop a social impact and sustainability governance board to ensure a coordinated approach;
- proactively engage with local supply chain partners to create and sustain employment opportunities and drive local economic growth, incorporating elements to support businesses recover and grow after the pandemic in line with the council's stated actions;
- fast-track procurement process in place to encourage local supply chain participation;
- commitment to deliver inclusive community and stakeholder engagement and communications through equality impact assessments;
- development of bespoke social value communications app for all stakeholders to engage communities in reporting, providing feedback and prioritising needs/solutions;
- volunteering programme days per annum;
- sponsorship of local annual carbon reduction prize incentivised through an innovation seed fund;
- contribute to purpose-built community training hub offering training to apprentices and the wider community;
- contribute to virtual learning academy offering learning experiences to engage communities in learning about the sector and the contract whilst developing digital capabilities;
- school engagement innovation sprints to be delivered as part of the STEM focused school engagement programme;
- monthly social value monitoring resulting in a monthly dashboard report accessible to the council and key stakeholders;
- procedure for all new employment opportunities (including apprenticeships) to be advertised locally via Jobcentre Plus and Fair Start Scotland employability contractors;
- employability training programme;
- financial and time investment to embed virtual reality technology in training programmes;
- engagement with local schools to support STEM engagement and Virtual Skills Academy;
- investment to create Road Network Learning Environment at Blairlinn depot; and
- commitment to work with community boards to establish an annual community partners programme.

Appendix 10 – Contractual benefits

Topic	New Contract Provisions	Benefits
Application of Schedule of Rates (SOR)	Use of industry standard price list categories and SOR descriptions. Breakdown of SOR items – labour, plant, materials, management, profit.	<ul style="list-style-type: none"> improved transparency of application of SOR (including labour, materials, plant, management fee and profit); better information for benchmarking; and future proofing for use of change mechanism.
Benchmarking	Market testing and benchmarking based on CCS Model Service Contract.	<ul style="list-style-type: none"> improved value for money provisions; and industry standard provisions.
Best Value Efficiency Saving	Replacement of existing provisions with a service credit model linked to KPIs.	<ul style="list-style-type: none"> modernised, commercial approach linked to contract management.
Exclusivity	Exclusivity for the majority of Core Services, no exclusivity for Core Projects. Non-exclusivity for Core Projects with engagement process to determine value for money.	<ul style="list-style-type: none"> guarantees that pricing for Core projects and other non-exclusive services will always align with “on-market” pricing.
Fair Work Practices	Requirement to pay subcontractors within 30 days. Requirement to pay the living wage.	<ul style="list-style-type: none"> alignment with Scottish Government Fair Work guidance improved value for money provisions. opportunities for SMEs and supply chain.
Financial capacity	Introduction of monitoring and escalation of potential financial instability.	<ul style="list-style-type: none"> greater transparency. improved value for money provisions; and improved commercial position.
Indexation	Change of index used for price adjustments over the term	<ul style="list-style-type: none"> new index reflects the scope and weighting (by value) of the services; and industry good practice.
Method of Measurement	Change of method of measurement to: Method of Measurement for Highway Works published by Her Majesty's Stationery Office as Section 1 of Volume 4 of the Manual of Contract Documents for Highway Works and these amended Preambles; and	<ul style="list-style-type: none"> Updating the method of measurement to align with industry good practice.

	Form of Contract for Highway Maintenance Services Method of Measurement.	
Performance Indicators and measurement	Comprehensive range of performance measures (KPIs). Introduction of commercial consequences for failing to meet milestones. Link to service credit model.	<ul style="list-style-type: none"> • improved value for money provisions; and • greater transparency of performance reporting.
Service Credit Model	Financial deductions for failure to meet KPIs.	<ul style="list-style-type: none"> • improved value for money provisions; • commercial consequences for failing to meet performance requirements; and • greater transparency of performance reporting.
Social Value	Requirement for Contractor to meet commitments to Social Value targets.	<ul style="list-style-type: none"> • supports delivery of project objectives; • alignment with industry standards (Themes, Outcomes and Measures framework).

Appendix 11- External Advisors fees

Advisor	Fee Total
Turner and Townsend	£2,648,221
Pinsent Masons LLP	£1,080,126
Grant Thornton UK LLP	£233,314
Optimum Professional Solutions	£70,600
Harper Legal	£32,250
Burness Paull LLP	£24,000
Total	£4,088,511