
Highways Maintenance Contract

Policies and Place Scrutiny Committee

5th September 2017

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Background Information

What did we want to achieve by letting a new Highways Term Maintenance Contract?

Improve the Service

More agile/flexible to change

More open approach

Better information to affected stakeholders

Improved service through capturing of feedback

Reduce Costs

Innovation

Efficiency

Reduction of duplication

Add Value

Social value

85% of supply chain spend to remain in local economy

Self help for communities

Secure Funding

DfT self assessment

DfT challenge fund

Internal SCC investment

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Benefits of the Contract - Financial

- Total cost of new contract (capital and revenue) is estimated to be lower than extending previous contract and re-procuring in 2020.
- Delivers further savings of at least 2.5% of contract turnover through lean systems approach.
- Identifies and develops opportunities to raise additional revenue from commercialisation of the highways service through a commercial service partnership.
- Includes greater flexibility in pricing and payment options with the ability to use target costing and “gain share” options.

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Benefits of the Contract – Non-Financial

- Provides an integrated asset management team with the contractor's design staff and SCC highways staff co-located at the Priorswood.
- Contractual obligation to achieve an on-going reduction in the number of pot holes occurring in the life of the contract.
- Adopts Digital by Design principles which encourage the public to move away from telephone enquiries and towards web and mobile enabled applications.
- Includes quality commitments which are contractually binding and linked to the opportunity for contract extension.

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Performance

Key Performance Indicators (KPI)

- The 23 KPIs are a contractual requirement.
- Contract extension is dependant on good performance over a three year period.

Quality Undertakings (QU)

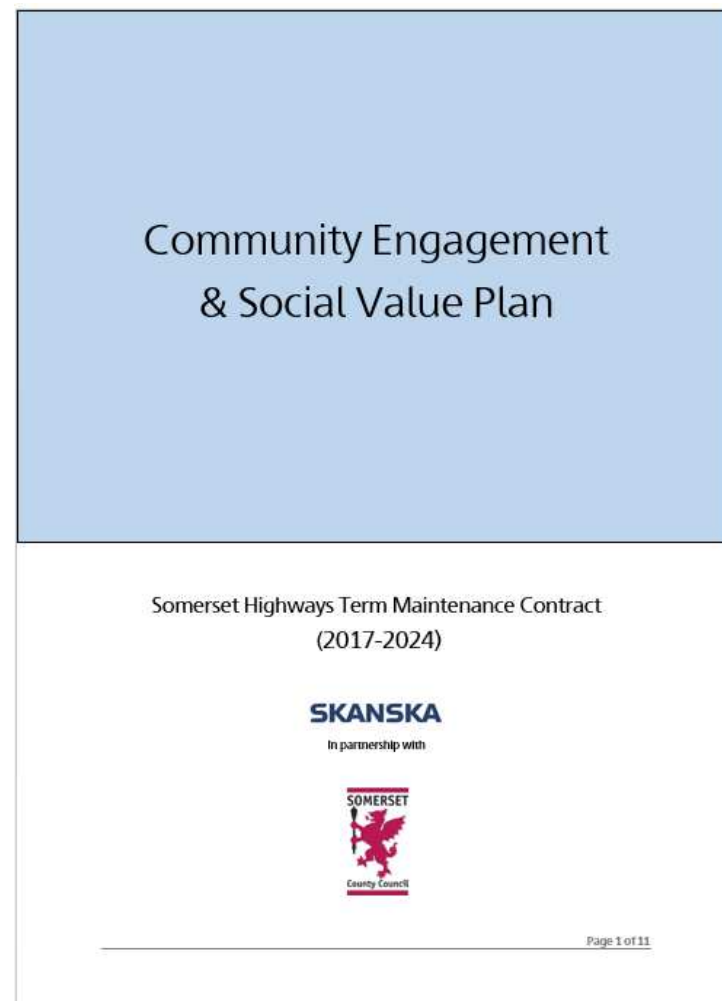
- The 28 QUs are a contractual requirement that are intended to add value and reduce costs.
- The QUs were submitted by the contractor as part of their tender bid and were considered as part of the evaluation process.

Focus on Social Value

- Development of a Social Value Plan is embedded in the Highways Contract and is currently being developed.

Opportunities include;

- Work in Partnership with Local Parish Councils
- Working together to identify locally important aspects of highway service
- Seeking volunteers
- Provide resource and training
- Educational visits to schools



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Small Improvement Schemes

- In 2011/2012 Somerset County Council developed its Small Improvement Schemes (SIS) process to try and address highway issues which are a priority for local communities, with County Councillors acting on behalf of their respective communities and submitting scheme requests.
- The programme also delivers road safety improvements and minor more strategic schemes submitted by officers.
- Five Small Improvement Schemes have been issued to Skanska so far this year amounting to nearly £100,000.
- An annual budget in the region of £2m is allocated for the delivery of the SIS programme (although projects tend to span financial years).

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Current Challenges

- Ensure staff understand and participate within the Collaborative contract and the change of culture.
- Interpretations of the contract relating to specific work activities.

However, all issues are being addressed as follows:

- By following the contractual process for issues resolution.
- Implementation of a robust governance to facilitate escalation and subsequent resolutions.
- Open and honest relationship across management structures.

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Successes

- Integration of the Asset Design Team and as a result the surface dressing programme is currently on time and in budget.
- Surface dressing video on YouTube.

https://www.youtube.com/watch?v=O_2PZq-wBps

- More Skanska-led works are being notified – this enables better control of roadworks and minimising road space occupation; thereby reducing delay and disruption to the travelling public.
- Travel Somerset – Live travel information for Somerset

www.travelsomerset.co.uk

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Successes

- 6,727 carriageway potholes have been repaired on time since 1st April 2017.
- Numerous highway maintenance schemes delivered with some notable schemes such as Sherborne Road, Yeovil drainage scheme delivered ahead of schedule.



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Next Steps

- Continue to strengthen working relationships via group collaboration with Contractor to develop a “One Team” approach.
- Agree to embed and Performance Manage the Quality Undertaking and Key Performance Indicators.
- Support Skanska in achieving accreditation for a collaborative contract.
- Work in collaboration with Devon County Council, Plymouth City Council and other neighbouring local authorities (Bath and North East Somerset Council, North Somerset Council).
- Roll out the Social Value Plan.
- Analyse customer feedback and complaints to ensure their needs are being met through life of the contract.

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