

REPORT TO: Executive Board

DATE: 14 June 2018

REPORTING OFFICER: Strategic Director Enterprise, Community and Resources

PORTFOLIO: Transportation

SUBJECT: Term Service Contract for Highways Improvement and Maintenance Services Extension 1 June 2019 to 31 May 2020

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of the report is to seek approval to proceed with a one year extension to the Term Service Contract for Highway Improvement and Maintenance Services.

2.1 RECOMMENDATION: That Members approve a one year extension to the Term Services Contract for Highway Improvement and Maintenance Services with Tarmac CRH Limited.

3.0 SUPPORTING INFORMATION

3.1 This contract provides to cover the period April 2013 to March 2019 with options for up to four separate extensions each of one year duration to cover the period April 2019 to March 2023

3.2 The contract allows that if the contractor meets or exceeds the Acceptable Performance for each Key Performance Indicator (KPI) the Employer may award an extension of the service period.

3.3 Tarmac's overall performance against the KPI's in 2015/16 was below the required targets and an extension was not given. In 2016/17 all but one of the KPI's were achieved demonstrating a strong incentive and improvement to the delivery of the contract. The one KPI that was not achieved related to the payment of sub-contractors invoices and was as a result to changes in Tarmac's central payment systems. This has now been addressed and the KPI continues to improve.

3.4 The Contractor achieved Acceptable Performance for each KPI in the financial year financial year 2017 to 2018 and therefore is entitled to a one year extension to the contract period.

3.5 Should the Contractor not achieve Acceptable Performance for any two Financial Years any previous extensions to the service period are reduced by a period of one year and should the Contractor fail to achieve Acceptable Performance for each KPI in any three financial years all previous extensions to the service period are reduced to zero.

4.0 POLICY IMPLICATIONS

None

5.0 OTHER IMPLICATIONS

None

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

None

6.2 Employment, Learning and Skills in Halton

None

6.3 A Healthy Halton

None

6.4 A Safer Halton

None

6.5 Halton's Urban Renewal

None

7.0 RISK ANALYSIS

The Contract allows for any extensions that have been previously granted to be removed should performance deteriorate to an unacceptable level and the contractor fails to achieve the minimum KPI's.

8.0 EQUALITY AND DIVERSITY ISSUES

None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.