

Meeting of:	Cabinet
Date of Meeting:	Thursday, 20 March 2025
Relevant Scrutiny Committee:	Environment and Regeneration
Report Title:	Procurement of Engineering Call-off Contract for Direct Labour and Plant 2025-2027
Purpose of Report:	To obtain the approval to procure and agree award of the Call-off Contract for Direct Labour and Plant 2025-27
Report Owner:	Cabinet Member for Neighbourhood and Building Services
Responsible Officer:	Miles Punter - Director of Environment and Housing
Elected Member and Officer Consultation:	Committee Reports Accountant, Environment and Housing Services
Policy Framework:	This Report is a matter for Executive decision by Cabinet
<p>Executive Summary:</p> <ul style="list-style-type: none"> • This report details the tender process required for the Design & Construction Section's Direct Labour and Plant Call-Off Contract 2025 - 2027, which includes conditions for an extension of a further 12 months on agreement with the relevant contractors. • Based on the returned tenders and the further assessment exercise it is proposed to appoint 3 Contractors, ranked in the order that is the most financially advantageous to the Council, with allocation of work based on resources available to meet the delivery requirements of the Design and Construction Section's work programme. • It is intended that the appointment of contractors to the Call off Contract will be initially for two years with an option to extend the contract for a further 12 months. • The contract provides for suitable labour resource in the form of 2 or 3 person construction gangs to undertake Capital financed projects. It seeks to deliver value and efficiency by using external labour resource to strengthen the Council's in-house provision. • The existing Direct Labour & Plant Call-off Contract 2022/24 is required to be extended for up to 6 months from 1st April, 2025 at the tendered rates, to ensure that there are appropriate arrangements for essential business continuity. 	

- The award of services under the contract will be financed from Welsh Government funded schemes, Section 106 funding and various internal and / or external budgets.
- The Contract(s) will be administered within the Engineering Section of Neighbourhood Services and Transport.

Recommendations

- 1.** That Cabinet approves the procurement of the Direct Labour and Plant Call-Off Contract 2025 – 2027 via the Sell2Wales portal, for the provision of direct labour for future Highway schemes as referred to in this Report.
- 2.** That Cabinet grant delegated authority to the Director of Environment and Housing, in consultation with the Cabinet Member for Neighbourhood and Building Services, to award the contract(s) to the most economically advantageous tenderer and to extend the contract(s) in accordance with the contract terms.
- 3.** That delegated authority is granted to the Monitoring Officer/ Head of Legal and Democratic Service to draft and execute the contract(s) for the award of the Direct Labour & Plant Call-Off Contract 2025 – 2027.
- 4.** That Cabinet delegates authority to the Director of Environment and Housing, in consultation with the Cabinet Member for Neighbourhood and Building Services, to extend the existing Direct Labour and Plant Call-off Contract 2022-24 for up to an additional 6 months from 1st April, 2025 at the tendered rates, in order to facilitate the tender process, standstill period, evaluation and award of the Direct Labour and Plant Call-off Contract(s) 2025-27, to ensure no business or delivery continuity is lost.

Reasons for Recommendations

- 1.** To ensure compliance with the Council's Contract Standing Orders and Financial Regulations.
- 2.** To deal efficiently and promptly with the award and management of the contract following the procurement process.
- 3.** To ensure that the necessary legal documentation is in place for the contract.
- 4.** To ensure business continuity and delivery of ongoing capital financed construction projects until the new Contract is awarded and in place.

1. Background

- 1.1** The existing Direct Labour and Plant Call-off Contract 2022/24 (extended to 31st March, 2025 in accordance with the Contract and Cabinet Minute C878) has successfully operated for the past 3 years. The Contract provides a suitable labour resource in the form of 2 or 3 person construction gangs to undertake Capital financed construction projects and other necessary highway works.
- 1.2** To ensure adequate labour resources are available to complete Capital construction projects approved in 2025/26 and 2026/27 and other highway works, it is now necessary to procure a new contract to provide Direct Labour and Plant for financial years 2025/26 and 2026/27. The new contract includes an

option to extend for a further one year subject to the performance of relevant contractor(s) and both parties' agreement in future.

- 1.3 The Contract is to be tendered via the Sell2Wales portal set up by Welsh Government to assist public sector buyers to advertise and manage procurement exercises. The website is fully auditable. The tender will be open to all contractors, and they will be required to complete a pre-qualification questionnaire as part of their tender submission.

2. Key Issues for Consideration

- 2.1 The Call off Contract seeks to deliver value and efficiency in delivering Capital construction projects and other highway construction works to ensure that construction programme needs are adequately met and managed.
- 2.2 A detailed tender assessment of the returned tenders will be undertaken and a Tender Assessment Report produced, together with a cost matrix comparison and tender evaluation matrix.
- 2.3 The Call off Contract is also required to provide sufficient flexibility in labour resource provision to allow the Council to deliver its Capital programme. It also delivers value and efficiency by using external labour resource to supplement and strengthen the Council's in-house provision.
- 2.4 It is anticipated that three Contractors will be appointed to the Council's Call off Contract for Direct Labour and Plant 2025-2027
- 2.5 The provision of works will then be awarded in the first instance to the tenderer who scored highest on Quality and Price. Where the first placed tenderer is unable to provide suitable resource at any time in accordance with the requirements of the contract then the works will be subsequently awarded to the second or third placed tenderer, whichever is most cost effective and at the discretion of the Council.
- 2.6 It is intended that the appointment of contractors on to the Call of Contract will be initially for 24 months with an option to extend for a further 12 months subject to performance and agreement as well as the Council's work requirements. Works awarded as a result of a Call Off from this contract will be completed within the contract appointment and subject to any extension applied in future years.
- 2.7 The award of services under the contract will be financed from various Welsh Government grant funded schemes, Section106 funding and internal or external budgets for Highway improvement / maintenance schemes on an annual basis.

- 2.8** The Direct Labour and Plant Call-off Contract Contract(s) is managed by the Engineering – Construction and Development Section of Neighbourhood Services and Transport.
- 2.9** The existing Direct Labour and Plant Call-off Contract 2022/24 is required to be extended for up to 6 months from 1st April, 2025 until the new Contract is in place in order to maintain business continuity and delivery of highway schemes.
- 2.10** The Direct Labour and Plant Call-off Contract Contract(s) will be managed and administered within the Engineering Section of Neighbourhood Services and Transport in accordance with the contract awarded.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The goals and objectives of the Well-being of Future Generations (Wales) Act 2015 are generally achieved by implementing the Council's Call-off Contract for Direct Labour and Plant 2025-27.
- 3.2** A Prosperous Wales - the employment of local contractors will assist in the provision of the Council's programme delivery to suit Capital budget requirements and reflect Capital project and other highway works priorities throughout the financial year.
- 3.3** A Resilient Wales - the improvement of highway infrastructure through capital programme and Section 106 schemes.
- 3.4** A More Equal Wales - improvements to the highway infrastructure, with measures and features being provided to accommodate all users including those with a disability.
- 3.5** A Healthier Wales - the Contract will assist in the delivery of schemes for Active-Travel through the provision of improved pedestrian and cycle routes to encourage sustainable transport as an alternative to the private car.
- 3.6** A Wales of Cohesive Communities - the Contract will assist with the delivery of community improvements throughout the Vale of Glamorgan.
- 3.7** A Wales of Vibrant Culture and Thriving Welsh Language - delivery of highway schemes which improve the infrastructure to cultural locations, experiences, signage, and lining schemes which meet the requirements of the Welsh Language Act.
- 3.8** A Globally Responsible Wales - delivery of highway schemes in a sustainable and responsible manner by use of alternative methods and materials which will be adopted and utilised throughout the life of the contract.

- 3.9** Collaboration - this Contract works directly with local contractors to deliver the Council's programme delivery to suit Capital budget requirements and reflect Capital project and other highway works.
- 3.10** Integration - integrates with the Vale of Glamorgan's Wellbeing Plan, Active Travel Integrated Network Map, and Approved Local Transport Plan.
- 3.11** Involvement - between key stakeholders within the Vale of Glamorgan, Transport for Wales, Welsh Government, and local contractors.
- 3.12** Long term - providing new and improvements to the highway infrastructure throughout the Vale for the long-term benefits of communities and the local economy.
- 3.13** Prevention - assists in prevent existing problems of traffic congestion and its associated negative economic and environmental impacts from worsening. Prevent health and wellbeing problems within local communities by improving pedestrian and cycling routes.
- 3.14** Current and future generations of Vale residents and visitors enjoy the built and natural environments of the Vale of Glamorgan, through schemes delivered under this Contract.

4. Climate Change and Nature Implications

- 4.1** The appointed contractors will be required to contribute to the Council's Project Zero targets to tackle the climate emergency and contribute to reducing the Council's carbon emissions to net zero by 2030 wherever practical.
- 4.2** The schemes implemented using the appointed contractors will primarily focus on active travel and sustainable travel. These schemes are essential to allow and promote people to walk and cycle safely throughout the Vale of Glamorgan. Reducing journeys by car through making active travel more attractive will assist in reducing the carbon impact of travel as well as encouraging people to be more active improving their health and wellbeing.
- 4.3** Where schemes are progressed to improve the highway asset to accommodate and encourage active travel they will be designed and constructed in accordance with the appropriate Welsh Government guidelines for such facilities to ensure that the maximum benefit is achieved.

5. Resources and Legal Considerations

Financial

- 5.1** There are no budget requirements to procure the Council's Direct Labour and Plant Call off Contract 2025-27. The contract extension will be at the previously tendered rates and award of works under the contract will be financed from various Welsh Government funded schemes, Capital funded internal schemes and other highway improvement schemes (including S106 contribution funded schemes) on an annual basis.
- 5.2** The expenditure over the last three years of the existing Direct Labour and Plant Call-off Contract 2022/24 is as follows:
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|----------|---|
| 2022/23: | £980k |
| 2023/24: | £1,150k |
| 2024/25: | £1,200k (Approximate estimate to end of Financial Year) |
- 5.3** The anticipated expenditure over the next two years of the contract 2025-2027, is estimated to be in the region of £2.2 million with an anticipated additional spend of £1.4 million should the contract be extended for 12 months into 2027/28 financial year in accordance with the terms of the Contract.
- 5.4** The anticipated expenditure over the next six months should Cabinet approval be given to extending the existing Contract until the new Contract is in place, to maintain business continuity and the delivery of highway schemes is approximately £550k. These works will be financed from various Welsh Government funded schemes, Capital funded internal schemes and other highway improvement schemes (including S106 contribution funded schemes).

Employment

- 5.5** It is proposed to employ the 3 Contractors that offer the best quality and are the most financially advantageous to the Council on a call-off basis dependant on resources and programme and at the discretion of the Council.

Legal (Including Equalities)

- 5.6** The Council has a statutory duty to maintain the Highway pursuant to the Highways Act (1980). The Council also has statutory duty to improve the highway under the Road Traffic Act 1988 to reduce and prevent accidents wherever practicable.
- 5.7** There are no Equalities implications.

6. Background Papers

None.