

REPORT TO: PLANNING AND TRANSPORTATION COMMITTEE – 26 APRIL 2004

REPORT ON: UNIT RATE CONTRACT FOR ROAD MAINTENANCE AND OTHER MINOR ROADWORKS APRIL 2004 – MAY 2005

REPORT BY: DIRECTOR OF PLANNING AND TRANSPORTATION

REPORT NO: 259-2004

1 PURPOSE OF REPORT

- 1.1 This report details the Unit Rate Contract for Road Maintenance and other Minor Roadworks submitted by Contractors from Dundee City Council's Current Select Tender List of Contractors.

2 RECOMMENDATIONS

- 2.1 It is recommended that Committee approve acceptance of the Unit Rate Contract for the period of April 2004 to May 2005.

3 FINANCIAL IMPLICATIONS

- 3.1 All Road Maintenance works will be funded from the 2004/2005 and 2005/2006 Revenue and Capital Budgets for the Planning and Transportation Department.

4 LOCAL AGENDA 21 IMPLICATIONS

- 4.1 Work that is to be carried out will endeavour to harmonise and be sympathetic to the environment.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 Work that is to be carried out will recognise the requirements of the disabled.

6 BACKGROUND

- 6.1 The purpose of the Unit Rate Contract is to allow some of the more common types of Civil Engineering and Road Maintenance works to be carried out without the need for individual tenders, thereby reducing lead-in times and the costs of administration. Contractors are invited to submit rates for prescribed quantity bands for various processes, together with rates for associated traffic control, restricted working hours and phasing of works. Once the Council has approved the rates, then appropriate works may be let on the basis of the most advantageous price and availability of contractors for a particular scheme at the required time.
- 6.2 A further use of the Unit Rate Contract is for the provision of information for benchmarking Tayside Contracts' rates against market rates, on those road maintenance activities where job prices are such that the work can be awarded to Tayside Contracts in accordance with the Council's Best Value submission.
- 6.3 The Annual Unit Rate Contract operates as follows:-

- tendered rates from all tenderers remain live for the duration of the contract period;

- for any particular project, the Engineer compares the tendered rates for each of the work activities from each Contractor and establishes which Contractor can offer the most advantageous price;
- inevitably, each site will differ in respect of site setting up charges and risk assessment costs. The Contractor offering the lowest rates for the unit rate elements is then invited to price these site specific elements;
- where there are other activities that are unique to one project and where the rates for such activities are not included in the Unit Rate Contract there will be a need to assess whether or not a project should be priced on the basis of the Unit Rate Contract. It is considered that where at least 80% of the value of the work is covered by the Unit Rate Contract activities, then the use of Unit Rate Contract is appropriate; and
- the appropriate Contractor will be selected on the basis of price and ability to complete works timeously. He will then be asked to make a formal offer to undertake the works at the prices calculated from his tender for the Annual Unit Rate Contract.

6.4 There is a built in price adjustment formula to cover unforeseen increases in bituminous materials because of the extreme fluctuations in the prices of oil related products, and consequently prices for bituminous materials are constantly under review.

6.5 Tendered rates have now been obtained from (approximately 15) Contractors on the Council's Select Tender List and these rates will apply for the period stated above.

7 CONSULTATIONS

7.1 The Chief Executive, Depute Chief Executive (Finance), Depute Chief Executive (Support Services), Assistant Chief Executive (Community Planning), have been consulted and are in agreement with the contents of this report.

8 BACKGROUND PAPERS

8.1 There are no background papers of relevance to this report.

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25 March 2004