

REPORT TO: PLANNING AND TRANSPORT COMMITTEE - 13 AUGUST 2007

REPORT ON: ROAD MAINTENANCE AND MINOR WORKS PARTNERSHIP AGREEMENT

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 294-2007

1 PURPOSE OF REPORT

- 1.1 To review the trial partnership arrangement between Dundee City Council and Tayside Contracts for the delivery of Road Maintenance and Minor Works Services and make recommendations for the further development of the partnership.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee:-
- a Note the content of this report.
 - b Agree to extending the trial period for the provision of Road Maintenance and Minor Works Services for a further 2 years until 31 March 2009.
 - c Note the intention to develop the partnership agreement following the model successfully being used for the management of Street Lighting services.
 - d Note the intention to establish appropriate KPI's to monitor the performance of the partnership.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report although it is anticipated that any efficiency gains realised would be reinvested in maintaining the road network.

4 SUSTAINABILITY POLICY IMPLICATIONS

- 4.1 Tayside Contracts are proactive in maximising the recycling of aggregates and bituminous materials in road and footway schemes and developing new techniques for the use of these materials. The Partnership are exploring the use of waste material from the Baldovie Waste to Energy Plant in bituminous mixes as an alternative to sending the waste to landfill and using newly quarried materials. Reed bed treatment of gully waste also reduces the dependency on landfill disposal.

5 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 Efficient use of resources maximises the amount of maintenance work that can be carried out to the benefit of the whole community but in particular to pedestrians who are elderly or have visual or mobility impairments.

6 BACKGROUND

- 6.1 Reference is made to Article IX of the Planning and Transportation Committee on 20 June 2005 that established the initial trial partnership and provided details of the then current procurement arrangements for road maintenance services supplied by Tayside Contracts to Dundee City Council (Tayside Contracts is the direct labour organisation jointly run by Dundee City Council, Angus Council and Perth and Kinross Council). It also established the link between Tayside Contracts turnover on construction work and its ability to provide the level of winter services required by Dundee City Council. One of the drivers for establishing the partnership therefore, was to maximise the amount of work carried out by Tayside Contracts for the Council thus allowing it to continue to meet its winter services commitments. Another important driver was to work together to seek improvements and efficiencies in delivering the road maintenance service and to reinvest any savings back in to the road network.
- 6.2 The report also demonstrated that prior to the partnership, Tayside Contracts were successful in winning a large percentage of road maintenance work awarded by the Council in competitive tender situations. That, along with the value of awarded work below the £25,000 threshold meant that Tayside Contracts were delivering the majority of road maintenance schemes let by the Council and this fact gave confidence that a best value regime would still exist under a partnering arrangement.
- 6.3 The establishment of the partnership has also contributed to meeting the Scottish Executive objectives to increase partnership working in line with its Efficient Government agenda.
- 6.4 A major benefit to both the Council and Tayside Contracts in delivering the various road and footway maintenance programmes is that these can be shared early on in the financial year and the works planned to take advantage of any opportunities that would ease the execution of the works for example, during school holidays. Tayside Contracts can input into the sequencing of individual schemes so that treatments are carried out at the most appropriate times of the year and as a result the risk of subsequent failures is reduced. Sharing the programmes also gives Tayside Contracts confidence in the level of work flow that will be available throughout the year.
- 6.5 Due to the loss of key personnel and recruitment difficulties within both organisations it has not been possible to develop financial Key Performance Indicators (KPI's) as intended in the original report. However it is recognised that establishing appropriate financial KPI's is necessary to ensure that costs charged by Tayside Contracts are competitive and therefore this remains a key objective of the partnership. The Partnership however became a member of the Highway Works Benchmarking Club in 2005. This club consists of other Local Authorities and Highway Maintenance contractors which enables benchmarking of service delivery KPI's across the UK. The club meets regularly and promotes best practice to its members.
- 6.6 The experience of both organisations is that there are real gains to be made by continuing with the partnership and developing the partnership further. The success of the Street Lighting Partnership between Dundee City Council and Tayside Contracts where the quality of the whole service is high and costs have been driven down also gives an indication of how the two organisations can continue to

successfully work together for their mutual benefit. It is proposed that the partnership arrangement for Road Maintenance should be developed based on this model.

- 6.7 There are a number of areas where good progress has been made. The partnership approach has eliminated the administrative and potential abortive cost of the previous tendering and reporting process. This has also given the ability to implement urgent schemes quickly. Knowing the committed levels of work has also allowed Tayside Contracts to invest in dual purpose vehicles that can be used for operational and winter services and this has resulted in a reduction of winter services operating costs. GPS recording equipment in main line gritters although recently installed has already shown its value in dealing with public liability claims and monitoring the level of service. A jointly operated monitoring system for salt usage has removed the need for reconciliation of costs, thereby considerably reducing administration and staff time as well as providing daily updates of actual costs.
- 6.8 The use of recycled materials is well established on Dundee City Council road maintenance schemes. No virgin aggregates are used in footway or carriageway sub base layers with recycled materials being used instead. Trials of cold mixed bound materials have been carried out on a number of footpaths and it is intended to extend these and also trial their use in carriageway reconstruction. Tayside Contracts have an established reed bed recycling system for treating gully waste and are looking at other methods such as composting to avoid sending this waste material to landfill. The use of GPS on gully emptying vehicles is being considered to improve the efficiency of this service and to develop an improved emptying regime based on need rather than frequency.
- 6.9 A number of further areas of potential development have been identified and will be actively pursued.
- A joint working group has been set up to rationalise winter services standing charges.
 - A joint working group has been set up to review operating practices to ensure public safety at sites.
 - The potential use of ash waste from the Baldovie Waste to Energy Plant in bituminous mixes.
 - A review of current procedures for pothole repairs with a view to moving to first-time "permanent" processes through the use of the Rapid Rhino system and other proprietary methods.
 - A review of inspection procedures and personnel with a view to avoiding duplication of effort and therefore reducing costs.
 - A review of procedures and personnel for supervision of works with a view to avoiding duplication of effort.
 - The move from contract rated work to open book actual cost arrangements so that efficiency savings are reinvested in maintaining the road network.
- 6.10 The continuation and further development of the partnering arrangement is seen as a crucial step in freeing up staff resources to move forward other road maintenance initiatives. These include the introduction of a computerised asset management system and the production of a Roads Asset Management Plan which are requirements under the new road maintenance code of practice, "Well-maintained Highways".

7 CONCLUSION

- 7.1 Although the Partnership may not have developed as far as had originally been anticipated, there are many positive developments and improvements either taking place or identified for review. It is therefore proposed to extend the current trial period for a further 2 years until 31 March 2009 at which stage further evaluation of the partnership would be carried out and the results reported back to committee.

8 CONSULTATIONS

- 8.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Assistant Chief Executive (Community Planning) and the Managing Director of Tayside Contracts have been consulted and are in agreement with the contents of this report.

9 BACKGROUND PAPERS

- 9.1 Report to the Planning and Transportation Committee of 20 June 2005 (Report No 369-2005).

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2 August 2007

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