



Title of report: Procurement of a professional services supplier to support Highways & Infrastructure

Meeting:	Cabinet
Meeting date:	Thursday 1 May 2025
Cabinet member:	Councillor Price, transport and infrastructure
Report by:	Corporate director, economy and environment
Report author:	programme manager, senior project manager deliver director – infrastructure

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

This report seeks approval of a procurement strategy for a highways and transport professional services provider and to delegate authority for the procurement and award of contract.

Further information on the subject of this report is available from
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Recommendation(s)

That:

- a) **Cabinet agrees to the procurement of a professional services partner to support the new public realm services model and the wider highways, transport, infrastructure, ecology, environment and economic development teams.**
- b) **Cabinet delegates authority to the Corporate Director Economy and Environment to undertake the procurement and award of contract of a professional services partner.**

Alternative options

1. To reject this procurement strategy and to not undertake a procurement to secure a partner professional services. This is not recommended. To rely on one-off and spot tenders for professional services support could jeopardise the timely delivery of highway services as well as the development and delivery of key infrastructure projects. A framework with multiple suppliers is also not appropriate as the council already have access to frameworks, but these do not deliver the partnership relationship the council desires.

Key considerations

2. Across Environment and Economy teams there is a need for highways and transport professional services support. Currently, most of this support is procured through frameworks or through one-off open tender procurements. However, following the reprocurement of the Public Realm contract the Highways team has identified the need for regular access to top up design services as well as specialists' advice. This is currently provided by (WSP) through the Balfour Beatty Living Places contract. Additionally, a number of other service areas regularly have need of support services and it makes sense to combine these needs into one contract to ensure best value and to enable the authority to respond quickly to emerging issues and opportunities; but also to gain the benefits from having an established relationship with a professional services partner who has a vested interest in Herefordshire.
3. Scope of services
To assist with the delivery of highways, transport and infrastructure work the council requires the services of an external professional services partner possessing specialist technical skill to provide specialist design, project management and transport planning services to supplement and support Herefordshire's in-house teams. The scope would include:
 - a. Highways design
 - b. Highways maintenance strategy and advice
 - c. Bridges and highway structures advice, design and project development
 - d. Geotechnical advice, design and project development
 - e. Flooding advice, investigation and design
 - f. Street lighting and traffic signals advice, design and project development
 - g. Transport Planning including advice, traffic modelling and strategy development
 - h. Major projects including advice, traffic modelling, master planning, planning, and business case development
 - i. Programme and Project management, contract management, site supervision, commercial and quantity surveying services
 - j. Public Transport advice and development of funding bids
 - k. Ecology advice, surveys and strategy development
 - l. Planning advice and support
 - m. Highways Development Management advice and support

- n. Economic development plan, town centre and other strategic planning advice including devolution and
 - o. Natural environment advice, design and best practice
 - p. Landscaping, agricultural and architectural advice
4. The proposal is to procure a single professional services provider in a long-term contract fostering a partnership relationship with a multi-disciplined professional services provider which has the capabilities to deliver a wide range of highways transport, economy and environmental professional advice and support. The term length for the contract will be an initial five years but have options for the award of one-year extensions at the sole discretion of the council taking the contract up to a possible 10 years. This aligns the contract with the new public realm operation model which has a five-year contract review and options to extend up to 10 years. As this contract will support the Council's team managing the public realm contractor it makes sense to align these contracts.
5. Developing a partnership with a highway and transport professional services provider will bring added value to the authority in a number of areas:
- a. Provider that knows Herefordshire: Having a long-term partner relationship with a professional services provider means that over time teams develop established relationships with the management and specialist staff. Whilst there may be pieces of one-off work like transport studies which may require staff from the wider provider's team, there will also be regular top-up design work and specialist advice work around highways maintenance, bridge and structures, geotechnical, drainage, flood risk management, street lighting and traffic signals which is likely to mean a core team of professional services staff regularly doing work for the council. Those specialists get to know Herefordshire Council processes, procedures and politics in a way that enables them to always hit the ground running at the start of any new piece of work. It also means they can be invited in at early stages of development of projects and help the council to shape projects. One of the requirements in the procurement will be that the provider commit to employing staff that regularly work in council offices or depots alongside council and public realm contractor staff as well as having an office in the region.
 - b. Fleet of foot: A partnership relationship also means that the council can respond to bidding opportunities and changes in government approach quickly. At times this has meant that transport studies or business cases need to be pulled together quickly to enable the authority to bid for funding. Having a professional services partner means they are in place to boost council resources or apply specialist's resource such as traffic modelling without the delays associated with going out to tender or getting a new provider up to speed with council systems or giving them access to a transport or traffic model they have never used before. The contract will have mechanisms that support the ability to task orders or time charge working arrangements which will enable responsive working to take place. This will improve the council's response timescales for emergencies. For example, the highways team may need to call on specialist geotechnical advice following a landslide. The ability to get a specialist engineer on site quickly for an assessment can mean the difference in getting a road re-opened in a timely way or getting a plan in place to make urgent repairs.
 - c. Independence and efficiency savings: Financially having a partnership relationship means that the provider becomes efficient and effective through knowing Hereford as a client and understanding the council's internal processes. This will save time and costs in the development and delivery of services. Additionally, being directly employed by the council instead of by the public realm contractor avoids additional fee costs creating a 3% to 5% savings. There are also advantages of having the provider independent of the public realm contractor giving more control and oversight to the council.

- d. Staff development and training: The expectation on the professional services provider will be to work with council officers to provide regular Continuing Professional Development (CPD) training, seminars and other staff development opportunities to both Council and professional services provider staff, fostering a 'one team' approach to the development of staff. Additionally, the Council will want to explore opportunities to work collaboratively with the provider to jointly operate a graduate development programme that supports the Council in developing its intelligent client capabilities but also gives the provider's graduates/apprentices experience in the local authority environment. Ideally both the Council and the professional services provider will match fund graduate posts that will benefit both and answer some of the issues around staff and skills shortages in the industry.
6. The procurement will proceed with some initial market engagement with a presentation shared with professional service providers and an invitation for short introductory meetings. This will be followed with an open tender process and will focus on quality with a 72/28 split on quality to price for evaluation. Most of the major highways and transport professional services providers will have a similar staff and pricing structure, so a competition on price is unlikely to achieve the outcomes required. Putting an emphasis on quality will ensure the council can procure a provider that can deliver the breadth and quality of the services required as well as commit to the partnership outcomes.
7. Professional Services Contract (NEC4) is the recommended contract given its flexibility and mechanisms to deal fairly with both parties over a longer-term contract, particularly in handling contract changes.
8. The contract will include a set of key performance indicators which will be reviewed annually and a mechanism within the governance to allow for the indicators to be reviewed and updated to reflect changes in the contract or to address performance issues.
9. Procurement Timeline
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|-------------|---|
| May | Cabinet decision to approve procurement
Publish Preliminary Market Engagement Notice and provide market engagement information |
| May/June | Market engagement sessions
Legal and procurement teams finalise procurement documents |
| July | Publication of Tender Notices and Invitation to Tender |
| July/August | Tender clarifications |
| September | Tender returns
Contingency – timeline could slip into October if there are delays with procurement or additional time needed for clarifications
Evaluation and moderation |
| October | Contract Award and standstill period |
| November | Confirmation of Aard |
| December | Contract mobilisation |

January 2026 Service commencement

Community impact

9. Many of the services areas within Economy and Environment directorate are statutory functions of the council and vital to communities as the services include maintaining and developing highways and transport infrastructure. This would include supporting the Public Realm contract which is responsible for maintaining highway infrastructure, maintaining green areas, providing effective drainage, lighting the highway and enabling safe and reliable travel by all modes of transport, and access for business and leisure.
10. Transformation is an integral part of the Council Plan 2024 to 2028. A stated aim being to create an efficient council that embraces best practice, delivers innovation through technology and demonstrates value for money. This procurement will seek not only value for money but also the benefits from a partnership relationship around innovation and best practice.
11. The Department for Transport has asked local transport authorities to refresh their Local Transport Plans and this work is underway with planned public consultation later this year and will have an emphasis on active and sustainable traffic measures. This work is being supported by professional services which would in future fall within this contract.

Environmental Impact

12. This procurement for a highways and transport professional services support will be aligned to meet the Council's environmental objectives including net zero carbon ambitions including:
 - a. Improve drainage and increase flooding resilience
 - b. Reduce the council's carbon emissions
 - c. Work in partnership with others to reduce carbon emissions
 - d. Improve the air quality
 - e. Improve residents' access to green space
 - f. Increase the number of short distance trips being done by sustainable modes of travel including walking, cycling and the use of public transport
13. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
14. The environmental impact of this proposal has been considered through the service specification and includes appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through the ongoing contract management and measured through performance indicators.

Equality duty

15. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.

Resource implications

17. Procurement of this contract does not commit the council to any spending. Spending on professional services through this contract will be on a case by case basis in support of a specific project or scheme development work and the source of funding from grant, approved revenue budget or capital programme will be confirmed before spend is committed.
18. Currently the Council spends between £2,500,000 and £5,500,000 per year across Economy and Environment services on professional services related support or studies. Taking into account potential work on large infrastructure schemes in future years this could amount to more than £80m over the next 10 years.
19. The contract will have built in mechanisms to deal with annual inflationary increases on contracted rates. This will need to be carefully managed by the Contracts Management Team to ensure the contract continues to deliver value for money. Reviews will be built into the contract at year 5 and every subsequent year to test and benchmark rates. These reviews will influence the decisions of the Council to either reprocure or offer extensions.
20. This procurement will be funded as part of the Public Realm Procurement. The 2024/25 approved revenue budget includes £0.9 million of one-off funding allocated to deliver the Public Realm contract and additional funding of £1.0 million from the council's earmarked reserve balances has been identified. Project costs comprise of: project management; contract expertise; procurement; legal; human resources and are estimated to not exceed £50,000. Any budget pressures to be covered by wider Economy and Environment budget

Legal implications

21. There are no specific legal implications. The procurement will need to ensure that services can be procured from alternative providers as needs dictates and there is no exclusivity with this 'partnership' approach.

Risk management

22. The key risks associated with approval of this procurement.

Ref	Risk	Potential Impact	Mitigation
1	Lack of interest in the new contract	Lack of competition during the procurement process may result in higher costs and concerns related to value for money.	Early notification of the market and soft market engagement exercise planned as part of the procurement
2	Ability to get the right fit of professional services partner	Not having a professional services provider that can deliver quality work could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Careful consideration of procurement process and quality questions. Break clauses and performance requirements built into contracts
3	Relationship with partner sours over time.	Could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Break clauses and performance requirements built into contract. Regular governance board and liaison meetings with provider's management team to manage and resolve issues quickly.
4	Procurement delays	Could delay progress on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Building contingency time into the procurement timeline.
5	Procurement Challenge	Could delay progress getting a provider in place before the start of the Public Realm Contract impacting on the delivery of infrastructure projects and hamper the ability of the service to deliver its statutory requirements.	Legal and procurement teams review and sign off on procurement process and contract documents. Use of specialised procurement and/or legal support to provide external advice.

Consultees

23. The following consultation has taken place:

Consultation	Date	Feedback
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Political groups consultation on a key decision	7 April 2025	

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 04/04/2025
Finance	Rachael Sanders	Date 24/04/2025
Legal	Sean O'Connor	Date 26/03/2025
Communications	Luenne Featherstone	Date 04/04/2025
Equality Duty	Harriet Yellin	Date 05/04/2025
Procurement	Carrie Christopher	Date 07/04/2025
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.
Approved by	Ross Cook	Date 24/04/2025