



Public/Private Partnership Working
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Service Director Highways & Emergency Planning
Dorset County Council

Today's Presentation

- Introduction to Dorset County Council and Dorset Highways.
- Choosing our Delivery Model.
- Procurement.
- How the Partnership works.
- Typical Projects.
- Achievements.



Introduction to Dorset County Council & Dorset Highways



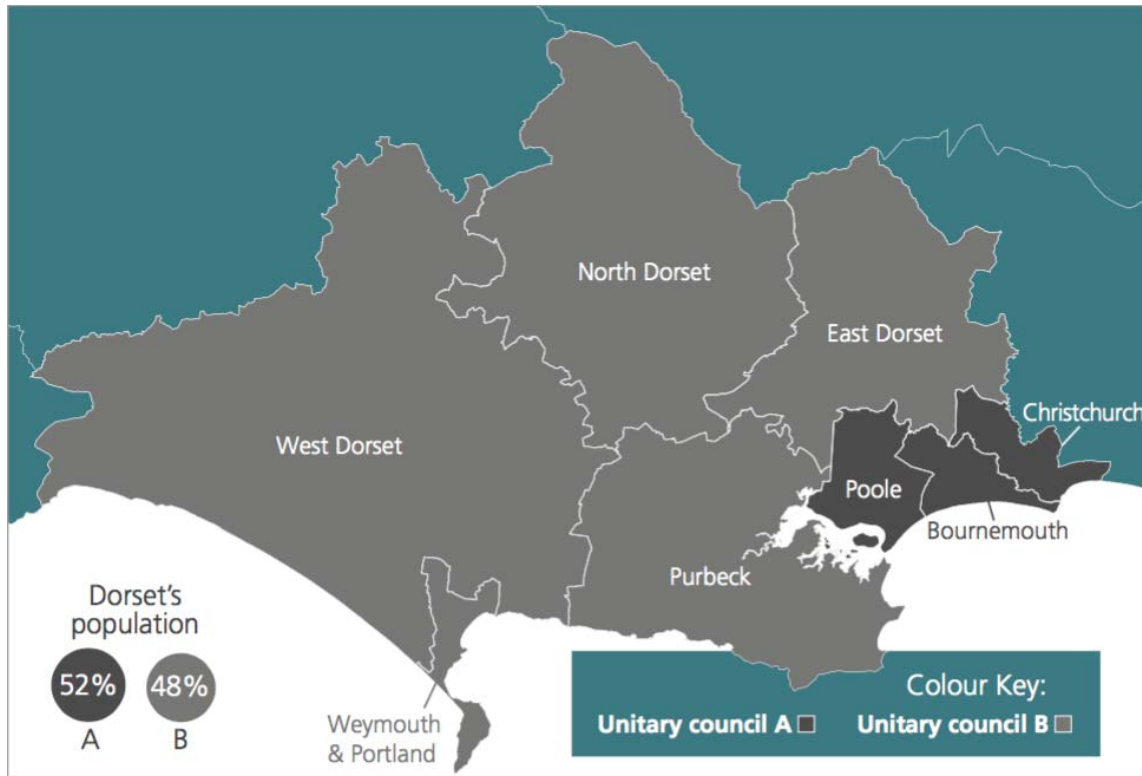
Dorset County Council & Dorset Highways



- Population.....417,000
- 27% of residents older than 65
- Weekly income below national average
- House prices 9.4 times the average wage
- 97% Broadband coverage by end of 2016



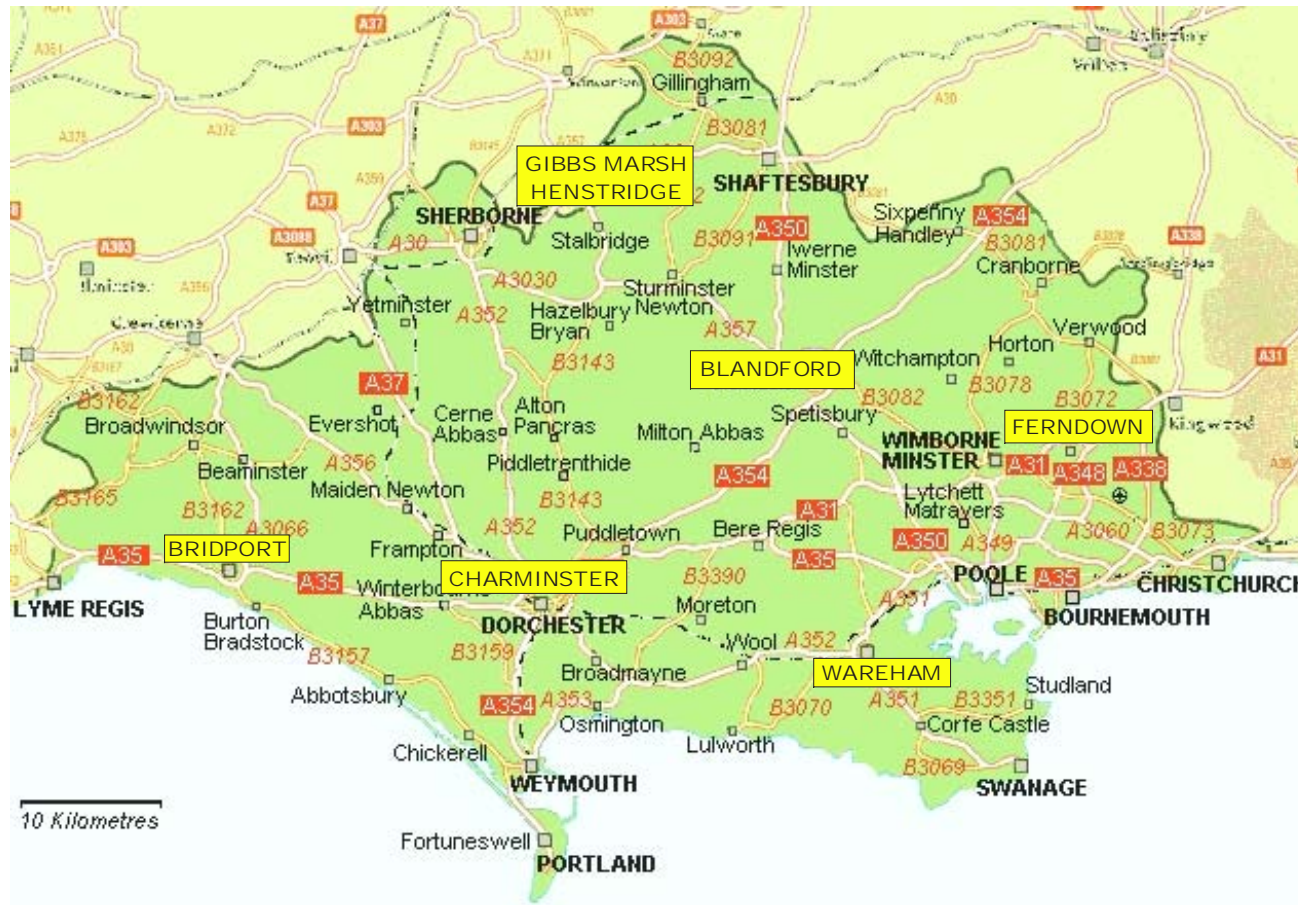
Local Government Reorganisation



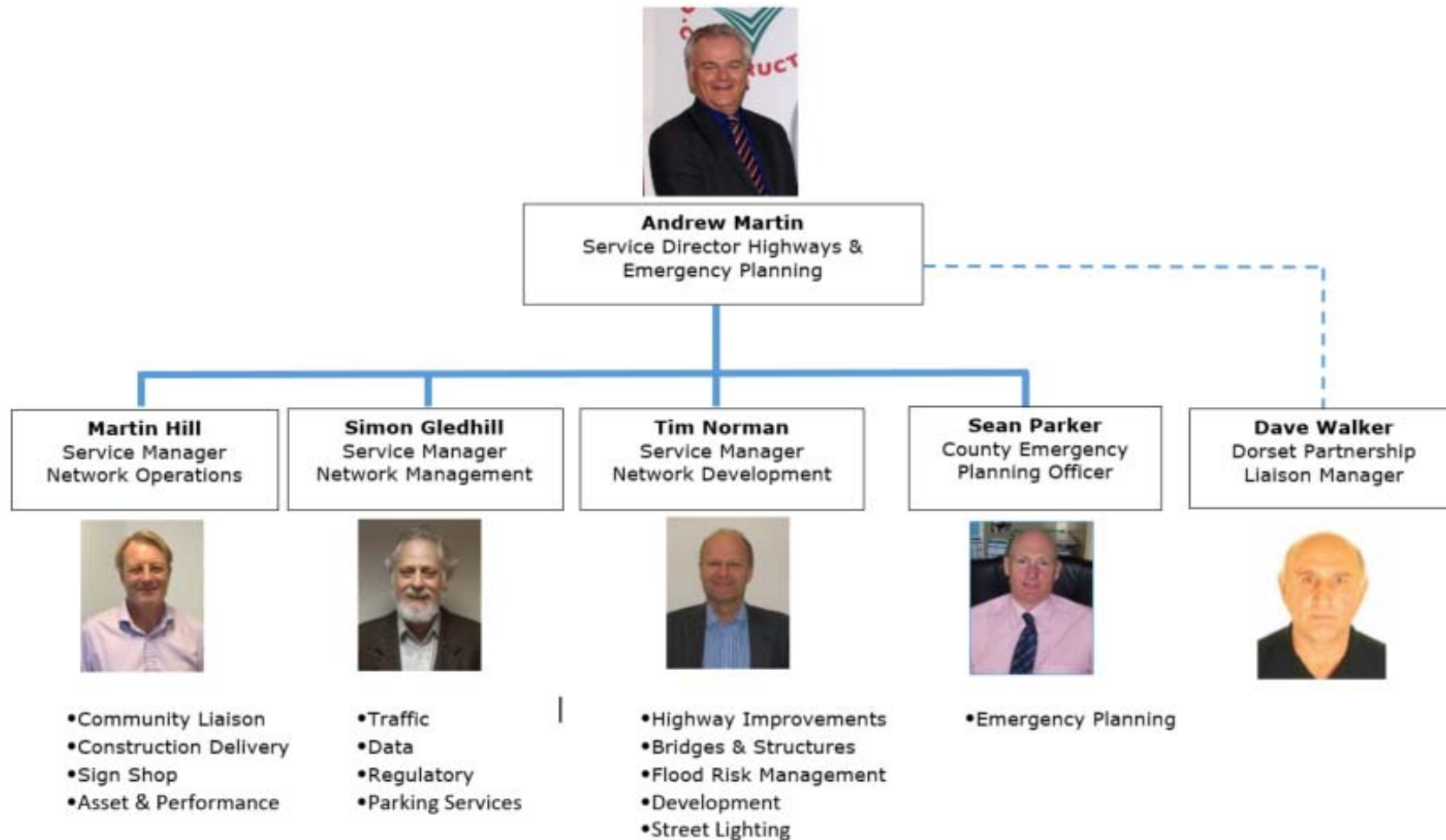
- Current structure: 1 County, 6 Districts, 2 Borough Councils.
- Future Structure Two Unitary Authorities, Rural and Urban.
- “Go Live” date 1 April 2019.
- Anticipated savings £25-£31 million p.a.

Dorset County Council & Dorset Highways #4

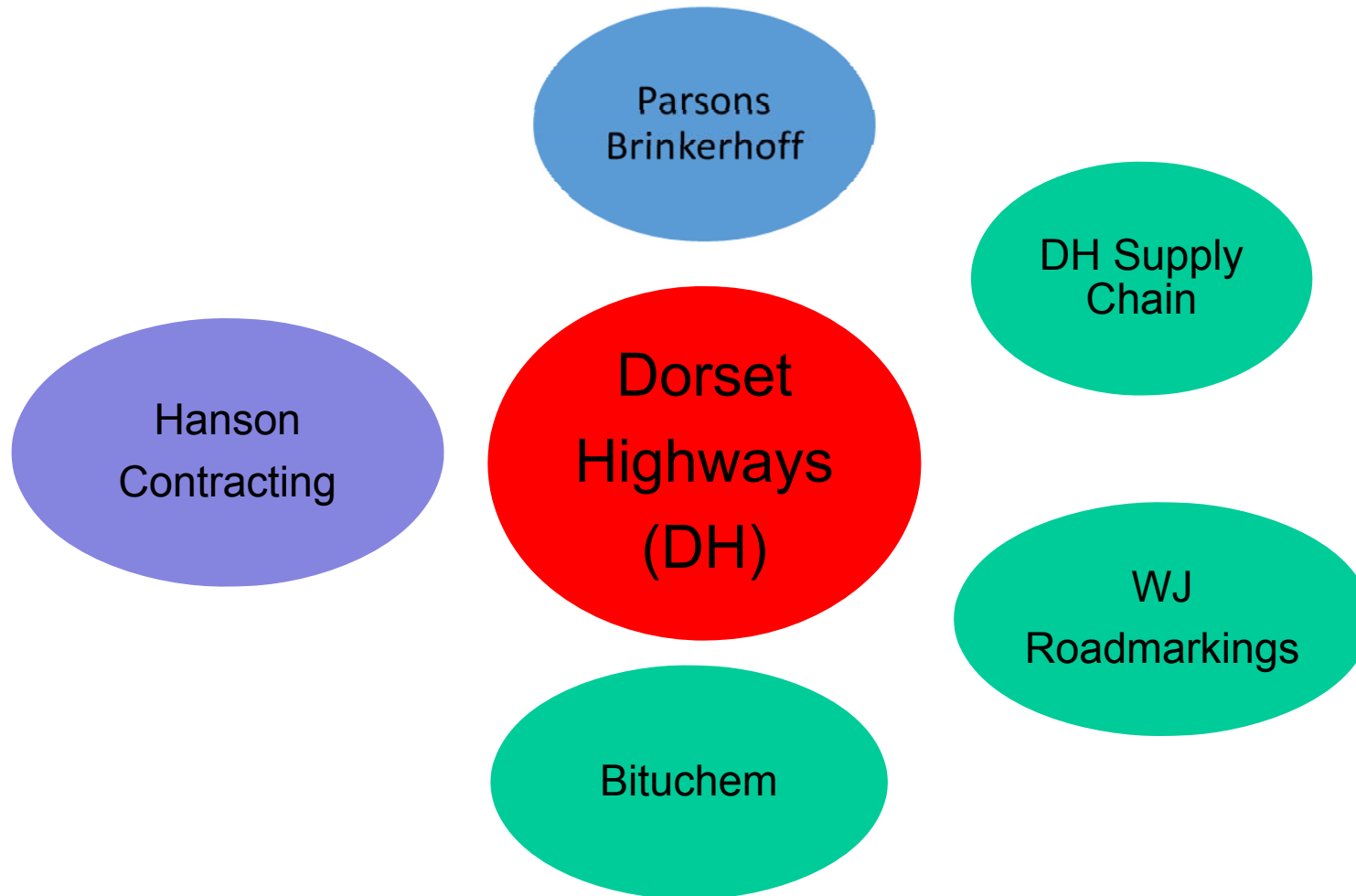
Operational Depots



Dorset Highways Management Team



Dorset Highways: A “Mixed Economy” Approach



Private Sector Partnering in Dorset

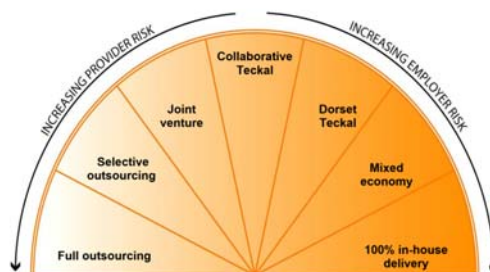
- **2002** First Public /Private Highway Partnership in. Demonstration Project status under Government's Rethinking Construction initiative.
(5 year plus 2)
- **2009** Second Generation Partnership With Hanson starts April 2009. (5yr + 5x1 year KPI related extensions – up to 2019). Works under Option A (Term rates), B (Bespoke Target Cost) or C (NEC Target Cost). OJEU expenditure £30 - £70M. Very successful, £65m through contract by 15 / 16 so advised to retender.
- **2016** Before retendering:
Need to review Service Delivery Models available prior to procurement.



Choosing our Delivery Model

Core influences	Fully aligned	Partially aligned	Not aligned
A. Procurement, contracting, standardisation	33.3%	66.7%	0.0%
B. Collaboration and Shared Services	50.0%	25.0%	25.0%
C. Asset Management	100.0%	0.0%	0.0%
D. Benchmarking and Performance Improvement	83.3%	16.7%	0.0%
E. Corporate Strategy and Objectives	0.0%	100.0%	0.0%
F. Public Perception	100.0%	0.0%	0.0%
G. VFM / Affordability / Finance	80.0%	20.0%	0.0%
H. Governance	100.0%	0.0%	0.0%
I. Scope	0.0%	100.0%	0.0%
Overall need for changes summary	60.7%	36.5%	2.8%

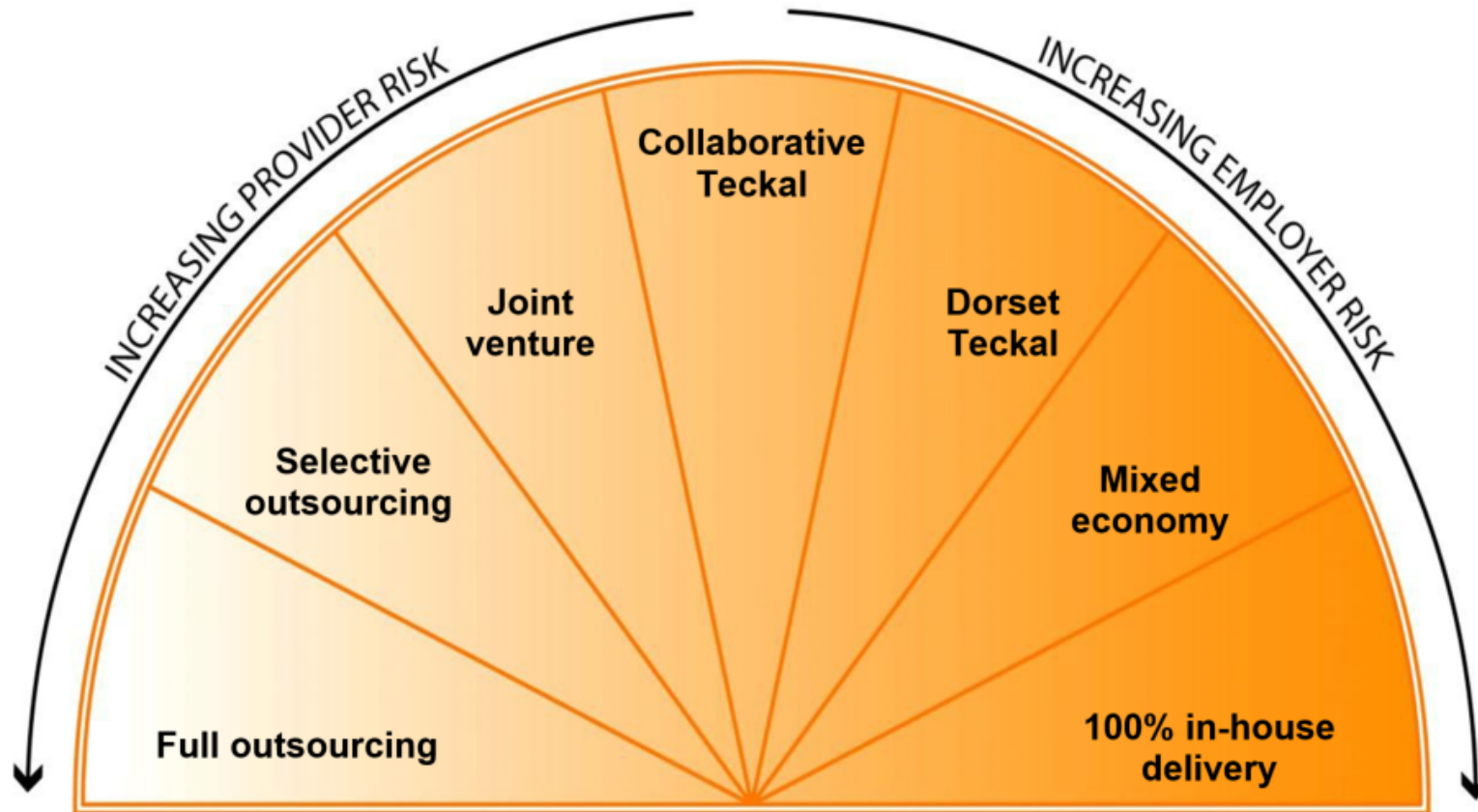
Service Delivery Models Available



Delivery Option	Local Economy	Value for money	Flexibility and ECI	Unique Brand	Capability and Capacity	Total (max 25)
Single Top-Up All Works	2	3	5	5	4	19
Single Top-Up Specific Works	3	3	5	5	4	20
Multiple Top-Up Specific Works	4	2	4	3	3	16
Tendered Requirements	2	2	1	1	2	8

Dorset Highways Service Delivery Options

Service Delivery Models Available



Proposed Contract Model

Three Principle Options

- Arms Length Trading Company.
- Wholly In House.
- In House Delivery with Top Up (current model).



Specific Works in Scope

To assist Dorset Highways, or deliver as main contractor:

- Highway Improvements.
- Delivery of highway structural maintenance schemes.
- Carriageway surfacing.
- Construction of highway and bridge improvements.
- Delivery of specific transport package enhancements.
- Construction of waste management sites.
- Recycling of highway materials.
- Material supply chain.

Excludes:

- Winter Service.
- Surface Dressing.
- Out of Hours Emergencies.
- Routine Revenue Maintenance (Highways and Bridges).
- Fleet Maintenance.



HMEP Route Choices Toolkit

- Each of the three options assessed.
- Multiple questions under each of the nine headings.
- Output assessment of each of the options available.

Core influences	Fully aligned	Partially aligned	Not aligned
A. Procurement, contracting, standardisation	33.3%	66.7%	0.0%
B. Collaboration and Shared Services	50.0%	25.0%	25.0%
C. Asset Management	100.0%	0.0%	0.0%
D. Benchmarking and Performance Improvement	83.3%	16.7%	0.0%
E. Corporate Strategy and Objectives	0.0%	100.0%	0.0%
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Overall need for changes summary	60.7%	36.5%	2.8%

- In House with top up demonstrated best alignment with DCC Corporate Priorities and Outcomes.
- Only 2.8% not aligned according to HMEP Procurement Route Choices Toolkit.

Shortlisted Options

Shortlisted Options

NO.	OPTION	DETAIL
1	IN-HOUSE plus <u>Single</u> Provider TOP UP <u>all</u> works in scope	Full capacity provider, to work side by side with Highways service.
2	IN-HOUSE plus <u>Single</u> Provider TOP UP, <u>specific</u> works in scope	Specific works excluded e.g. winter service, surface dressing works etc. and delivered by the in-house service (the current model)
3	IN-HOUSE plus <u>Multiple</u> Provider TOP UP, <u>specific</u> works in scope	Multiple term service contracts with specialist contractors to cover specific scope of works e.g. Surfacing, Bridges, Drainage, Earthworks etc.
4	IN-HOUSE plus <u>Tendered Requirements</u>	Use of available Frameworks and contracts along with ad-hoc tenders. (do minimum option for comparison)



Review of Contract Model #3

Delivery Option	Local Economy	Value for money	Flexibility and ECI	Unique Brand	Capability and Capacity	Total (max 25)
Single Top-Up All Works	2	3	5	5	4	19
Single Top-Up Specific Works	3	3	5	5	4	20
Multiple Top-Up Specific Works	4	2	4	3	3	16
Tendered Requirements	2	2	1	1	2	8



Capital Budget Allocation

- 2013 / 2014 - £32, 422,431 27% issued to Partner
- 2014 / 2015 - £36,373,039 43% issued to Partner
- 2015 / 2016 - £32,115,651 50% issued to Partner
- 2016 / 2017 - £58,197,399 56% issued to Partner



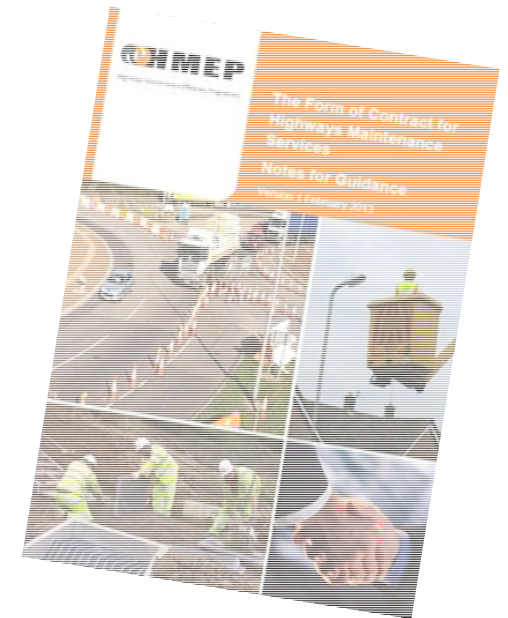
Procurement



Procurement Options

Negotiation or Competitive Dialogue?..... NO !! :

- Very familiar with Proposed Contract Model.
- Use of HMEP Standard Documents.
- Tight procurement timeline.



Dorset Highways Works Term Service Contract

Term Length: Possible 10 years (5 year core)

Extensions: 2 x 2 Years plus a further single year

Anticipated Contract Value: £100 - £500M

Price /Quality Assessment 50/50

HMEP Standard Form of Contract (Option A and C)



Procurement Process

Industry Day.	Tuesday 8 th August 2016
Complete draft tender documents.	Friday 26 th August 2016
Issue Contract Notice & PQQ .	Friday 30 th September 2016
Final Date for Clarification.	Thursday 20 th October 2016
Return of PQQs.	Thursday 3 rd November 2016
Issue of Invitation to Tender.	Thursday 24 th November 2016
End of tender period.	Wednesday 21 st December 2016
Selection of preferred tenderer.	Monday 16 th January 2017
Issue Contract Award.	Monday 30 th January 2017
Contract Start Date.	Monday 3 rd April 2017



E-Procurement



“Supplying The South West” Procurement Portal

www.supplyingthesouthwest.org

Pro Contract System (by Due North - Proactis Group)

Help and Support:

ProContractSuppliers@proactis.com



The Partnership

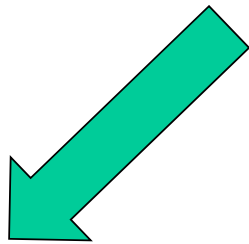
How it Works



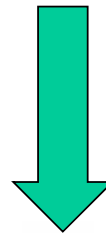
Hanson Partnership Supply Chain



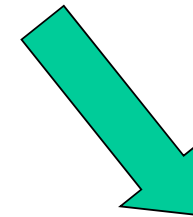
- Carriageway Resurfacing
- Major Scheme Project Management



- General Civils
- Vehicle Restraint Systems
- High Speed Traffic Management



- Bridges and Structures



- Provision of recycled material



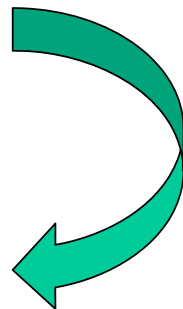
Allocation of Workload

Capital Programme Published



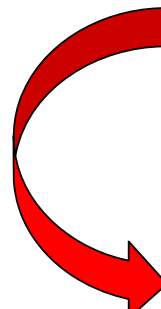
Do we require Additional Resource?

YES



Operational Group Allocate

NO



Dorset Highways Deliver



HMEP Docs Option A or C Price Banding

- | | |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 1. Highway Improvement and Bridge Works, with a typical works value up to £100,000 | A (Price list) |
| 2. Highway Improvement and Bridge Works, with a typical works value over £100,000 | C (Target price) |
| 3. Highway Improvement and Bridge Works, with significant complexity and/or areas of high risk/uncertainty | C+ (Target price with variable Employers risks) |
| 4. Highway maintenance, with a typical works value up to £250,000 | A (Price list) |
| 5. Highway maintenance, with a typical works value over £250,000 | C (Target price) |
| 6. Highway Maintenance, with significant complexity and/or areas of high risk/uncertainty | C+ (Target price with variable Employers risks) |



Governance: Strategic Board

Attendance :

- Senior Dorset Highways Management.
- DCC Procurement Representative.
- Senior Hanson Management.
- Key Supply Chain Managers.

Frequency

Every two months.



Introduction to Dorset County Council & Dorset Highways

Attendance :

- Dorset Highways Works Delivery Manager
- Dorset Highways Recycling Manager
- Dorset Highways Site Agent(s)
- Dorset Highways Design Team Leader
- DCC Procurement Representative(s)
- Hanson Operational Manager(s)
- Key Supply Chain Operational Manager(s)

Frequency

Every two months



Key Performance Indicators

- **KPI 1 Time** – Average Deviation in Days (lateness) from Proposed Commencement and Completion Date on site for each scheme.
- **KPI 2 Cost** – Accuracy of forecast outturn cost for each scheme – Average of the percentage variance on each Option (Target Cost) Scheme from monthly forecast to final out-turn excluding the effect of Compensation Events and Contractor Share Percentage
- **KPI 3 Quality** – Average Number of Defects plus the Number of Defects not resolved within 14 days of notification for each Scheme
- **KPI 4 Safety** – Number of Reportable Incidents per 100,000 persons employed
- **KPI 5 Environmental** – Percentage of recycled materials used
- **KPI 6 Customer Satisfaction** – Average score achieved from customer satisfaction survey (frontager or adjoining owners) for all schemes undertaken
- **KPI 7 Considerate Contractors** – Average score achieved for independent surveys carried out under the Considerate Contractors Scheme
- **KPI 8 Reciprocal Trade** – A measure of the levels of Reciprocal Trading offered to the Economy and the Environment Directorate by the Contractor
- **KPI 9 Material Quality and Delivery Reliability** - Reliability in time and quality of coated roadstone.
- **KPI10 Employer Satisfaction** – Average score achieved from Employer satisfaction surveys (Structural Maintenance, Highway Improvements, Bridges and Management teams)



Partnership Charter

The Partners are committed to working together to contribute to a strong and successful Dorset. We will strive to help our residents to be safe, healthy independent and working within a prosperous economy by working in accordance with the following values:

- **Respect:** We treat our customers, colleagues and partners fairly and equally
- **Innovation:** We will seek continual improvement and strive to secure efficiencies where possible
- **Honesty:** We will be open, understanding and considerate of all
- **Supporting:** We will work together to build for the future through joint training and succession planning
- **Safe:** We will ensure our people and those we affect are within a safe environment at all times
- **Communicating:** We will strive to inform keep our Stakeholders well informed in an interactive way
- **Environment:** We will respect a clean, healthy and well protected environment to support a sustainable society and economy



Continuous Improvement / New Initiatives

Partnership Working Groups

	MATERIALS & RECYCLING	COMMUNICATIONS	JOINT VENTURE / RECIPROCAL WORKING	TECHNOLOGY	SOCIAL RESPONSIBILITY
GROUP LEAD	Dave Blackburn	Dick Smeeth	Tim Norman	Ian Price	Andrew Martin
GROUP SUPPORT	John Fishwick	Kerry Hall	Denis Curran	Mike O’Gorman	Rick Green
GROUP MEMBERS	Steve Higgs Martin Hill Contract Manager Dave Walker Neil Laurence Tony Zigler Allasso	Jason Loibl Mike Trew Ian Newport James Kilby Gareth Cooksley Ben Race	Neil Turner Richard Colby Martin Hill / Highways Contract Team Leader Legal Rep (as required) Procurement Rep (as required) Ian Price John Fishwick	Jack Wiltshire Ian Bannister? Rachel Wisbey Tony Price/Richard Taylor Chris Harrison Keith Charleton Nathan Taylor	Martin Hill Stuart Allen Elizabeth Hemborough Ian Tomlinson Andy Harrison R&W
GROUP ISSUES	<ul style="list-style-type: none"> • Scope of Supply Chain • LEA • Recycled Kerbs • Standard Material Template • Carbon Reduction Initiatives • Lunchtime Technical Talks • Knowledge Sharing on Cloud • Streamlining Testing • Identify New Materials 	<ul style="list-style-type: none"> • Newsletters • Gaining Customer Feedback • Social Media – Tweeting • Site Signs • Pre-work Consultation • Who’s Who? • Frequency of Workshops • Programme Compilation • Visibility of Partnership • Capturing New Ideas 	<ul style="list-style-type: none"> • Section 278 / 38 Design & Works • Legal and Agreement Framework • Division of Cost, Profit, Risk and Responsibility • Reciprocal Opportunities • Implementation Plan • Terms of Reference and Objectives Document • Any Modifications to Inspection Framework • Other Partners 	<ul style="list-style-type: none"> • BIM • Ipave • “To Do” Forms • Mobile Working • How to Capture “Efficiency” 	<ul style="list-style-type: none"> • Apprenticeships • Employment and Skills • School Visits • How to Maximise Local Labour • Community Payback • MOD Employment Links • Work Experience for Under Privileged • Joint Training Opportunities • Graduate Placements



Continuous Improvement / New Initiatives

- Partnership Working Groups.
- Joint Training ILM Management Training.
- Joint Site Safety Inspections.
- Vehicle Sponsorship.
- Dorset Apprentice placements on Hanson sites to broaden experience.



Feedback: Surveys and Benchmarking

- Frontages Survey.
- National Highways Transportation Annual Survey.
- Annual Elected Members Survey.
- Annual Town and Parish Council Surveys.
- Employee Survey.
- APSE Performance Networks.



Typical Projects



Typical Term Rate Projects



Corfe Castle Resurfacing

Typical Target Cost Project



Beaminster Tunnel

£ 2.5 million

Typical Target Cost Project



£20 million A338 Bournemouth Spur Road Major Maintenance Scheme

Typical Target Cost Project



Swanage Household Recycling Centre

£3 Million

Typical Target Cost Projects



Haywards Main Bridge

£1.5 Million



The Bournemouth International Growth (BIG) Programme 2016-2021

- A338 Reconstruction £22m (built)
- Chapel Gate £3.3m(built)
- Hurn Roundabout £2.4m
- Blackwater Interchange £8m
- A338 Widening £7m
- Wessex Fields £11.55m
- Longham Minis £2m



Achievements



Community Charity Work



Weldmar Hospice Dorchester

Construction of new access and
refurbished surface water drainage

Value £15,000

School Visits to Key Sites



Charminster Village Bridge Reconstruction

Health & Safety



1 Million Man Hours without reportable accident

Considerate Constructors Site Award



- 2017 Silver Award
- Shortlisted for 2018 awaiting decision

Highways Partnership Award 2017



Judges' comment:

“Good performance improvements, clear efficiency targets and excellent to see the partnership charter really working.”



Summary of Benefits

- Immediate access to extensive supply chain resource.
- Predictability of Future Budget Spend.
- Integrated Site Teams on all scale of schemes.
- Excellent Relationships Developed: No adversarial working.
- Ability to Benchmark Dorset Highways Performance.
- Access to private sector best practice.
- Joint ownership of Service and Corporate outcomes.





Weymouth Olympic Infrastructure Delivery Team

**Thank You
For Listening**