

DELEGATED POWERS REPORT NO.

1677

SUBJECT: Seeking retroerspective approval to accept quotation for the development of HAMP and increase the value of works carried out by Appia Infrastructure Solutions.

Control sheet

All of the following actions MUST be completed at each stage of the process and the signed and dated report MUST be passed to Governance Service for publishing

All reports		
1. Governance Service receive draft report	Name of GSO Date	John Murphy 17/05/2012
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	John Murphy 18/05/2012
3. Finance clearance obtained (<i>report author to complete</i>)	Name of Fin. officer Date	Alex Altman 17/05/2012
4. Staff and other resources issues clearance obtained (<i>report author to complete</i>)	Name of Res. officer Date	n/a
5. Strategic Procurement clearance obtained (<i>report author to complete</i>)	Name of SPT officer Date	Lesley Meeks 11/05/2012
6. Legal clearance obtained from (<i>report author to complete</i>)	Name of Legal officer Date	Philippa Dieobe 13/01/2012
7. Policy & Partnerships clearance obtained (<i>report author to complete</i>)	Name of P&P officer Date	Andrew Nathan 10/01/2012
8. Equalities & Diversity clearance obtained (<i>report author to complete</i>)	Name of officer Date	Andrew Nathan 10/01/2012
9. The above process has been checked and verified by Director, Head of Service or Deputy (<i>report author to complete</i>)	Name Date	Pam Wharfe 21/05/2012
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	John Murphy 22/05/2012
11. Report published by Governance Service to website	Name of GSO Date	John Murphy 22/05/2012
Officer reports:		
12. Head of Service informed report is published and can be implemented.	Name of GSO Date	John Murphy 22/05/2012
Cabinet Member reports:		
13. Expiry of call-in period	Date	N/A
14. Report circulated for call-in purposes to BMOSC members & copied to Cabinet & Head of Service	Name of GSO Date	N/A N/A
	Date	N/A

**ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER
(EXECUTIVE FUNCTION)**

Subject **Retrospective approval to accept quotation for the development of a Highways Asset Management Plan (HAMP) and increase the value of works undertaken by Appia Infrastructure Solutions.**

Officer taking decision **Interim Director of Environment, Planning & Regeneration**

Date of decision 21 May 2012

Summary	This report seeks retrospective approval to accept quotation from Appia Infrastructure Solutions for the development of HAMP based on the original procurement exercise carried out, and to increase the relevant purchase order for additional work carried out.
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Officer Contributors Chris Chrysostomou and Vaiti Shan

Status (public or exempt) Public with separate Exempt report

Wards affected All

Enclosures None

Reason for exemption from call-in (if appropriate) Not applicable

Contact for further information: Chris Chrysostomou 0208 359 7200

Serial No. 1677

1. RELEVANT PREVIOUS DECISIONS

- 1.1 Cabinet, 12 April 2010, Agenda Item 12, Reference from Business Management Overview and Scrutiny Committee: Task and Finish Group Review-Road Resurfacing
- 1.2.1 Appia Infrastructure Solutions was selected following a procurement process carried out between May and July 2010 as the company that submitted the most economically advantageous quotation for the development of a Highways Asset Management Plan (HAMP).

CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 2.1 The proposed development of the Highway Asset Management Plan will contribute to the Council's 2012-13 Corporate Plan priorities of:
 - "A successful London Suburb" where people want to live. The proposed collection of highway asset will contribute to making better use of the highway asset and protect and enhance the natural environment so that the borough is green, safe and clean.
 - "Better services with less money", specifically the strategic objective to 'make sure that we get the best value from our resources across the public sector, including our people and assets' which is relevant to the provision of the Highway Maintenance Service; develop a highway asset management plan to deliver a robust approach to maximising benefits of highway investment for the whole borough to keep Barnet moving.
 - "Sharing Opportunities and Responsibilities" working with contractors to reduce CO2 emissions in Barnet when undertaking highway maintenance works, and increasing the levels of democratic engagement to achieve transparency in decision making when investment is made to manage the highway asset.

3. RISK MANAGEMENT ISSUES

- 3.1 Failure to proceed with the development of HAMP or increase the relevant purchase order for the additional work carried out by Appia Infrastructure Solutions will result in Barnet being unable to comply with the Road Resurfacing Task and Finish Group Report recommendation to introduce a Highway Asset Management approach and achieve best value for investment in the highways infrastructure. There is also the additional risk of not being able to report the yearly Gross Replacement Cost (GRC) and Depreciated Replacement Cost (DRC) of all highway assets, as currently required by the HM Treasury.

We have considered whether the issues involved are likely to raise significant levels of public concern or give rise to policy considerations *and they do not*.

4. EQUALITIES AND DIVERSITY ISSUES

4.1.1 Better roads and pavements have benefits to all sectors of the community in removing barriers and assisting quick, efficient and safe movement of people and goods.

4.2 Highway Asset Management approach will enable officers to identify and analyse condition data more effectively thereby enabling more efficient use of resources and early intervention to the benefit of the community at large.

5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

5.1 TfL, through the 2011/12 LIP process, have allocated a fund of £100,000 for the development of a Highway Asset Management Plan and asset inventory collection in the Borough. An amount of £150,000 has also been allocated for the next financial year 2012/13. It is therefore proposed that the cost of the highway asset inventory collection is spread over the current and next financial year and offset against the LIP allocations.

5.2 It is not anticipated that the proposed HAMP will have any long term implications on the level of staff within Environment, Planning and Regeneration. It will however enable the current staff to work more effectively and enable a more efficient use of resources in providing highway maintenance.

6. LEGAL ISSUES

6.1 The parties will enter into a formal contract to document the terms & conditions agreed by the parties.

7. CONSTITUTIONAL POWERS

7.1 Constitution Part 3 – Responsibility for Functions, Section 6, Paragraph 6.1. Provides that Chief Officers (i.e. Directors and Heads of Service as listed in Article 12) can take decisions without consultation with the Cabinet Member concerned where it is a decision authorised to be taken by the Chief Officer under the Contract Procedure Rules as set out in Section 5 of Authorisation and Acceptance Procedures for approved schemes with sufficient estimate provision.

7.2 The Contract Procedure Rules, as set out in Section 5, Table 5.1, allow for Acceptance by the Head of Service for contract values between £25,000 and £74,999 provided two competitive quotations have been received. A minimum of three quotations is required for values between £75,000 and £149,999.

8. BACKGROUND INFORMATION

8.1 The Highway network is one of our most visible community assets used daily by the majority of the borough's residents and visitors for recreation, commerce and work; makes a vital contribution to social inclusion, business vitality, and supports the local economy. It is also crucial to economic regeneration and the retention of businesses in Barnet. The highway network within the borough is one of the most valuable assets managed by the Council. The comfort and safety in which people can move from place to place and the appearance of local streets are important contributors to quality of life.

- 8.2 The need for the Highway Asset Management Plan was born from the Government's requirement in April 2006 to implement Resource Accounting and Budgeting that will require all highway authorities to identify, quantify and value their highway assets. Following the recommendations of the Task and Finish Group in January 2010 to develop a HAMP, officers have invited three suitably qualified companies to submit quotations for the development of a HAMP and the results are shown in the Exempt report. The quotation received by Appia for £24,300 was selected as the most economically advantageous and was recommended for acceptance in January 2011. Appia Infrastructure Solutions has submitted a method statement and programme which have been scrutinised by officers and the development of the HAMP is well under way. The final HAMP is expected to be in place by March 2012.
- 8.3 This report seeks retrospective approval of the Appia quotation and approval to increase the value of the original consultancy works to cover the additional work that officers asked Appia to carry out in relation to the development of the HAMP, as detailed below:
- a) Extract data from surveys, calculate the highways GRC and DRC and prepare reports for submission to HM Treasury.
 - b) Prepare specification for the collection of asset inventory.
 - c) Provide support and advice to the Council in relation to the asset collection inventory.
 - d) Provide support and advice to the Council in relation to other HAMP surveys such as Ground Penetrating Radar surveys.
 - e) Carry out a highways maintenance backlog investigation and provide advice on other HAMP issues in relation to the Firststat Event organised by the Directorate of Environment, Planning and Regeneration on 21 September 2011.
 - f) Provide support and advice to the Council in relation to other highways maintenance issues and the preparation of the 2012/13 Planned Highways Maintenance Programme, including site visits.
- 8.4 Most of the above additional work could not be anticipated or could not be accurately defined for inclusion in the original quotation. As the development of the HAMP progressed the need for this additional work was identified and Appia was asked to provide this additional technical advice and support which is associated with developing the HAMP. The cost for the additional work listed above is estimated at £30,910, making a total anticipated spent of £55,210.
- 8.5 Following a separate quotation, Appia have carried out a separate piece of work to update the highways network referencing system at a cost of £14,000. Appia received this payment in the previous financial year.

9. LIST OF BACKGROUND PAPERS

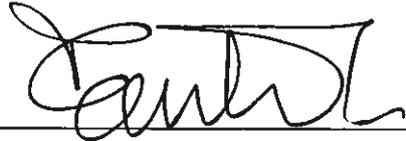
- 9.1 Highway Inventory Specification
- 9.2 Gap Analysis Report

10 OFFICER'S DECISION

I authorise the following action:

- (a) acceptance of quotation from Appia Infrastructure Solutions for the development of HAMP based on quotations previously submitted by suitable companies, and
- (b) to increase the relevant purchase order for additional work carried out.

Signed



Interim Director of Environment, Planning and Regeneration

Date

21st May 2012