

Local and Strategic Issues

3. Framework Contractor Update

Hampshire County Council operates two framework contracts for the delivery of construction projects commissioned via the Capital Programme. These cover works between £15,000 & £500,000 for Improvement Works Framework 1 (IWF1) and £50,000 to £3.9M for IWF2. The former operates using six contractors with a price list of common items, whilst the latter uses five contractors via standard tendering arrangements for each scheme. Both frameworks use local contractors (predominantly from Hampshire), and were tendered in 2008 to support small and medium enterprises (SMEs). IWF1 has delivered in excess of £3M since its start, with IWF2 delivering approximately £14M.

Each framework contains a performance management system that incentivises contractors to perform well by enabling them to be preferentially considered for schemes based upon past performance. If contractors achieve certain target levels in a particular 3-month period, then they are given more chance to win work in the next 3 months. Key Performance Indicators, such as timely completion of works, accuracy of payment submissions, and health and safety records are all considered. Since the IWFs have been operating, the vast majority of contractors have succeeded in improving their performance in all areas, at no additional cost to the Council.

District Councils are also able to benefit from IWF1, for delivery of HCC highway funded schemes, or for their own construction projects. Negotiations have taken place recently that will see prices on IWF1 held at 2010/11 levels until the end of the frameworks in 2012, and Districts will also be able to benefit from this arrangement. Whilst it is acknowledged that not all contractors on the framework are necessarily close to every scheme, the frameworks do offer a reasonable geographical coverage, and always contain the opportunity for local variability of prices to reflect this. Whilst other more local contractors could be used, they would need to be vetted from a health & safety perspective, as well as holding appropriate levels of insurance to work on the public highway. The IWF contractors are regularly checked in both of these respects and are experienced in the type of work being delivered.

In respect of the scheme at Cove Village, highlighted by Councillor Leversha at the last meeting, the matter has been investigated, as requested. Whilst the local residents may have felt that the scheme was taking rather a long time, it would appear that the works were changed in some key areas during construction due to additional drainage requirements, some arboricultural works and amendments to some kerbing/alignment requested by residents, and therefore took longer than originally estimated. It would appear that the works finished 1.5 weeks later than originally planned; however the changes effectively added 3 weeks to the programme. As such, the contractor effectively finished early, albeit that this was perhaps not properly explained to the residents. It would also

seem that there were complaints from residents regarding barriers but, once again, the contractor appears to have dealt with these as soon as they were highlighted to them.

In summary, the Council operates two framework contracts that deliver a sizeable volume of work across Hampshire at competitive prices. Performance is regularly reviewed and directly affects the ability for the contractors to win further work. Improvements have taken place in respect of timeliness of completion for works since the frameworks started in 2008, and continue to be regularly reviewed. District Councils can also benefit from the combined spending power of the County Council via the pre-approved contractors on IWF1.