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Tender

## **SC24029 Highway Term Maintenance Contract 2026**

Kent County Council

F02: Contract notice

Notice identifier: 2024/S 000-034009

Procurement identifier (OCID): ocds-h6vhtk-04afcb

Published 21 October 2024, 4:36pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Kent County Council

County Hall

Maidstone

ME14 1XQ

#### **Contact**

Mr Craig Merchant

#### **Email**

[craig.merchant@kent.gov.uk](mailto:craig.merchant@kent.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UKJ4 - Kent

**Internet address(es)**

Main address

<http://www.kent.gov.uk>

Buyer's address

<http://www.kent.gov.uk>

**I.3) Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://procontract.due-north.com/Advert/Index?advertId=c175c11c-8d8f-ef11-8130-005056b64545>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://procontract.due-north.com/Advert/Index?advertId=c175c11c-8d8f-ef11-8130-005056b64545>

**I.4) Type of the contracting authority**

Regional or local authority

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

SC24029 Highway Term Maintenance Contract 2026

Reference number

DN745967

#### **II.1.2) Main CPV code**

- 50230000 - Repair, maintenance and associated services related to roads and other equipment

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

Kent County Council (the “Council”) is seeking to appoint a service provider (“Service Provider”) to deliver a highways term maintenance contract (the “Contract”). The Council’s highway term maintenance services are delivered through the Council’s existing contract (“Current HTMC”), which expires on 30 April 2026. The Council intends to enter into the new Contract by November 2025 to allow sufficient time for implementation and to ensure service continuity from the expiry of the Current HTMC. The initial term of the Contract is expected to be 14 years (168 months) (plus a six (6) month mobilisation period during which Task Orders will be issued under the Contract for the initial term). There will be an option to extend the Contract up to a maximum aggregate of 7 years (84 months). Please note that it is expected that TUPE may apply to the new Contract.

Further information about this procurement can be found in the Project Information Memorandum (“PIM”) and the SQ, which are available through the Kent Business Portal. Please note that a ‘request to participate’ for the purposes of this contract notice (in particular, Section IV.2.2) is by completion and return of the Selection Questionnaire (“SQ”) by the stated deadline of 25 November 2024 – 1200hrs. The draft scope, Contract, and Invitation to Tender (“ITT”) are being released two weeks after the initial SQ documents to ensure Candidates focus their time and efforts on the SQ during the initial weeks of the Selection Stage.

The Council intends to invite the top four (4) scoring Candidates from the Selection Stage to participate in an introductory meeting and submit an Initial Tender. At the Initial Tender

Stage, the Council intends to further shortlist Tenderers from four (4) to three (3). The three (3) shortlisted Tenderers will be invited to discuss and negotiate the draft Contract, leases and scope and will be offered the opportunity to provide a mark-up of those documents as part of the Detailed Tender Stage. The Council will consider all proposed amendments and comments from Tenderers at the Detailed Tender Stage prior to issuing a final version of the draft Contract, scope and leases to all Tenderers, against which final Tenders are to be submitted. Tenderers will be required to confirm acceptance of the final version of the draft Contract, which will be evaluated on a “Pass/Fail” basis.

The Council will identify the most economically advantageous tender (“MEAT”) using the Price per Quality Point evaluation method, subject to the Tenderers passing any minimum requirements (e.g. “Pass/Fail” and/or minimum quality scores).

The Council currently anticipates that the Service Provider will provide all the fleet. However, the Council is exploring the option of either buying or leasing the gritting fleet and/or buying the gritting salt directly; this is still to be determined, and further details will be provided at the Initial Tender Stage. This Procurement also includes the potential for the local authorities listed at Section II.2.11 below to have access to and enter into Task Orders under the Contract with the Service Provider in order to deliver specific schemes/projects.

#### **II.1.5) Estimated total value**

Value excluding VAT: £2,000,000,000

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 34143000 - Winter-maintenance vehicles
- 34920000 - Road equipment
- 34970000 - Traffic-monitoring equipment
- 34990000 - Control, safety, signalling and light equipment
- 44113910 - Winter-maintenance materials
- 45233139 - Highway maintenance work
- 90640000 - Gully cleaning and emptying services

### **II.2.3) Place of performance**

NUTS codes

- UKJ4 - Kent

### **II.2.4) Description of the procurement**

The Council undertook a market engagement exercise to inform the contract, scope, and procurement procedure for this Opportunity, which was notified to the market via the Kent Business Portal. The agenda was designed to explore with the market how the Council could shape the procurement procedure to ensure a successful contract that not only provides best value but also an updated approach to service delivery. Three separate rounds of market engagement were held in January, June, and August 2024, with a range of suppliers, to obtain market input and confirm current thinking. Note that participation in the pre-market engagement exercises is not a prerequisite to participating in this Procurement, nor does it confer any advantage with respect to the Procurement for this opportunity. The Council encourages small and medium-sized enterprises to participate in this Procurement, either as Candidates, consortium members, supply-chain partners or sub-contractors.

The Current HTMC delivers a number of essential and statutory services, including the following:

- Winter Service Provision – e.g. gritting/salting the road network during freezing conditions including ploughing during snow events.
- Drainage Maintenance and Capital Projects – e.g. cyclical highway drainage cleansing, emergency response during storm events and capital drainage repair schemes.
- Structures – e.g. bridge repairs, tunnel maintenance and management and construction of new structures.
- Highway patching and small to medium-scale road asset renewal works – e.g. pothole repairs and larger surface defect repairs of the highway.
- Pavement asset preservation services – e.g. carriageway and footway life extension treatments such as surface dressing.
- Emergency Response – e.g. responding to emergencies across the network due to weather, emergency services support, vehicle collisions, and structural asset failure both in hours and out of hours, 24/7/365.
- Highway Improvement Scheme Delivery – e.g. construction of schemes for crash remedial measures, engineering and traffic schemes and S.106 requirements.

The below is a summary of the indicative scope for the Contract:

- Routine maintenance
- Highways schemes
- Structures and Tunnels maintenance
- High Speed Road maintenance programme
- Emergency and Out of Hours
- Winter service
- Drainage civil schemes
- Drainage cleansing
- Road and footway patching / pothole repairs
- Small/Medium reactive road asset renewal
- Signs maintenance
- Lining maintenance
- Barrier repairs
- Asset improvements
- Pavement asset preservation services
- Professional services ((limited to design for civil engineering works to assist the delivery of projects)
- Major Projects (as an alternative route to market, up to £5m)

Please note that the above is only indicative and may be subject to change as the Procurement progresses. Furthermore, due to the term of the Contract and the nature of the Services, the Council reserves the right to include additional supporting and/or related services in the Scope, including during the term of the Contract and in accordance with its terms.

#### **II.2.5) Award criteria**

Quality criterion - Name: Price is not the only award criterion and all criteria are stated only in the procurement documents / Weighting: 100

Price

#### **II.2.6) Estimated value**

Value excluding VAT: £2,000,000,000

#### **II.2.7) Duration of the contract, framework agreement or dynamic purchasing system**

Duration in months

258

This contract is subject to renewal

No

#### **II.2.10) Information about variants**

Variants will be accepted: No

#### **II.2.11) Information about options**

Options: Yes

Description of options

There is the potential for a contract extension of a further 7 years (84 months), depending on both the success in achieving the required outcomes and the availability of further funding. The Contract will also include a performance regime that may result in the adjustment of its term. Further detail will be provided in the Draft Contract and draft ITT, which will be published in due course (please see the Indicative Timetable in the PIM).

The indicative scope includes the potential for the following local authorities to have access to and enter into Task Orders under the Contract and in order to deliver specific schemes/projects:

1. Ashford Borough Council
2. Canterbury City Council
3. Dartford Borough Council

4. Dover District Council
5. Folkestone and Hythe District Council
6. Gravesham Borough Council
7. Maidstone Borough Council
8. Medway Council
9. Sevenoaks District Council
10. Swale Borough Council
11. Thanet District Council
12. Tonbridge and Malling Borough Council
13. Tunbridge Wells Borough Council

Please note that as the Council is utilising the competitive procedure with negotiation, such options will be included in the Draft Contract and will be developed as part of the negotiation process with those Tenderers selected to participate in that phase of the Procurement.

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

#### **II.2.14) Additional information**

Kent County Council (the “Council”) is the largest local authority in England covering an area of 3,500 square kilometers. It has an annual expenditure of over £1bn on goods and services and a population of 1.6m. The Council provides a wide range of personal and strategic services on behalf of its residents, operating in partnership with the NHS Kent and Medway Integrated Care Board, twelve (12) district councils, and over 300 parish/town councils.

The Council consists of four directorates:

- Adult Social Care and Health
- Children, Young People and Education

- Growth, Environment and Transport
- Chief Executive's Department and Deputy Chief Executive's Department

This Opportunity is being commissioned on behalf of the Growth, Environment and Transport directorate.

The Council is the Highway Authority responsible for the delivery of a statutory highways service for the residents of Kent (excluding Medway and trunk roads and motorways) and any other person using the highway. The Council's Highways and Transportation group ("H&T") is the intelligent client that has delegated responsibility for maintaining the Council's highways' assets.

An NEC4 Term Service Contract will be used with the following options:

- Option A: Priced contract with price list
- Option C: Target contract with price list
- Option E: Cost reimbursable contract

The Contract will feature break clauses, for example and amongst other things, to enable termination in the event of poor performance, in line with the NEC4 Term Service Contract.

The Council is open to considering innovative delivery methods, including partnerships between providers.

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## **Section III. Legal, economic, financial and technical information**

### **III.1) Conditions for participation**

#### **III.1.2) Economic and financial standing**

Selection criteria as stated in the procurement documents

#### **III.1.3) Technical and professional ability**

Selection criteria as stated in the procurement documents

### **III.2) Conditions related to the contract**

#### **III.2.2) Contract performance conditions**

There is the potential for a contract extension of a further 7 years (84 months), depending on both the success in achieving the required outcomes and the availability of further funding. The Contract will also include a performance regime that may result in the adjustment of its term. Further detail will be provided in the draft Contract/scope and draft ITT, which will be published in due course (please see the Indicative Timetable in the PIM).

#### **III.2.3) Information about staff responsible for the performance of the contract**

Obligation to indicate the names and professional qualifications of the staff assigned to performing the contract

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Competitive procedure with negotiation

#### **IV.1.4) Information about reduction of the number of solutions or tenders during negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated

#### **IV.1.5) Information about negotiation**

The contracting authority reserves the right to award the contract on the basis of the initial tenders without conducting negotiations

**IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

**IV.2) Administrative information**

**IV.2.2) Time limit for receipt of tenders or requests to participate**

Date

25 November 2024

Local time

12:00pm

**IV.2.3) Estimated date of dispatch of invitations to tender or to participate to selected candidates**

9 December 2024

**IV.2.4) Languages in which tenders or requests to participate may be submitted**

English

**IV.2.6) Minimum time frame during which the tenderer must maintain the tender**

Duration in months: 6 (from the date stated for receipt of tender)

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## **Section VI. Complementary information**

### **VI.1) Information about recurrence**

This is a recurrent procurement: No

### **VI.2) Information about electronic workflows**

Electronic ordering will be used

Electronic invoicing will be accepted

Electronic payment will be used

### **VI.3) Additional information**

The estimated value of the Contract identified in II.2.6) is only an estimate at this stage and has the potential to be higher. The estimated total value of this Procurement has been calculated as £2bn. This figure takes into account (i) recent and current annual spend of circa £50-60m; (ii) a maximum total term of 21 years (plus a 6 month mobilisation period); (iii) the potential impact on costs of inflation; and (iv) the ability for both the Council, and the other bodies identified in section II.2.11, to deliver individuals projects or schemes through this appointment.

The services under the Contract (as listed at Section II.2.4) are to be provided to the Council, but this Procurement also includes the potential for the local authorities listed in Section II.2.11 to have access to and enter into Task Orders under the Contract with the Service Provider in order to deliver specific schemes/projects.

The Council will identify the most economically advantageous tender (“MEAT”) using the Price per Quality Point evaluation method (as described in more detail in the PIM and Procurement documents), subject to the Tenderers passing any minimum requirements (e.g. “Pass/Fail” and/or minimum quality scores).

Selection Questionnaire responses and tenders are to be completed electronically using the Portal: <https://www.kentbusinessportal.org.uk/>

A Tenderer’s Final Tender must remain open for acceptance for a period of up to 6 months following submission.

Each party will be liable for its own costs and expenses in relation to the preparation and submission of any SQ Response or tender and the conduct of any discussions/negotiations or similar with the Council during the Procurement. For the

avoidance of doubt, the Council and its appointed advisers have no obligation whatsoever to reimburse any Candidate or Tenderer in respect of any costs, economic loss or other loss of profit incurred by it either in the preparation of an SQ Response or future tender as a Tenderer or arising from clarifications and discussions with the Council in connection with the Procurement, regardless of whether or not the Procurement results in the award of a Contract.

The Procurement should not be regarded as an investment recommendation made by the Council or its appointed advisers. Each Candidate must rely on its own enquiries and on the terms and conditions set out in any contract when finally executed, subject to such limitations and restrictions as may be specified in such a contract. Neither the issue of any documentation in the Procurement nor any of the information presented in it should be regarded as constituting a contract, agreement or a commitment or representation on the part of the Council or any other person to enter into a contractual arrangement.

The Council reserves the right (subject to the requirements of the Regulations) to vary, amend or terminate the Procurement by notice in writing, including the right to introduce additional stages and not to award a contract at all for any reason whatsoever. Under no circumstances will the Council or its appointed advisers accept any liability arising out of or in respect of the Procurement, the award procedure, or any variation or amendment to the procedure.

Neither the Council nor any of its appointed advisers will be liable or responsible for any opinion, statement, or conclusion contained in, or any omission from, the Procurement documents or for any other written or oral communication transmitted or otherwise made available to any Candidate during the Procurement. No representation or warranty is made in respect of such statements, opinions or conclusions, and neither the Council nor its appointed advisers shall accept any liability for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of any reliance upon such statements, opinions or conclusions.

For the avoidance of doubt, only the terms of the Contract as and when it is executed will have any legal effect in connection with the matters to which this Procurement relates. Further for the avoidance of doubt, none of the Procurement documents shall form an implied contract.

The Council makes no commitment to award any contract as a result of this Procurement or otherwise, nor to accept the lowest priced tender.

## **VI.4) Procedures for review**

### **VI.4.1) Review body**

Royal Courts of Justice

Strand

London

WC2A 2LL

Telephone

+44 2079477882

Country

United Kingdom