

**NORTH LANARKSHIRE COUNCIL
REPORT**

To: PLANNING AND ENVIRONMENT COMMITTEE		Subject: CAPITAL PROCUREMENT – ANNUAL BEST VALUE REVIEW
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: 28 th March 2006	Ref: N/TM/03/02	

1. Purpose of Report

- 1.1 The purpose of this report is to seek Committee approval to the procurement of up to 50% of the Capital Resurfacing Inlay & Overlay Programme for 2007/08 from ARNL (Ameys Roads North Lanarkshire) through the RMC (Roads Maintenance Contract).

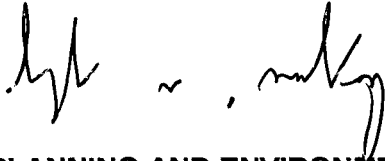
2. Background

- 2.1 Reference is made to the Planning and Environment Committee Meeting of 15th December 2005, which inter alia approved the implementation of rate realignment to the RMC. Committee also approved a Minute of Agreement authorising procurement of up to 50% of capital works through the RMC provided that best value is achieved.
- 2.2 The best value review for 2007/08 has been carried out based on a cost comparison of all of the capital resurfacing and market testing works tendered in 2006/07. The costing exercise has considered contract, tender and volume discount costs and shows that the works procured through the RMC are 6% cheaper in comparison with market rates for resurfacing inlay and overlay works. Additional value will also be obtained through our shareholding in ARNL, and local opportunities for access to employment and training. The RMC rates therefore represent good value for money.
- 2.3 Procurement of 50% of the Resurfacing Capital inlay and Overlay Programme for 2007/08 will result in an estimated £40k being returned to the Council through the volume discount mechanism. This is based on £400k of works to be procured through the RMC from an overall roads reconstruction/resurfacing capital budget of £3m. Income from the PPP companies is used to support other priority areas of work within the Council.
- 2.4 The Director of Planning and Environment considers that ARNL have sufficient resources to undertake the works. Project monitoring and development of Safety Plans will be undertaken.
- 2.5 Reference is made to last years Capital Procurement – Annual Best Value Review report made to the Planning and Environmental Committee dated 16 August 2006. This report recommended that 50% of the Capital Lighting Programme for 06/07 was procured through the RMC following that review. The market testing review for 2007/08 has been carried out and the RMC rates no longer represent best value for street lighting capital works.

3. Recommendations

3.1 It is recommended that Committee;

- a) Notes that procurement of re-surfacing inlay and overlay works through the RMC represents best value,
- b) Notes that ARNL have sufficient resources to undertake this work,
- c) Authorises the Director of Planning and Environment to procure up to 50% of the re-surfacing inlay and overlay capital works for 2007/08 through the RMC,
- d) Notes that further reports will be submitted annually.



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David M. Porch
DIRECTOR OF PLANNING AND ENVIRONMENT
(04/08/06)

Local Government Access to Information Act: for further information about this report, please contact Colin Nimmo, Roads Asset Team Leader on 01236 616441.