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RLG update

● Three products have recently been launched by the Highway Maintenance Efficiency Programme (HMEP): **1) the Lifecycle Planning Toolkit** which incorporates **2) Deterioration Models** for bituminous surfacing; and **3) Guidance on the Management of Highway Drainage Assets**.

HMEP has also released a **Standard Specification**. This Guidance is for local highway authorities to use instead of bespoke local contract documents in the areas where they incur the greatest maintenance expenditure.

The documents build on the latest specifications from within the sector, including those supplied by authorities that have recently tendered or are about to go to market, as well as those from existing collaborative arrangements in the Midlands Highways Alliance, South East 7 and London LoHAC areas (see main article). For further information visit:

www.dft.gov.uk/hmep/

● DfT has written to highway authorities in England to remind them to be prepared for winter. This includes taking account of the latest updates to *Well-Maintained Highways*, available at www.ukroadsliaisongroup.org

Pan London contracts to test local collaboration

The process behind developing the London Highway Alliance Contracts demonstrates that client and contracting sectors can work together and drive out inefficiencies in the highways sector.

Collaboration, common standards and specifications are key mantras for the Highway Maintenance Efficiency Programme (HMEP). London has implemented these through its new framework contracts – the London Highway Alliance Contracts (LoHAC) – and both client and contracting sectors can learn lessons from the approach.

Recognition that there were inefficiencies in highways procurement and service delivery across London led to the development of framework contracts that include for the first time both Transport for London and borough roads. The new framework contracts which become operational from April 2013 divide London into four geographic areas and the claim is that they will save up to £450M over their eight year life (*Transportation Professional* December 2012). The framework covers 23 discrete services including lighting and winter maintenance and allows flexibility for boroughs to choose to buy-in the elements they want.

There was recognition two and half years ago that there were signs of inefficiencies across London in the delivery of highway services according to TfL director of roads Dana Skelley, who has been involved in the LoHAC project since its inception. She says: "With TfL, the City of London and 32 boroughs, the numbers of depots is huge".

But Ms Skelley's favourite example of inefficiency could be illustrated as follows. Quite legitimately, because of the interfaces between individual boroughs and TfL, in one 5m² area there could be six or seven contractors showing up at the same time to work on the same problem, for example to clean graffiti. Any road users, sat say on a bicycle at a set of traffic lights, could not help but wonder what was going on and how it could be cost effective?

Ms Skelley also acknowledges that the cost of constant retendering was significant and neither efficient nor effective.

What was needed therefore was to gather evidence to support a business case for a change in contracting strategy. The resulting Pan London Collaborative Highways Works Business Case revealed a huge range in rates across over 100 different contract arrangements. Ms Skelley says that what was happening was that the same contractors were winning contracts at different rates across the capital. "It was quite obvious that the supply chain was calling the shots. The problem for the industry generally is that we do not understand the true costs. In times of austerity there is now a need to ask: is there a better deal out there."

The Highways Term Maintenance Association was drawn into the drafting process for the new contracts early on in the process with the first meeting held in January 2010. The framework contract finally developed was one that HTMA was pleased with according to HTMA executive board member and Amey director Mike Notman. Mr Notman was the HTMA representative during the discussions with TfL and the boroughs.

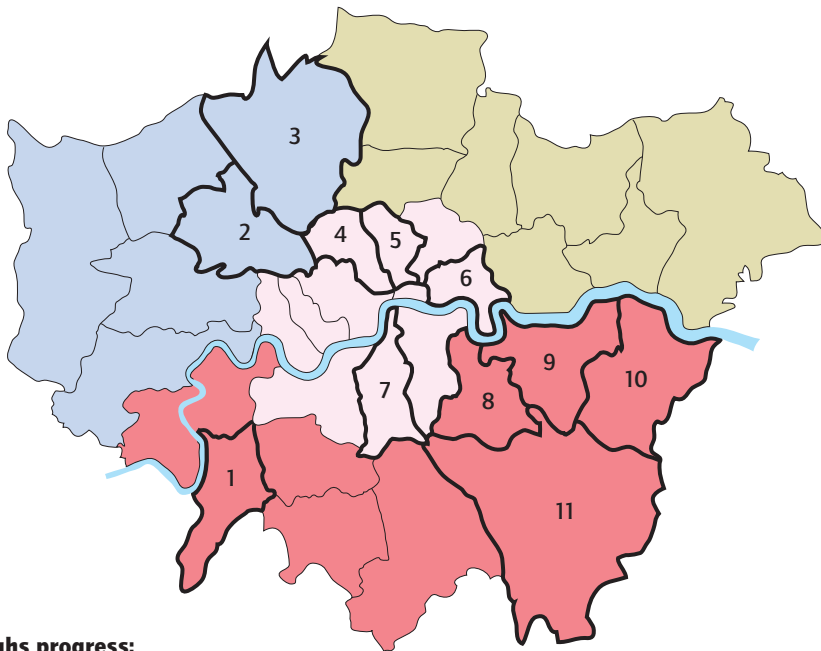
The eight year contract period covering four geographic areas (see box) feels "about right" he says. Similarly the use of key performance indicators to measure and compare contractor performance (KPIs) is a good thing according to HTMA. HTMA would have liked to see contract extensions based on good performance, he says, but this carrot did not get written into the contract deals. A stick in terms of contract reductions resulting from poor KPI performance was written in however.

Ms Skelley believes that the LoHAC contracts are the first



LoHAC has been established to drive out inefficiencies in highway procurement and service delivery across the capital

Consolidated London Highways Alliance – four areas



Area / Contractor

North West area: Covering roads within: Hounslow, Hillingdon, Ealing, **Barnet**, Harrow and **Brent**
Conway, Aecom JV

North East area: Covering roads within: Havering, Waltham Forest, Barking & Dagenham, Redbridge, Newham, Haringey and Enfield
Ringway Jacobs

Central area: Covering roads within: **Camden**, City of London, Southwark, **Tower Hamlets**, Hackney, **Lambeth**, Wandsworth, Hammersmith & Fulham, Kensington & Chelsea, **Islington** and Westminster

CVU – a joint venture between Colas, VolkerHighways and URS

South area: Covering roads within: **Bexley, Greenwich, Lewisham, Bromley**, Croydon, Sutton, Merton, **Kingston upon Thames** and Richmond upon Thames
EnterpriseMouchel

Boroughs progress:

Signed up for all services: Kingston upon Thames (1), Brent (2),
Under consideration for various services: Barnet (3), Camden (4), Islington (5), Tower Hamlets (6), Lambeth (7), Lewisham (8), Greenwich (9), Bexley (10), Bromley (11)

The remaining boroughs will be considering LoHAC for TfL Local Implementation Plan (LIP) funded schemes and also for additional services as and when current contracts expire

time that a client has used the HTMA price indexation formula, a set of price adjustment indices specifically for term contracts in the highways maintenance industry. Ms Skelley says: "We worked on the experience HTMA had with price fluctuations over the last couple of years and adopted what it has developed". She believes the approach will provide more informed risk sharing and is a better metric for highways as general construction price indexations are not appropriate for the sector. "We tend to use a lot less steel in highways work!" she says.

Right from the start the specification was drawn together from contributions across all London boroughs and TfL by three TfL staff working with three London borough staff. The way the contracts are written is based on the lowest class of road and then an on cost is added as the class of road changes. The starting point was to develop the specification from the boroughs perspective first as 95% of roads are owned by the London boroughs and only 5% by TfL though they carry a third of London's traffic.

There has been an issue among borough council members of a perceived loss of control from signing up to the LoHAC arrangements. Ms Skelley is quick to acknowledge that local authorities do want to make the investment decisions themselves, and emphasises they can continue to do this, but that it will be a common service provider that carries out the works.

Even the standards of operations can be set locally but the costs will be transparent and understood by everyone. On a main road you might want to clean the gullies out several times a year, other roads less so. She says: "No one is saying: 'thou shall do it this way'. There is no loss of sovereignty in these contracts."

This does not mean there are not significant opportunities in standardisation. As Ms Skelley points out, if you are going to use artificial stone paving slabs, then lay them in a common way. And although



"It was quite obvious that the supply chain was calling the shots."

Dana Skelley

The LoHAC allows for different standards to exist, Ms Skelley also acknowledges that there is a huge opportunity for standardising materials.

The utilisation of resources is also a key point. On the TfL routes the lane rental scheme operates so that works cannot be carried out before 10am and after 3pm (thereby avoiding key rush hour times). This means that by joining up with a local borough the LoHAC contractor has the opportunity to carry out work on nearby roads at the times the TfL network is off limits.

"In the past we have been saying to our supply chain – you do it your way as you know best – but then we want to micromanage them," she says. Now the contractor has the opportunity to decide what to do when and where to manage resources and processes more efficiently.

Another concern raised has been that the boroughs might be shunted down the pecking order in terms of priority of works. In response Ms Skelley says: "Yes, there could be an issue of he, or she, who shouts the loudest gets their way". However she points out that contractors will be measured on performance which will make sure that works are allocated fairly.

The area boards established to monitor and manage contractors performance under the LoHAC frameworks will also ensure that boroughs and TfL have an equal say in what works are prioritised. These boards are set up between TfL and each borough and borough representatives on the boards could well be in the majority.

The LoHAC uses the New Engineering Contract (NEC) form as the whole ethos of NEC is focused around effective partnering and collaboration

Looking forward Ms Skelley sees two big opportunities: firstly, transferring the reinstatement process away from utilities to the LoHAC contractor and secondly, through further collaboration.

Ms Skelley is keen to point out that she is not suggesting utilities companies might not do good reinstatement work. But the risk sits better with the contractor which will have to maintain the road going forward, she says.

There is also potential for collaboration in the licensing and use of highway systems. In London there are at least four different systems used to support the management of the highway network. **Justin Ward**