

**OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE**  
**9<sup>th</sup> NOVEMBER 2006**

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**RINGWAY PARKMAN -**  
**ANNUAL REVIEW OF SERVICE 2005-06**

**Purpose of Report**

1. To:
  - (i) Present to Members the Annual Review of the performance of services provided under contract by Ringway Parkman.
  - (ii) Advise Members of the proposals for reporting on the new Highways Consultancy and Works contracts.

**Background**

2. The Corporate Procurement Strategy requires all contracts with an annual value in excess of £1 million to be reviewed annually by the relevant Overview and Scrutiny Management Committee.
3. In 1999, following a competitive tender procedure, the Highways Consultancy contract was awarded to Parkman Consulting Engineers, and the Highways Works Contract was awarded to Ringway Highway Services. The two companies signed an overarching agreement to form Ringway Parkman to provide the highway service to the County Council. The services include:
  - Highway maintenance
  - Design and implementation of Integrated Transport schemes
  - Bridge and structural maintenance
  - Management of street lighting and other contracts
4. This Committee previously reviewed performance on this contract in June 2005 when the Annual Review of Service for 2004-05 was considered. The present report covers a review of performance during 2005-06, which is the seventh and final year of the contract, and considers some key issues for the delivery of services during the new highway contracts.

**Main Considerations for the Council**

**Scope**

5. The Ringway Parkman contract started in June 1999 and was initially for five years and was subsequently extended for a further two years as provided for in the original contracts. Under the terms of the contracts Ringway Parkman is required to produce an annual report for stakeholders. **The Ringway Parkman Annual Review of Service 2005-2006 is attached to this Report.**

6. This year's report highlights key achievements and improvements made during the past year across the broad range of services provided under the contract. It demonstrates the contribution that the service suppliers have made to the Council's transport objectives, especially with regard to the delivery of the Local Transport Plan (LTP) and indicates areas where improvements are needed.
7. During 2005-06 the Highway Consultancy and Works contracts and the Council's future service needs were reviewed in connection with the re-tendering of the contracts. The procurement process included regular reports to this Committee, and the formation of a Project Board including Member representation to oversee the process. In December 2005 the Cabinet resolved to award the Highways Consultancy Contract to Mouchel Parkman and the Highway Works contract to Ringway Highway Services. The period covered by the current review of services also includes the transition period from the previous contracts to the new contracts.

#### Performance

8. The services provided by Ringway Parkman have been important in ensuring the Council meets its statutory duties, as well as delivering a substantial programme of works. Throughout the past year the contracted services have continued to operate well and have met contract standards despite the uncertainty caused by the re-tendering of the contracts.
9. Where problems with programming or quality of work have been encountered these have been dealt with through the Service Delivery Teams or the Monthly Review Group meetings, where the Council, the contractor and consultant are all represented.
10. Generally, performance in all service areas has continued to improve with increases in customer satisfaction, which has been monitored from Customer Satisfaction Surveys and analysis of complaints and compliments received.
11. Performance has been monitored through the regular Monthly Review Groups, chaired by an Assistant Director from the Environmental Services Department and by independent, unannounced spot checks and site visits.

#### Previous Review of Service

12. At the last Annual Review of Service in June 2005 it was noted by Members that there were difficulties in effectively delivering cross-discipline projects. There have been improvements in the management of these projects, but it is clear that not all of the issues have been resolved, particularly with regard to Integrated Transport and Structures schemes where there was some slippage in the programmes in 2005-06.
13. The problems associated with these schemes are caused by a number of factors relating to the complex nature of the projects where environmental factors, Committee decisions, planning permissions and other approvals are necessary to ensure a scheme proceeds to construction. Skills shortages in key areas and resource limitations have limited the ability to bring forward alternative schemes into the programme when problems arise. In order to address these problems new project and contract management measures have been incorporated in the new contracts.
14. Problems with meeting road lining targets were identified during 2004-05 and, although timing of delivery improved, there were quality of workmanship issues which have taken some time to address. In part these have been caused by skills shortages in the industry which will be addressed in the new contracts by increased self-delivery by Ringway and less reliance on sub-contractors.

15. In response to previous requests from Members the series of presentations to the Parishes by Wiltshire Highway Partnerships continued and was augmented by the production of the information CD 'The Road Ahead' which featured a number of members of staff from Ringway Parkman explaining how highway maintenance was carried out.

#### Individual Service Performance

##### ***Major Highway Design***

16. Two Park and Ride schemes have been completed in Salisbury and two major highway schemes have made progress through the planning processes despite the continuing uncertain position regarding funding. The pressure of reducing impacts on the environment continues and remains a key influence on major scheme design and preparation.

##### ***Bridges and Highway Structures***

17. During 2005-06 18 structures were strengthened or replaced, and other work was undertaken on over 70 bridges, with 477 bridges inspected as part of the annual programme. Delays in the implementation of some schemes emphasised the need to improve forward programming to increase confidence levels in the delivery of schemes.

##### ***Traffic and Transportation***

18. Ringway Parkman have delivered a range of schemes, including pedestrian, cyclist and public transport schemes, as well as managing the County's street lighting and traffic signals for the County. The complex nature of integrated transport schemes has demonstrated the need for more detailed planning and programming of these schemes.

##### ***Highway Maintenance***

19. There has been a substantial programme of highway maintenance carried out during 2005-06 which has included work by Ringway and through the highway surfacing contract, with a value of just under £10.5 million. Early contractor involvement in schemes and firm financial control has helped deliver this substantial programme.

##### ***Weather and Emergencies***

20. During the winter the gritting crews were called out on 56 occasions and used over 8,000 tonnes of salt. In addition emergency teams were called upon to deal with many varied situations, including a mercury spillage which required special treatment.

##### ***Routine Maintenance***

21. The routine maintenance of the highway network has continued to be carried out by the partnership involving County Council staff working with Ringway Parkman staff in the Divisional Highways offices. The use of specialist machinery and new techniques has continued in order to make best use of the limited available funding.

##### ***Other Matters***

22. Ringway Parkman has continued its engagement with the community in Wiltshire, including sponsoring the People of Wiltshire Awards and involvement in the Links2Work workshops to help young people.

23. The safety record on the contract has continued to improve and work will continue in the new contracts to improve environmental protection in the depots and maximise the use of recycled materials.

#### Key Issues

24. This has been the final year of the Ringway Parkman contract because the new contracts became operational in June 2006. Over the previous seven years the type and volume of work carried out by Ringway Parkman has changed dramatically, particularly with the introduction of the LTP and the increase in expenditure on highway maintenance.
25. The strength of the contract with Ringway Parkman has been its ability to adjust to these changing circumstances and for the organisations involved to be able to provide additional resources when required. During the period there have been changes to the way services have been delivered and this has included the creation of the Wiltshire Highways Partnership to improve the routine maintenance of the network, and the formation of Service Delivery Teams in key areas of the service. The flexibility of all the organisations involved has enabled these changes to be made with the minimum of disruption.
26. The re-tendering of both the Consultancy and Works contracts during the review period created unavoidable uncertainty for both Ringway and Mouchel Parkman, especially as the new contracts involve some key changes to the relationships between the parties. The serious recruitment and staff retention problems which may have arisen in these circumstances did not occur, and both organisations reacted well to the opportunities offered by the re-tendering process by reviewing their own performance in preparation.

#### Service Developments

27. Following the award of the new contracts in December 2005 both Ringway and Mouchel Parkman made changes to their management structures and started implementing improvements in advance of the start of the contracts. This positive attitude towards the future arrangements shown during the past year is encouraging and shows a commitment to continuing partnership working.
28. The introduction of better co-ordination of works in order to achieve efficiencies and reduce traffic disruption has been introduced and is already beginning to show benefits. There has also been a move towards better longer term planning and programming of works in order to unlock the potential efficiencies which could be achieved with the new contracts.
29. The new Highways Consultancy and Works contracts include a more structured contract management process and improved contract monitoring. The pressures for efficiencies, better environmental protection and recycling, and improved services to the public within the financial constraints will remain a challenge for the future, but the lessons learnt by all parties in the operation of previous contracts put the Council in a good position to deal with these issues.
30. The first year of the new contracts will end in June 2007. The successful operation of the contracts and the delivery of services depend on all three parties, the Client, Consultant and Contractor. It is therefore proposed that the next review of service under these contracts should be produced jointly by all three parties.

### **Environmental Impact of the Proposal**

31. Environmental considerations have remained high priorities with regard to the operation of the Ringway Parkman contract, both in terms of the design of schemes and the operational aspects. The need to increase the use of recycled materials is one of the key factors to be addressed in the new highway contracts and improved measures are being put in place to monitor performance.

### **Risk Assessment**

32. The year being reviewed to June 2006 has been the final year of the Ringway Parkman contract. There was a risk that the re-tendering process would create uncertainty for both companies involved and for the staff of both organisations. This could have resulted in problems with staff recruitment and retention which could have manifested themselves in poor performance, but this has clearly not happened.

### **Financial Implications**

33. The Ringway Parkman contracts have again successfully operated within budget this year and have continued to provide the necessary services. The introduction of electronic work ordering and invoicing which is required for the new contract was started in advance of the new contract, and this should provide better and more up to date financial information for all involved in the operation of the service.

### **Options Considered**

34. The Ringway Parkman contracts started in June 1999 and were for five years, with possible extensions of up to two years. Following the award of two extensions the contracts were due to terminate in June 2006. It was not considered feasible or desirable to further extend the contracts, and as previously reported to this Committee and to Cabinet the opportunity was taken to re-tender the Highway contracts with a number of improvements to address future needs.
35. Under the new highway contracts it would be possible to ask Mouchel Parkman and Ringway to produce separate reviews of their services, but because the performance of each organisation depends to a large extent on the performance of the other and of the County Council it is considered that a joint report on future services would be more appropriate.

### **Conclusion**

36. The services provided by Ringway Parkman during 2005-06 continued to meet the Council's needs and budget requirements. Despite the uncertainty caused by the necessary re-tendering process the provision of services continued, and a number of improvements were introduced. There was successful delivery of a wide range of highway and transport schemes in 2005-06 which made a significant contribution to the delivery of the Council's LTP and to the achievement of many of its key performance indicators.
37. Since its beginning in June 1999 the Ringway Parkman contract has been through many changes, including the introduction of the LTP, and the subsequent increase in expenditure on highway maintenance which is at last starting to reduce the maintenance backlog. The success of the Council in meeting these challenges has no doubt in part been because of the good working relationships established with Ringway and Mouchel Parkman and their commitment to the Wiltshire contracts.

## **Proposal**

38. That Members:

- (i) Consider the Ringway Parkman Annual Review of Service 2005-06.
- (ii) Thank Ringway Parkman for their contribution to the County's highway service since 1999.
- (iii) Note that a jointly prepared report from the County Council's officers, Mouchel Parkman and Ringway will be submitted next year to review performance of the new highway contracts in 2006-07.

## **GEORGE BATTEN**

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**The following unpublished documents have been relied on in the preparation of this Report:**

None