

Public Accounts Committee

Inquiry into value for money of Motorway and Trunk Road Investment

Additional information from the Chartered Institute of Highways and Transportation

Colas/URS venture targets long term road maintenance

8 July, 2014 | By [Mark Hansford](#)

Colas and consultant URS have teamed up to offer local authorities whole life cost savings on roads in exchange for long term contracts.

The joint venture was formally launched last month and Colas URS is now in talks with local authorities interested in seven to 10 year term maintenance deals that are geared towards long-term asset improvement.

The two firms have worked together in highways maintenance for 20 years. They believe they can use expertise developed by working together on the UK's first highways maintenance PFI concession in Portsmouth.

That contract is now 10 years old and the city has all but eliminated potholes by employing an asset management strategy focused on whole-life cost reduction. The concession company also adopted innovative resurfacing techniques which were developed as a result of the long term certainty of workload the PFI contract gave them.

Seven to 10 year contracts

“You need seven to 10 year contracts to have the time to put the right investment in place and then to do the work,” said URS local authorities director Adrian Coy. “So we are talking to [local] authorities and urging them to look at their procurement processes so that they can make this kind of long-term investment. “That’s where we are coming from. We have got experience in PFI and DBFOs so we can give [local] authorities confidence to do this audibly and that their investment is safe.”

“Local authorities are stuck with one year funding settlements, but they are still keen to talk,” added Colas executive director David Craik.

“Many local authorities are looking to develop and build a financial case to secure investment in their networks.” Reduction in long term spend is vital to them.”

“So the need to create and deliver intelligent asset management plans that provide maximum benefit for minimum investment are now more important than ever,” he stressed.

Coy added that the Colas URS joint venture is only interested in local authorities that genuinely want to embrace long-term contracts.

“We don’t want to work with a client that is going to invest in a jet patcher,” he said. “That’s a client assuming that potholes are always going to be there. We want to work with clients who don’t want potholes at all,” he said.

“A lot of councils are coming out with five year contracts that are extendable to seven, 10 years,” added Craik. “That’s of interest as there is a calculated level of risk that we will win an extension.

“But those that are sticking with five year deals that offer nothing more than five years of filling potholes are not really that viable,” he said.

The following link gives more details

<http://www.streets-ahead.uk.com/department-detail.asp?pageId=501>

I have also attached links to the Birmingham PFI scheme I referred to in evidence.

<http://www.birmingham.gov.uk/cs/Satellite?c=Page&childpagename=Lib-Sheldon%2FPageLayout&cid=1223092719706&packedargs=AlphabetValue%3DH%26website%3D1&pagename=BCC%2FCommon%2FWrapper%2FWrapper>