

WIRRAL COUNCIL

CABINET

12TH FEBRUARY 2014

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| SUBJECT: | MAINTENANCE, SUPPLY AND INSTALLATION OF TRAFFIC CONTROL SYSTEMS AND ASSOCIATED EQUIPMENT : AWARD OF CONTRACT |
| WARD/S AFFECTED: | ALL |
| REPORT OF: | KEVIN ADDERLEY, STRATEGIC DIRECTOR REGENERATION & ENVIRONMENT |
| RESPONSIBLE PORTFOLIO HOLDER: | COUNCILLOR HARRY SMITH, HIGHWAYS AND TRANSPORTATION |
| KEY DECISION | YES |

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs Cabinet of the outcome of the procurement for the new Traffic Signal Maintenance Contract which will replace the current contract that expires on 31 March 2014. The report recommends to Cabinet that the contract be awarded to the preferred bidder as their tender provides the most economically advantageous one for the Council.
- 1.2 The contract, when awarded, will provide a contract mechanism to allow statutory maintenance duties of the traffic control network to be fulfilled and provide for the new installations, funded by capital investment, to be implemented.
- 1.3 Cabinet considered a report on 7 November 2013, describing an options appraisal undertaken for the future traffic signal maintenance contract and approved a recommendation that the new contract should run for a four year term and have the potential for a two year extension, subject to satisfactory contract performance and management.
- 1.4 The award of this Contract is a Key Decision and involves total expenditure over £750,000. This report contains an Appendix exempt from public disclosure in accordance with paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, due to the commercially sensitive nature of the information.
- 1.5 A new traffic signal maintenance contract will have a likely annual value of approximately £350,000, which will cover revenue maintenance and capital investment. The actual expenditure on the contract could vary each year.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The current five year traffic signals maintenance contract will expire on 31 March 2014. This current contract enables necessary maintenance works on the traffic signal network to be undertaken. The installation of traffic control sites or pedestrian crossings, funded through capital investment, can also be delivered through this existing contract.
- 2.2 An options appraisal for traffic signal maintenance was considered by Cabinet at its meeting on 7 November 2013. A range of options were examined and

the preferred option recommended to Cabinet was a new contract that operates for a four year period with the potential for a two year extension, subject to satisfactory contract performance.

2.3 At the Cabinet meeting on 7 November 2013 [Minute 97 refers], it was resolved that “(1) the process to implement a new four-year traffic signals maintenance contract of an approximate value of £350,000 per annum with the option of a two year extension, subject to satisfactory contract performance and value for money being demonstrated be approved; and (2) the contract be procured through a competitive tendering process using the Restricted Accelerated Contract Procedure”.

2.4 The new traffic signal contract will have a likely of £350,000 per annum although this could vary each year depending overall maintenance required and the level of new schemes introduced through capital investment.

2.5 Project Development and Governance

2.5.1 Officers have been undertaking the competitive tender process and carrying out the evaluation of bids to determine a preferred bidder. This process has involved Officers from Traffic and Transportation, Procurement and Legal Services.

2.6 Contract Form

2.6.1 The new contract, if approved, will use the New Engineering Contract (NEC) Term Service Contract. This form was used on the most recent Traffic Signal Maintenance Contract but the new contract will use the 2013 edition of the Term Service Contract.

2.7 Procurement

2.7.1 In November 2013, Cabinet considered a recommendation that the new traffic signal maintenance contract should be procured using the Restricted Accelerated Contract Procedure. Cabinet approved this recommendation. Since then the Head of Procurement has further considered the contract procurement and advised that the Open Contract Procedure would be the preferred contract procedure to use.

2.7.2 The Head of Procurement published a contract notice in the OJEU on 18 December 2013 advising potential bidders of the tender opportunity, using the Open Tender Process. The notice also invited expressions of interest to be submitted up until a defined cut-off period.

2.7.3 The criteria for evaluation of tenders was agreed as 60% price : 40% quality.

2.7.4 The tender process required bidders to complete and submit a comprehensive price list consisting of the annual service charges, which covers maintenance and inspections of existing and new equipment, and supply and installation of a broad range of traffic control equipment and services.

2.7.5 The tender process required bidders to submit information and proposals on the management of a number of key elements in the traffic signal maintenance process, namely:-

(i) Method Statements on the bidders' approach to service provision including matters on experience and track record of managing similar contracts; service mobilisation; and liaison with Highway Services Contractor.

(ii) Method Statements on the bidders approach and structure on items including compliance with legislation; human resources; health and safety; environmental sustainability; quality management and customer focus.

(iii) Method Statements on the companies planned approach for managing risks and business continuity; performance management; and the use of innovation and new technology.

2.8 Outcome of the Procurement Process

2.8.1 The evaluation of the price element used annual service charges and a broad range of activities to be carried out under the contract. This part of the evaluation was scored against the total maximum score of 60% for the total marks available to bidders. The summary of this evaluation is shown in **Appendix 1**, which is exempt from public disclosure in accordance with paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, due to the commercially sensitive nature of the information.

2.8.2 The quality element of the contract consisted of three core areas and they had weightings assigned to them.

- Service provision 50%
- Policy including compliance with legislation 25%
- Management approach 25%

2.8.3 The quality responses are scored and weighted in accordance with the information issued to bidders to then produce a single score out of a maximum 40%. The summary outcomes of the evaluation are shown in **Appendix 1** which is exempt from public disclosure in accordance with paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, due to the commercial sensitivity of the information.

2.8.4 The outcome of the evaluation has produced a ranking of the tenders and an overall preferred bidder.

2.9 Standstill Period

2.9.1 Cabinet should note that under the Public Contracts Regulations 2006 there is a statutory ten day 'standstill period' to enable unsuccessful tenderers to obtain feedback on the Council's contract award decision and potentially lodge a legal challenge if they are not satisfied on the legality of the decision. The contract can only be formally awarded after this period.

3.0 RELEVANT RISKS

3.1 In November 2013, Cabinet were informed that not having a new traffic signal maintenance contract in place on 1 April 2014 would put the Council in the position of not being able to meet its statutory obligation to maintain the traffic signal network as part of its duty as highway authority.

- 3.2 Failure to have a maintenance contract in place on 1 April 2014 could result in the Council not having a mechanism to address road traffic damage or emergency situations and may need traffic signals installations to be switched off. These present road safety issues to a number of road users.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 An options appraisal on the traffic signal maintenance contract was reported to Cabinet on 7 November 2013.

5.0 CONSULTATION

- 5.1 The development and procurement of the new traffic signal maintenance contract has involved the Contract Procurement Team throughout the process. Advice and input has been obtained from Legal Services during the procurement exercise.

- 5.2 No public consultation is planned for routine maintenance programmes as this invariably only consists of like-for-like replacement of equipment and would not affect the overall level of service that road users experience. New installations, which can be delivered through the new contract and funded through capital investment programmes, will include the provision of new equipment and, with such schemes, consultation will be undertaken with Elected Members, the public and relevant interest groups.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 The Council is required to undertake maintenance of traffic signal installations and the maintenance contract will have no implications on voluntary, community and faith groups.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 The maintenance services are likely to cost £350,000 per year and will be funded through the approved Traffic Signals Maintenance Budget. The Local Transport Plan allocation will be used to fund capital investment in new installations.

- 7.2 The contract will be awarded using the NEC Term Service Contract which staff in the Traffic and Transportation Division are familiar with in terms of its use and application.

8.0 LEGAL IMPLICATIONS

- 8.1 The maintenance of highways, which includes the network of traffic signal installations and equipment in the Borough, is a requirement placed on the Council under the Highways Act. There is also a requirement to ensure that the traffic signal systems are electrically safe. Local authorities also have a duty to ensure the expeditious movement of traffic under the Traffic Management Act 2004.

9.0 EQUALITIES IMPLICATIONS

- 9.1 Road users, such as motorists, pedestrians and cyclists, are assisted in travel along the road network with the operation of an effective traffic signal network.
- 9.2 An Equality Impact Assessment has been undertaken for the traffic signal maintenance contract.

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 Reductions in carbon emissions can be achieved through efficient traffic signal systems which will reduce traffic congestion and the amount of energy consumed when operating the network.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 Road safety can be improved through the effective control of traffic using traffic signals.

12.0 RECOMMENDATION

- 12.1 Cabinet is requested to:
- (1) Note the outcome of the procurement exercise detailed in the report; and
 - (2) Approve the award of the contract, subject to the statutory standstill procedures, for the maintenance, supply and installation of Traffic Control Systems and Associated Equipment for a four year period, with the potential for a two year extension subject to satisfactory performance, to the preferred tenderer listed in the Appendix.

13.0 REASON FOR RECOMMENDATIONS

- 13.1 The award of a contract and appointment of a contractor from 1 April 2014 is essential to deliver the necessary maintenance services for the traffic signal control systems.

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APPENDICES

Appendix 1 (Exempt) Financial and Quality Evaluation

REFERENCE MATERIAL: SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|--|------------------------|
| Cabinet – Maintenance, supply and installation of Traffic Control Systems and Associated Equipment: Options Appraisal | 7 November 2013 |