

# WIRRAL COUNCIL

## REPORT TO THE LEADER OF THE COUNCIL – 27 APRIL 2015

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| <b>SUBJECT:</b>                          | <b>L.E.D. STREET LIGHTING PROJECT<br/>SUPPLY AND IMPLEMENTATION<br/>CONTRACT AWARDS</b> |
| <b>WARD/S AFFECTED:</b>                  | <b>ALL</b>  |
| <b>REPORT OF:</b>                        | <b>KEVIN ADDERLEY, STRATEGIC<br/>DIRECTOR REGENERATION &amp;<br/>ENVIRONMENT</b>        |
| <b>RESPONSIBLE PORTFOLIO<br/>HOLDER:</b> | <b>COUNCILLOR STUART WHITTINGHAM<br/>HIGHWAYS &amp; TRANSPORT</b>                       |
| <b>KEY DECISION?</b>                     | <b>YES</b>  |

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report sets out the tender process for the procurement of two separate contracts to supply and install approximately 6,900 LED lighting units to replace existing high wattage street lighting on lighting columns situated on Wirral's principal highway network. This report recommends that the contracts be awarded to the preferred bidders as their tenders provide the most economically advantageous bids for the Council.
- 1.2 The award of these contracts is a Key Decision and the total value of the contracts is £2,543,332.57. This report contains two appendices that are 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.
- 1.3 The maintenance of highways, including street lighting, is a statutory duty for the Council as local highway authority.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Cabinet approved a new street lighting strategy at its meeting of 9 October 2014 [Minute 68 refers], and as part of that Strategy the Council is proposing to reduce its street lighting energy consumption through the retrofit installation of approximately 6,900 LED lanterns to all main road lighting. The project will also include continuing the installation of approximately 6,000 Central Management System (CMS) dimming and remote monitoring units. The programme will result in carbon and budgetary savings, including further savings arising from reduced maintenance notably in the current bulk lamp change programme.
- 2.2 Wirral Council's complete street lighting asset consists of 42,000 units including those referred to in this report. The feasibility of installing LED lighting to the

remaining 35,000 units including illuminated street signs and beacons is currently being assessed, and the outcome of this assessment will be reported to the Cabinet Member later this year.

### 2.3 A summary of the units to be changed are:-

| Lamp Wattage/Description                  | No. of units |
|---|--------------|
| 135w Low Pressure Sodium - Low Loss Gear  | 2,442        |
| 135w Low Pressure Sodium - Standard Gear  | 690          |
| 180w Low Pressure Sodium - Standard Gear  | 33           |
| 150w High Pressure Sodium - Standard Gear | 2,739        |
| 150w High Pressure Sodium - Bright        | 42           |
| 250w High Pressure Sodium - Standard Gear | <u>948</u>   |
| Total                                     | <u>6,894</u> |

## 3.0 TENDER PROCESS

### 3.1 Procurement Process For Supply

The Council's Corporate Procurement Unit (CPU) advised that the supply of the LED luminaires with CMS capability could be procured using Mini Tender contract procedure rules through the suppliers framework of the Yorkshire Purchasing Organisation (YPO).

A requirement of the Mini Tender process is for Wirral Council to obtain a response from road lighting luminaire manufacturers on the most suitable luminaire to use during the design and implementation process of the Council's LED street lighting project. The process gives consideration to the mainly technical outputs of certain luminaires and their spacing on the highway network to ensure that the Council achieves the best possible savings on energy without detriment to quality.

The supply tender opportunity was published by the Council's CPU through the Chest on 11 February 2015. The suppliers listed on the YPO framework are all registered on the Chest to receive the Mini Tender.

The deadline for the return of the supply tender was 12 noon on 25 February 2015 and submissions were received from three companies prior to the deadline. The outcome of the tender process is summarised in **Appendix 1**.

### 3.2 Procurement Process For Implementation

The tender opportunity for the installation of the luminaires was published through The Chest on 19 February 2015 to five Constructionline registered companies who had expressed an interest in submitting tenders.

The installation tender included for two elements:

- the removal of the existing lanterns and at the same time a visual inspection of the structural condition of the lamp column and the existing bracket arms that will support the new LED units;
- the installation of the new LED unit together with a visual inspection of the existing electrical components and the electrical testing of those components.

The deadline for the return of the tender submissions was 12 noon on 13 March 2015 and tender submissions were received from two companies prior to the deadline. The outcome of the tender process is summarised in **Appendix 2**.

#### **4.0 PROJECT IMPLEMENTATION**

- 4.1 Subject to approval of the award of contract, and agreement with the successful suppliers, the proposed starting date for the installation of the new luminaires will commence in May 2015 with a programme of installation extending over a period of 10 months to March 2016.
- 4.2 A detailed installation programme will be agreed between the Council, the installation contractor and the successful supplier following the award of contract, however, it is envisaged that the new luminaires will be installed on an area by area basis.

#### **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 By doing nothing, there is a continued reliance on existing lighting technology and the Authority would forego net revenue savings of £100,000 in 2015/16 and £475,000 in 2016/17. In addition there would be no reputational benefit, no carbon reduction and less protection against the risk of ever increasing energy costs.

#### **6.0 CONSULTATION**

- 6.1 No public consultation is planned prior to the implementation of the scheme however information relating to the area based programme of installation of the luminaires will be posted on to the Council's web-site and published in the local press.

#### **7.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 7.1 There are no implications under this heading.

#### **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 8.1 There are no implications under this heading.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 9.1 The programme will result in carbon and budgetary savings, including further savings arising from reduced maintenance, including the current bulk lamp change programme.
- 9.2 It is estimated that the annual saving in energy consumption will be approximately 3,400,000 kWh, saving approximately 1,840 tonnes of carbon per annum.
- 9.3 The revenue budget saving is already approved at £575,000; achieved over two years (2015/16 and 2016/17).
- 9.4 The capital investment required, including external delivery resources, was originally estimated at up to £4.3 Million, but due to changes in the supply market since the estimate was prepared, considerable advantage has been achieved in tendering for the supply of the units. The project is to be funded entirely from the Council's approved Capital Programme for 2015/16, and the costs of the capital investment will be supported in part from an interest-free loan from Salix Finance Ltd, a government-sponsored organisation which promotes and supports energy saving investments. The final arrangements for the loan are to be agreed once the firm tendered prices have been approved.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 The Local Government Act 1966, means that Wirral Council is a Highway Authority in its own right with a duty to ensure the safety of the public highway. The Act does not confer a legal duty on a Highway Authority to provide and maintain road lighting, however, a highway Authority does have a duty of care to maintain the lighting stock it has installed in a safe condition and to ensure that the equipment is fit for purpose.
- 10.2 The maintenance of highways, including street lighting, is a statutory duty for the Council under the Highways Act 1980 (as amended).

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

**Regeneration & Environment** (Environment & Regulation, Housing & Community Safety, Regeneration)

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-april-2014/eias-regeneration-envir>

## **12.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

- 12.1 The Carbon Reduction Commitment Energy Efficiency Scheme (CRC Scheme) has included calculations for street lighting energy usage for the first time in this financial year, 2014/2015. By ensuring that future street lighting is provided

only where necessary the Council will minimise future energy usage and carbon emissions.

12.2 It is estimated that the annual saving in energy consumption from the installation of LED lighting will be approximately 3,400,000 kWh, saving approximately 1,840 tonnes of carbon per annum.

### **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 The whiter coloured light from LED lighting has been shown to improve visibility for drivers, who are better able to detect roadside movement faster and at a greater distance. Consequently, it is hoped that night time road safety will be improved. Additionally, it has been found to be easier to distinguish objects, colour and people (particularly facial recognition) thus helping to reduce anxiety levels at night. As a result, it is anticipated that many people will feel safer where white light is used.

### **14.0 RECOMMENDATION**

14.1 The Leader of the Council is requested to:

- (1) Note the procurement process for the supply of LED units outlined in section 3.1 of this report and approve the award of the contract to the preferred bidder listed in Appendix 1 in the sum of £2,247,419.75.
- (2) Note the procurement process for the implementation of LED outlined in Section 3.0 of this report and approve the award of the contract to the preferred bidder listed in Appendix 2 in the sum of £295,912.82.

### **15.0 REASONS FOR RECOMMENDATIONS**

15.1 The award of the contracts and the appointments of both the supply and installation contractors from Monday 11 May 2015 is essential to deliver the implementation of the programme within the timescales necessary to satisfy the funding requirements

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### **APPENDICES**

**Appendix 1 (Exempt) Invest to Save Street Lighting LED, Supply Tender Evaluation Scoring.**

**Appendix 2 (Exempt) Invest to Save Street Lighting LED, Implementation Tender Evaluation Scoring.**

## BACKGROUND PAPERS/REFERENCE MATERIAL

### BRIEFING NOTES HISTORY

| Briefing Note | Date |
|---------------|------|
|               |      |

### SUBJECT HISTORY (last 3 years)

| Council Meeting  | Date           |
|--|----------------|
| Cabinet - Street Lighting Strategy and Action Plan 2014. | 9 October 2014 |