



**COUNCILLOR STUART
WHITTINGHAM
CABINET MEMBER FOR
HIGHWAYS AND
TRANSPORT**

CABINET MEMBER REPORT

22ND JANUARY 2018

**TRAFFIC SIGNAL MAINTENANCE CONTRACT
LIVERPOOL CITY REGION
TENDER REPORT**

REPORT SUMMARY

This report provides information on the proposal for a joint Liverpool City Region Intelligent Traffic Signals Contract. The report sets out the tender process for the provision of the Intelligent Traffic Signals Contract from April 2018.

Appendices 1 and 2 of this report contain commercially sensitive information and are exempt from public disclosure in accordance with paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972.

RECOMMENDATION/S

The Cabinet Member is requested to:

- (i) Note the content of the report; and
- (ii) Approve the successful Tenderers bid for Wirral Council's element of the Liverpool City Region Contract for the provision of the Intelligent Traffic Signals Contract from April 2018 in accordance with the Council's Constitution Part 3 Schedule 5 item (ix).

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To establish a Regional Contract arrangement for the maintenance of the traffic signals and associated equipment to provide potential efficiencies, greater resilience and to bring about stronger influence with providers due to the greater scale of the combined service.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Since 1st April 2014, Wirral Council has operated a contract with Motus Traffic Ltd for the Maintenance, Supply and Installation of Traffic Control Systems and Associated Equipment. This contracts ends on 31st March 2018, however there is an option for a contract extension for a further two years. The performance of Motus Traffic Ltd has been mixed throughout the duration of the contract and previous 'Review Meetings' have been held between the Cabinet Member for Transport & Infrastructure and Motus to discuss the concerns that have been raised by Officers.

3.0 BACKGROUND INFORMATION

- 3.1 Liverpool City Region's Traffic Advisory Group (TAG) have identified the traffic signals service as an opportunity to establish a Regional Contract arrangement for the maintenance of the traffic signals and associated equipment to provide potential efficiencies, greater resilience and to bring about stronger influence with providers due to the greater scale of the combined service.
- 3.2 It is intended that a joint Intelligent Transport Systems (ITS) Maintenance Contract be procured for a start date of 1 April 2018, which coincides with end date of the current Contract with Motus. The form of contract proposed is the NEC Term Service Contract. The evaluation and award of the tender has been based on a quality/price/interview split of 50/30/20%. The duration of the contract is proposed to be six years with up to four one year extension options; with those extensions being linked to performance.
- 3.3 The scope of the service provided will be:
- Traffic signals (junctions and controlled crossings) including Outstation Monitoring Units (OMUs), Outstation Transmission Units (OTUs) and Bulk lamp changes
 - Variable Message Signs (VMS)
 - Car Park Guidance signs
 - Journey Time Monitoring Systems (JTMS)
 - Vehicle Activated Signs (VAS)(Optional)
 - Wide Area Network (WAN)(Optional)
 - Over height Vehicle Detection Systems (Optional)
 - Slot Cutting
 - New installations and refurbishment works

- Managed service for operation of control centre/systems (Optional)
- 3.4 The contract will be awarded with named parties to the contract, which will enable participants to join the contract. Halton Council was appointed by the Liverpool City Region to manage the procurement process on behalf of the participating authorities. Each Authority will award their element of the contract to the successful Tenderer. Wirral Council will manage their element of the contract (as a client function) by issuing work, authorising payment and if necessary applying penalties in accordance with KPI's (as per Section 6.0) directly with the Contractor. The Contractor will hold regular meetings with Wirral Council to enable performance and service provision to be discussed.
- 3.5 The procurement process has been carried out to the following timescales:
- TUPE arrangements - June 2017
 - Preparation of documentation - by July 2017
 - Official Journal of the European Union (OJEU) Advert - July 2017
 - Tender out - August 2017
 - Tenders returned and evaluation - by November 2017
 - Contract Award decision – January / February 2018
 - Challenge Period - February 2018
 - Mobilise - February/March 2018
 - Contract Start - 1 April 2018

4.0 TENDER SUBMISSIONS

- 4.1 Tender submissions were made by five companies by the closing date. Information regarding the companies that made Tender submissions is contained in **Appendix 1**.

5.0 TENDER OUTCOME

- 5.1 The Tender outcome is outlined in **Appendix 1**.
- 5.1 **Appendix 2** shows the financial scoring, the combined calculated quality / price / interview scores.

6.0 KEY PERFORMANCE INDICATORS (KPI)

- 6.1 The Key Performance Indicators to be used in the monitoring of this Contract are:

KPI 1 Fault Response– Total time taken for an engineer to attend site from receipt of the fault notification.

KPI 2 Health and Safety – Any event or activity (including those of sub-Contractors) that has been deemed by the Service Manager as an unsafe working practice and has, or could have, placed the Contractors staff, Employers staff or members of the public at risk.

KPI 3 Planned ordered works – This relates to Schemes, Periodic Inspections and or Optical Planned Maintenance activities.

The data obtained from the monitoring of the Key Performance Indicators shall be used by Officers to assess the performance record of the Contractor; to determine any applicable financial penalties as defined below. They will also be used to consider annual Contract extension beyond March 2024 which will be completely dependent upon acceptable performance by the Contractor over the previous term. There will be no guarantee of an extension regardless of satisfactory performance by any or all Participating Local Authorities.

- 6.2 The KPI Targets and Penalties are outlined as follows:

Priority 1

2 hours response - 365 days 24hours per day
Pass rate 99% OR not more than 1 fail per month

Priority 2

4 hours response - 07:00 to 19:00; 365 days per year
Pass rate 80% OR not more than 2 fails per month

Priority 3

8 hours response - 07:00 to 19:00; 365 days per year
Pass rate 75% OR not more than 10 fails per month

Priority 4

24 hours response -07:00 to 19:00; 365 days per year
Pass rate 70% OR not more than 2 fails per month

PI's and Bulk Lamp change to be undertaken within agreed time scales / programme.

Annual Inspections - Are to be completed at the latest within one calendar month of the programmed date, or the below penalty shall apply.

Failure to achieve the targets set above in 'any' group or activity shall result in a 5% reduction in the 'total' monthly valuation. (This relates to demand maintenance / lump sum works only). This is also applicable to failure to complete the annual inspections in accordance with the agreed programme.

If 'any' group in month falls below 60% then the 5% will increase to a 10% reduction of the 'total' monthly valuation. (This relates to demand maintenance / lump sum works only)

In relation to Schemes and Bulk Lamp Change activities, failure to complete the works within the agreed programme and timescales will result in a 2.5% reduction in the value of the works.

Monthly performance will be reviewed over a three month cycle. For example if in month 1 the Contractor fails to achieve the minimum target then the Contractor will be penalised by either the 5% or 10% of the claim for that month. If then in month 2 and/or 3 the Contractor exceeds targets bringing their three month average up to an acceptable level, then the deduction taken can be recovered in the month three valuation. However if the Contractor fails to achieve to hit targets in months 2 and/or 3 a further 5% or 10% from each relevant valuation will be deducted. The cycle will then commence again for the following three months.

7.0 FINANCIAL IMPLICATIONS

- 7.1 Revenue funding to the value of £400,000 is provided annually for the maintenance of traffic control systems. **Appendix 1** outlines the successful Tenderers bid for the maintenance of Wirral's traffic control systems.
- 7.2 Individual authorities participating in the proposed Contract would be responsible for issuing their own works orders and authorising subsequent payments.
- 7.3 This contract provides 24 hour, seven days a week response to Priority 1 faults (e.g. total signal failure). Response time for Priority 1 faults has also been reduced to two hours.

8.0 LEGAL IMPLICATIONS

- 8.1 The management of traffic and the maintenance of highways, including traffic signals, are statutory duties for the Council.

9.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 9.1 The procurement exercise for the provision of the joint Intelligent Traffic Signals Contract has been undertaken by Halton Borough Council together with Sefton Metropolitan Borough Council and Liverpool City Council on behalf of the Liverpool City Region. Officers from Wirral Council have contributed to the project steering and contract drafting.
- 9.2 There are no TUPE implications for Wirral Council employees. The current service provider (Motus) has identified one employee under the TUPE Regulations.

10.0 RELEVANT RISKS

- 10.1 Failure to deliver a robust Intelligent Traffic Signals service can impact on the Council's ability to comply with its network management duty under the Traffic Management Act 2004, its maintenance duty under the Highways Act 1980 and the commitments made in delivering improvements to the network affecting availability and management of funding and the Council's reputation.

- 10.2 The cost of the Liverpool City Region led contract is expected to be greater than the current contract as the existing service provider for Wirral is providing the service at rates well below current market rates. This has already been anticipated within the approved revenue budget.

11.0 ENGAGEMENT/CONSULTATION

- 11.1 No specific consultations have taken place, other than engagement within the six constituent authorities.

12.0 EQUALITY IMPLICATIONS

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

Yes and impact review is attached

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APPENDICES

Appendix 1 – Commercial information (exempt from public disclosure in accordance with paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972)

Appendix 2 – Evaluation of Tenders (exempt from public disclosure in accordance with paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972)

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
CABINET MEMBER REPORT TRAFFIC SIGNAL MAINTENANCE CONTRACT UPDATE	5th APRIL 2017
CABINET MEMBER REPORT TRAFFIC SIGNAL MAINTENANCE CONTRACT UPDATE	8th MARCH 2017

**CABINET MEMBER REPORT
TRAFFIC SIGNAL MAINTENANCE
CONTRACT ANNUAL REPORT YEAR 2**

17th AUGUST 2016

CABINET PORTFOLIO SUMMARY REPORT

10th MARCH 2014