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| INTELLIGENT TRANSPORT SYSTEMS SINGLE SUPPLIER FRAMEWORK AGREEMENT WITH CALL OFF CONTRACTS FOR THE TRAFFIC SIGNALS MAINTENANCE, SUPPLY AND INSTALL 2016 |
| Councillor Peter Hiller – Cabinet Member for Growth, Planning, Housing and Economic Development |
| June 2016 |
| Deadline date: July 2016 |

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| Cabinet portfolio holder: Responsible Director: | Councillor Peter Hiller – Cabinet Member for Growth, Planning, Housing & Economic Development Simon Machen – Corporate Director of Growth & Regeneration |
| Is this a Key Decision? | YES On the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/21MAR16/03 |
| Is this decision eligible for call-in? | YES |
| Does this Public report have any annex that contains exempt information? | NO |
| Is this a project and if so has it been registered on Verto? | NO |

RECOMMENDATIONS

The Cabinet Member is recommended to approve:

1. The award a 'Call Off' contract for the Traffic Signals Maintenance, Supply and Installation 2016 to Dynniq UK Ltd for an initial period of 5 years; and
2. The award of an extension to the 'Call Off' contract period by a further 3 years, subject to successful performance over the initial period.

1. SUMMARY OF MAIN ISSUES

- 1.1 This report seeks approval from the Cabinet Member for Growth, Planning, Housing and Economic Development with regard to awarding a call off contract to Dynniq UK Ltd for an initial period of 5 years with provision to extend for a further 3 years taking the contract up to 2024.
- 1.2 Peterborough City Council have a duty of care under the Highways Act to ensure all Traffic Signals Assets on their road network are maintained in a safe working condition.

2. PURPOSE OF THIS REPORT

- 2.1 This report is for the Cabinet Member for Growth, Planning, Housing and Economic Development to consider exercising delegated authority under paragraph No 3.4.8(a) of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (b) "Highways and transport including the Local Transport Plan and traffic orders".

TIMESCALE

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| Is this a Major Policy Item/Statutory Plan? | NO | If Yes, date for relevant Cabinet Meeting | N/A |
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3. DETAILS OF DECISION REQUIRED

- 3.1 Cambridgeshire County Council and Peterborough City Council currently maintain their Intelligent Transport Systems (ITS) using a jointly appointed single contractor. Key benefits of working collaboratively were the reduced procurement costs in appointing the contractor and ongoing efficiencies in service delivery. The current contract expires on 3 September 2016.
- 3.2 This report provides a summary of the recent ITS procurement exercise to deliver a new maintenance and supply framework agreement. As before we have worked jointly with Cambridgeshire County Council but on this occasion have additionally procured with Luton Borough Council, Bedford Borough Council and Central Bedfordshire Council.
- 3.3 The majority of the ITS equipment in each area is the stock of traffic signal control equipment including pedestrian crossings. Additional items include controller monitoring equipment and vehicle activated speed signs.
- 3.4 The new framework agreement is designed to deliver both the maintenance and supply of ITS Equipment for the 5 authorities listed initially. The framework will build on the existing relationship with Cambridgeshire County Council, which expires on 3 September 2016. The current arrangement was jointly procured in 2007 with a single supplier in contract separately with each authority. The contractor currently delivers only a maintenance service with a small chargeable works element.
- 3.5 The estimated contract value for the 5 authority framework agreement is estimated to be £10.5m over 8 years if the 3 year contract extension is awarded by all authorities.

The estimated contract value for Peterborough City Council over the same period is as shown below The values are based on current budgets and may vary in line with future budgets and capital programmes of work

Revenue Expenditure

The current spend on maintenance is approximately £140,000pa which equates to £1.12m over the potential contract duration of 8 years.

Of the £140k approximately £23k is recharged to 3rd parties as claims for signal's knocked down in traffic accidents, or when we switch signal off if Utilities are working close to signal locations

Capital Expenditure

This contract gives PHS the scope to procure new signal installations through the contract and over the last two years we have spent an average of £160k on such works. This could increase or decrease depending on the type of capital projects that get funded and delivered in any given year.

This equates to a potential predicted spend of £1.28m over the potential contract duration of 8 years.

By working collaboratively with the other authorities and combining the maintenance and supply delivery together this will secure the best available rates from suppliers and deliver significant benefits.

- 3.6 Cambridgeshire County Council acted as the lead authority on behalf of the other authorities and LGSS Law and LGSS Procurement have supported this through the drafting of the contract and managing the procurement process. Considerable input was provided from the partner authorities in the production of the specification, contract documents and evaluation of the submissions from bidders.
- 3.7 The framework agreement contract, awarded by Cambridgeshire County Council, provides a single supplier for the maintenance and supply of ITS equipment. For each authority to deliver the service they then enter into their own 'call-off' contract under the framework with the single supplier. It is intended that all authorities will start their call-off contracts on the same day, 4 September 2016.
- 3.8 The framework agreement contract was procured using an open Invitation to Tender (ITT) that received 4 submissions, all of which passed the initial validation process. The bids were then assessed with separate teams undertaking the evaluation of the quality and price elements against a ratio of 60:40. One of the bidders did not meet the minimum quality threshold set out in the tender documents and was therefore ruled out.
- 3.9 Of the remaining 3 contractors the one with the highest score was awarded the framework agreement contract.
- 3.10 Authority has therefore sought to award a call-off contract on behalf of Peterborough City Council.

4. CONSULTATION

- 4.1 Due to the specialist nature of the service the framework is a single Lot across the whole framework area. A supplier Industry Day was held in 2015 and it was concluded that combining the maintenance and supply across all areas would deliver benefits over an arrangement of having many separate contracts with different suppliers. The supplier is also required within the contract to appoint an apprentice to work within the framework area, providing social value.

5. ANTICIPATED OUTCOMES

- 5.1 Providing a maintenance contract including supply and install for the Traffic Signal stock will ensure that Peterborough City Council are in compliance with the Highways Act and not subject to legal challenge. The council will also have achieved significant savings by working collaboratively and not procuring a contract in its own right.

6. REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION

- 6.1 The Framework Agreement establishes an efficient and effective route to deliver the maintenance of ITS and the delivery of new equipment, supporting existing investment programmes.

7. ALTERNATIVE OPTIONS CONSIDERED

- 7.1 PCC could have procured a individual contract for its own traffic signal maintenance and installations. This approach was not considered to be optimal as no economy of scale be borne by PCC.

8. IMPLICATIONS

- 8.1 The following two points set out details of significant implications identified:

Section 41 of The Highways Act 1980 imposes a duty on the Highway Authority to maintain highways at public expense. Failure to maintain our traffic signal asset will be in breach of the act and put at great risk the safety of the travelling public, including cyclists and pedestrians.

All authorities covered by the Framework Contract are working collaboratively together to deliver efficiencies in service delivery across the five areas.

The financial implications of the contract are contained within section 3.5

There are no legal implications of the contract, beyond the formal process of entering into the contract

There are no equality implications associated with the contract

9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 9.1 None.

10. BACKGROUND DOCUMENTS

- 10.1 None.