

DECISION TITLE: Contract for the Supply, Installation and Maintenance of Traffic Signals 2024 – 2032
Councillor Elsey – Cabinet Member for Infrastructure, Environment and Climate Change
May 2024
Deadline date: 1 June 2024

Cabinet portfolio holder: Responsible Director:	Councillor Elsey – Cabinet Member for Infrastructure, Environment and Climate Change. Adrian Chapman – Executive Director for Place and Economy.
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: YES Unique Key decision Reference from Forward Plan: KEY/25MAR24/01
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	Yes – attached at appendix 1

RECOMMENDATIONS

The Cabinet Member is recommended to:

1. Authorise the award of a 'Call Off' contract for the Traffic Signals Supply, Installation and Maintenance 2024 to the successful bidder set out in the Exempt Annex to this report for £2,320,000 from 4 September 2024 to 3 September 2029; and
2. Delegate authority to the Executive Director of Place and Economy to authorise the option to extend the Contract for a further three years from 4 September 2029 to 3 September 2032.

1. PURPOSE OF THIS REPORT

- 1.1 This report is for the Cabinet Member for Infrastructure, Environment and Climate Change to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio. at paragraph 3.4.9.
- 1.2 The attached report is NOT FOR PUBLICATION in accordance with paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 in that it contains information relating to the name of the successful bidder. The public interest test has been applied to the information

contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it as the notification of the award for the framework agreement to the successful bidder is required to be made by Luton Borough Council prior to the notification of contract award by the Council. The Council has been requested to maintain the confidentiality of the information.

2. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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3. **BACKGROUND AND KEY ISSUES**

3.1 The existing contract in place for the supply, install and maintenance of traffic signals expires in September 2024. There is a need to award the new contract to ensure continuous arrangements are in place.

This report provides a summary of the recent procurement exercise that was undertaken by Luton Borough Council, which seeks to deliver a new supply and maintenance framework. As set out in the Cabinet Member Decision Notice OCT23/CMDN/43, the procurement of the framework has been completed in partnership with Cambridgeshire County Council, Luton Borough Council, Bedford Borough Council and Central Bedfordshire Council.

This contract has been procured jointly with other local authorities to:

- Reduce costs and officer time spent on the tendering process
- Reduce unit costs for the supply, installation and maintenance of equipment through economies of scale
- Reduce contract overhead costs as these are shared amongst the collaboration agreement members
- Ensure local authority members mutually benefit from the sharing of knowledge and experience.

Luton Borough Council has been the lead authority who has undertaken, managed the tender process and is awarding the framework agreement to the successful bidder.

Luton Borough Council has established a single supplier framework available for use by each partnering authority to mobilise from 1 September 2024 to enable the award of a 'Call Off' contract to the successful supplier.

The framework agreement contract was procured using an open Invitation to Tender (ITT) that received 3 submissions, 3 passed the initial validation process. The bids were then assessed with separate teams undertaking the evaluation of the quality, price and social value elements against a ratio of 50:40:10 respectively. The successful bidder as set out in the Exempt Annex scored the highest and were selected as the preferred contractor.

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.

4. **CORPORATE PRIORITIES**

4.1 This contract will help support and deliver the city's growth agenda, improving accessibility to key services by providing safer roads and reducing congestion, leading to an improved environment.

The Council aims to proactively manage traffic signal assets to minimise the likelihood of sites failing due to out of date infrastructure and reduce whole life costing through reduced

maintenance costs and installing longer lasting equipment which is adaptable for future technologies.

The carbon impact assessment for this contract award has been approved based on the service it provides, having a neutral impact on carbon emissions for both the Council and the City as there are no anticipated changes to service delivery.

5. CONSULTATION

5.1 There are no consultations planned in relation to this decision.

5.2 The award of this contract will be considered by the Corporate Leadership Team.

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 The award of this contract will ensure continuity of service, a safe and efficient traffic signal asset and will also ensure that the Council will benefit from financial savings plus sharing of best practice and expertise during the contract period.

7. REASON FOR THE RECOMMENDATION

7.1 This recommendation has been made to ensure the Council is able to effectively deliver and meet its statutory duties for traffic signals supply, install and maintenance, supporting existing investment programmes, over the next 8 years.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 The Council could have procured an individual contract for its own traffic signal supply, install and maintenance however this approach was not considered to be optimal as the benefits of economies of scale cannot be achieved without the partnership/framework contract.

9. IMPLICATIONS

Financial Implications

9.1 All authorities covered by the Framework Contract Agreement will be working collaboratively together to achieve efficiencies in service delivery across the five areas.

These benefits will be lost if the Council does not award the Call Off contract.

The overhead cost element of the contract will be shared by all the partnership authorities offering a financial saving that we have benefitted from in the current contract.

The contract value for all the local authorities under the framework agreement is estimated to be £25 million over 8 years.

The costs to Peterborough City Council for traffic signals supply, installation and maintenance will be contained within the budgets for the relevant highway schemes.

Revenue Expenditure

The current spend on maintenance is approximately £190,000 per annum which equates to £1.5m over the potential contract duration of 8 years. Of the £190,000 approximately £58,000 is recharged to 3rd parties as claims for signal's knocked down in traffic accidents, or when signals are switched off if Utilities are working close to signal locations.

Capital Expenditure

This contract provides the Council with scope to procure new signal installations through the contract and over the last year we have spent an average of £100,000 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 capital spend of £800,000 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.

Each authority is equally responsible for any costs that the lead authority may incur in relation to the procurement process and purchase of traffic signal goods and services.

Legal Implications

- 9.2 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.

The framework agreement was procured in accordance with the Public Contracts Regulations 2015 by Luton Borough Council on behalf of the local authorities set out in this report and permits the Council to call off a contract under the framework.

Equalities Implications

- 9.3 There are no equality implications associated with the award of this Contract.

10. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

- 10.1 None

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

None.

12. APPENDICES

Appendix 1 - Exempt Annex.