

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT AND NEIGHBOURHOOD SERVICES

TO:	STRATEGIC ENVIRONMENT, PLANNING & TRANSPORT COMMITTEE		
DATE:	19 MARCH 2018	AGENDA ITEM:	14
TITLE:	TRAFFIC SIGNALS MAINTENANCE CONTRACT -JOINT ARRANGEMENT & DELEGATED CONTRACT AWARD AUTHORITY		
LEAD COUNCILLOR:	TONY PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING & TRANSPORT
SERVICE:	TRANSPORTATION AND STREETCARE	WARDS:	BOROUGHWIDE
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1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform the Committee of the ongoing procurement process for a county wide Traffic Signals Maintenance Contract to be implemented in Summer/Autumn 2018; and to seek delegated authority to enter into an initial Joint Arrangement between the Berkshire Contracting Authorities, and following a competitive procurement process, delegated authority to enter into a contract with the most economically advantageous tenderer in accordance with the Public Contracts Regulations 2015.

2. RECOMMENDED ACTION

- 2.1 That the Director of Environment and Neighbourhood Services be granted delegated authority, in consultation with the Lead Councillor for Strategic Environment, Planning and Transport, the Head of Legal & Democratic Services and the Head of Finance, to enter into a Joint Arrangement between the participating Berkshire Contracting Authorities for the provision of a joint Traffic Signals Maintenance Contract.
- 2.2 That the Committee notes the recommended procurement route and process as described within the report.
- 2.3 That the Director of Environment and Neighbourhood Services be granted delegated authority, in consultation with the Lead Councillor for Strategic

Environment, Planning and Transport, the Head of Legal & Democratic Services and the Head of Finance, to enter into a Contract with the most economically advantageous tenderer.

3. POLICY CONTEXT

3.1 To secure the most effective use of resources in the delivery of high quality, best value public service.

4. THE PROPOSAL

Overview

4.1 Reading is a major population and employment centre within the South East, benefiting from close proximity to London and Heathrow, and with excellent links to national road and rail networks as well as to Heathrow Airport. Such connectivity is represented by Reading's status as a regional transport hub, international gateway and a major transport interchange.

4.2 Many of Reading's roads have high traffic volumes. Intelligent traffic signals are therefore critical to allow junctions in the Borough to operate at maximum efficiency, reducing congestion and pollution, whilst allowing public transport priority and maintaining safe crossing facilities for pedestrians and cyclists.

4.3 Reading Borough Council, under a joint arrangement with the Berkshire local authorities, currently has a Traffic Signals Maintenance Contract which enables the delivery of services required to maintain and enhance the operation of our traffic signals including:

- Routine inspections and electrical testing
- First line maintenance response to any faults or damage
- To provide the mechanism to facilitate the implementation of chargeable works.
- To provide a fault logging and inventory control system
- Provide safe working practises and traffic management
- To provide a full service for the designs, supply and install of new traffic signal sites.

4.4 The current contract with Siemens has now expired. In order to enable Reading Borough Council to continue to maintain the current Intelligent Transport Systems (ITS) equipment there is a need to procure a new contract.

4.5 A soft market testing exercise was undertaken in summer 2017 to review the proposed technical specification and understand where requirements could be value engineered to reduce the overall cost of the contract, whilst maintaining a suitable level of service. Feedback was received from 3 major contractors, which has been considered in finalising the proposed specification.

- 4.6 The proposal is to tender for a new term contract running from 1st October 2018 for an initial term of 5 years with the option to extend for a further 5 years (annually) subject to performance.

Joint Working Arrangement

- 4.7 As this is intended to be a joint contract between the successful contractor and the participating Berkshire local authorities, it is expected that the local authorities will enter into a Joint Working Arrangement, which sets out the governance arrangements for the procurement and the subsequent service contract entered into.
- 4.8 The Joint Working Arrangement sets out that Reading Borough Council will act as the Lead Authority for the contract and will maintain overall responsibility for administering the overarching obligations of the contract. It also sets out an obligation from all participating authorities to commit to the initial 5 year contract term, thus ensuring that best value can be achieved through an economy of scale.
- 4.9 The legal costs associated with preparing both the Joint Working Arrangement and the Commercial Contract will be spread equally between each of the participating authorities, and will be reimbursed back to Reading Borough Council.

Procurement

- 4.10 As agreed within the Joint Working Arrangement, Reading Borough Council in its role as Lead Authority has committed to undertake the procurement process on behalf of the participating authorities.
- 4.11 All reasonable endeavours shall be taken to comply with the Public Contracts Regulations 2015 as well as the local Contracts Procedures of each of the participating authorities.
- 4.12 In accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules, It is proposed that a single stage open procurement process is undertaken. Due to this contract being above the financial threshold for a 'Service' contract, the tender will be published in the Official Journal of the European Union (OJEU).
- 4.13 The procurement shall be conducted in consultation with the other participating authorities, who shall provide all reasonable assistance promptly and confirm approval at each stage of the process.
- 4.14 The participating authorities have confirmed their agreement to the procurement strategy, which includes their membership on the evaluation panel. It is intended that the contract will be awarded to the most economically advantageous tender based on a variety of quality and cost considerations.

4.15 Upon identifying a preferred supplier, Reading shall prepare the Service Contract to be entered into between the successful contractor and all participating authorities. The terms of this contract will be agreed in writing by all parties prior to the commencement of the procurement process and shall be based on the NEC3 Term Service Contract (TSC).

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The delivery of this programme will help to deliver the following Corporate Plan Service Priorities:

- Keeping the town clean, safe, green and active.
- Providing infrastructure to support the economy.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 N/A

7. EQUALITY IMPACT ASSESSMENT

7.1 Under the Equality Act 2010, Section 149, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

7.2 The Council has reviewed the scope of the scheme as outlined within this report and considers that the proposals have no direct impact on any groups with protected characteristics.

8. LEGAL IMPLICATIONS

8.1 Reading Borough Council is acting as 'Lead Authority' for the procurement of a Traffic Signals Maintenance contract. The Council will ensure that the correct procurement procedures are followed to ensure that all participating Local Authorities can enter into a lawful contract following the conclusion of the process.

8.2 As the estimated scheme costs for each phase exceeds the "services threshold", the procurement exercise is subject to the Public Contract Regulations 2015, and as such the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality will be applied.

- 8.3 In accordance with the Public Contract Regulations 2015 and the Council Contract Procedure Rules, the opportunity will be advertised in the Official Journal of the European Union (OJEU) as well as on the Councils electronic tendering portal and via 'Contracts Finder'.
- 8.4 It is intended to enter into a contract based upon the most economically advantageous tender in accordance with the criteria stated in the specification.
- 8.5 A single joint contract will be entered into between the successful tenderer, Reading Borough Council (the 'Lead Authority') and the other participating Local authorities.

9. FINANCIAL IMPLICATIONS

- 9.1 The estimated cost associated with the core items of this contract is approximately £400k p/a across Berkshire. Value engineering measures have been considered and introduced into the Service Information (specification), in order to reduce the risk of cost increase from the existing contract. Moreover we have included the maintenance of additional ITS hardware and software as optional items that can be included under the terms of this contract.
- 9.2 Subject to these additional items being included within the maintenance contract, the overall value could increase up to approximately £1,000k p/a.
- 9.3 The benefit of a single service provider for ITS maintenance is that it may generate overall cost reductions, but more significantly will improve the management of asset maintenance.
- 9.4 Should the Council incorporate the additional items into the maintenance contract, the estimated total cost to the Council of maintaining the core items is approximately £600k.
- 9.3 The cost of maintaining the ITS equipment will be met through existing revenue budgets.

10. BACKGROUND PAPERS

- 10.1 None