

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

<b>TO:</b>	<b>STRATEGIC ENVIRONMENT PLANNING &amp; TRANSPORT COMMITTEE</b>		
<b>DATE:</b>	<b>7<sup>th</sup> JULY 2022</b>	<b>AGENDA ITEM:</b>	
<b>TITLE:</b>	<b>PAN BERKSHIRE INTELLIGENT TRANSPORT SYSTEMS (ITS) TERM CONTRACT 2023-2028 (PLUS 5-YEAR EXTENSION) TENDER &amp; CONTRACT AWARD</b>		
<b>LEAD COUNCILLOR:</b>	<b>COUNCILLOR TONY PAGE</b>	<b>PORTFOLIO:</b>	<b>CLIMATE STRATEGY &amp; TRANSPORT</b>
<b>SERVICE:</b>	<b>ENVIRONMENTAL &amp; COMMERCIAL SERVICES</b>	<b>WARDS:</b>	<b>BOROUGHWIDE</b>
<b>LEAD OFFICER:</b>	<b>SAM SHEAN</b>	<b>TEL:</b>	<b>0118 9372138</b>
<b>JOB TITLE:</b>	<b>HIGHWAYS &amp; TRAFFIC SERVICES MANAGER</b>	<b>E-MAIL:</b>	<a href="mailto:sam.shean@reading.gov.uk">sam.shean@reading.gov.uk</a>

#### **1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to inform the Committee of the joint Pan Berkshire Intelligent Transport Systems (ITS) Term Contract 2023-2028 (plus up to 5-year extension) procurement exercise led by Reading Borough Council that includes Bracknell Forest Borough Council, Slough Borough Council, West Berkshire District Council and Wokingham Borough Council.
- 1.2 To inform the Committee of the procurement process for the Pan Berkshire Intelligent Transport Systems (ITS) Term Contract 2023-2028 with a possible 5-year extension based on performance and to seek delegated authority to enter into a contract with the successful tenderer after the tendering process in accordance with the Public Contracts Regulations 2015.
- 1.3 Appendix 1: Financial Implications Report

#### **2. RECOMMENDED ACTION**

- 2.1 That the Committee grants approval to tender the Intelligent Transport Systems (ITS) Term Contract 2023-2028 with a possible 5-year extension, subject to performance, in accordance with the Public Contracts Regulations 2015.

- 2.2 That the Committee grants delegated authority to the Executive Director for Economic Growth & Neighbourhood Services in consultation with the Lead Councillor for Climate Strategy & Transport, the Assistant Director of Legal & Democratic Services and the Director of Finance to enter into relevant contracts required to undertake the Intelligent Transport Systems (ITS) Programme, as per section 4 of this report.**

### **3. POLICY CONTEXT**

- 3.1 The Corporate Plan 2022-2025 sets out the Council's priorities for Reading and provides direction for staff in delivering services to meet the needs of the communities within the Borough whilst working to a budget and Medium-Term Financial Strategy (MTFS) agreed at Council in February 2022.
- 3.2 The Council's Corporate Plan supports the maintenance of a secure and safe highway and strategic road network in order to keep vital services moving, improve air quality and reduce carbon emissions, whilst accommodating the significant levels of planned economic growth.
- 3.3 The aim of the Intelligent Transport Systems (ITS) term contract is to provide an effective use of resources in the delivery of high quality, best value public service. Our Local Transport Plan outlines investments in walking and cycling initiatives, public transport, and electric vehicle infrastructure that will make it easier for residents to make healthy choices, and feel the benefits of clean, green neighbourhoods.
- 3.4 To make travel more secure, safe and comfortable for all users of the public highway network and to provide conditions that are as safe as reasonably practical having regards to financial constraints and our statutory duties.

### **4. THE PROPOSAL**

- 4.1 The ITS Term Maintenance Contract 2023-2028 (plus up to 5-year extension) is a joint Pan Berkshire Term Contract procurement exercise led by Reading Borough Council that includes Bracknell Forest Borough Council, Slough Borough Council, West Berkshire District Council and Wokingham Borough Council and will include maintenance of the following assets:
- Traffic Signals
  - Automatic Traffic Counters
  - Journey Time Devices
  - CCTV Cameras
  - Variable Message Signs
  - Vehicle Activated Speed Signs
  - ITS associated minor civil engineering works

### **BACKGROUND**

- 4.2 The existing ITS contract expired in 2016 with extensions rolling annually whilst an updated specification and contract was developed and re-tendered. The contract will be for an initial 5-year term with a possible further 5-year

extension subject to performance with the value expected to be a combined Pan Berkshire total of £25,000,000 for the full 10-year period, split across all authorities (according to their asset database) equating to a potential estimated annual spend of up to £500,000 per authority.

- 4.3 The ITS Maintenance contract will enable the Pan Berkshire Councils to obtain a single supplier for the maintenance and supply of ITS equipment, including the supply and installation of traffic signals, Automatic Traffic Counters, Journey Time devices, blue tooth detectors, CCTV Cameras, Variable Message Signs and Vehicle Activated Speed Signs. The introduction of the ITS Maintenance Contract will assist with the delivery of projects & schemes that help fulfil the Council's vision and corporate priorities
- 4.4 The five local authorities including Reading Borough Council have jointly procured maintenance for ITS equipment (mainly traffic signals) in partnership since 2006. The last contract was from 1 April 2006 to 31 April 2010 with further extensions from 1 April 2010 to 31 April 2013 and 11 April 2013 to 1 April 2016 with further 6 months extensions on a rolling basis to date.
- 4.5 In addition to the Traffic Signal maintenance contract, the Council currently has several ITS related equipment contracts with different suppliers which have also lapsed. Instead of multiple maintenance contractors, officers are seeking to obtain one contractor who maintains all the ITS equipment. This can be achieved through combining all the ITS equipment into a single ITS maintenance contract and generate efficiency savings across the Pan Berkshire ITS Term Contract. Although the level of efficiency savings that may be achieved is too early to determine, combining the contracts won't result in additional costs being realised and a saving will be achievable.
- 4.6 The Berkshire ITS Berkshire partnership group representing all participating boroughs meet regularly to discuss the progress of existing contracts, current trends and innovations whilst also providing valuable technical support to group members. The proposed joint procurement exercise will enable local authorities to obtain offers that are more attractive from suppliers, less administrative costs for the group preparing the tender exercise and the pooling of a wide range of skills and expertise from the 5 local authorities participating in the tender process.
- 4.7 Reading Borough as the lead council have undertaken a pre-market engagement exercise and has published a Prior Information Notice (PIN) on the Find a Tender portal.

#### 4.8 Options considered

**Option 1: Each Local Highway Authority to recruit additional in-house resources to manage the ITS infrastructure:** The option to recruit staff to undertake the maintenance of the ITS infrastructure is not economically viable due to its short-term projects and the range of expertise required to maintain the infrastructure. This option would create additional permanent employee costs to the Council for what is a fluctuating resource requirement. **This option is not recommended.**

**Option 2: Procure an ITS maintenance agreement on a project-by-project basis:** This option provides limited agility in terms of responding to requirements and procurement. This would result in delays to response times when faults are raised by staff and additional and likely endangerment to all road users due to delays in addressing the faulty ITS infrastructure. **This option is not recommended.**

**Option 3: Use of established external Framework Agreements from other Local Authorities, Government departments and National Contract such as ESPO or the Crown Contract Services:** There are fee implications to access the agreements and additional administration fees from Local Authorities. The existing Framework Agreements do not offer the opportunity to use each Borough's own terms or develop our social value contributions with the suppliers/contractors. The short timeframe for a Framework would also not allow suppliers to be as price competitive compared to a longer-term contract. Whilst offering some capacity, this option has limited flexibility and is likely to be expensive compared to other options due to fee arrangements. **This option is not recommended.**

**Option 4. Reading Borough Council to undertake a joint procurement exercise with Bracknell Forest Borough Council, Slough Borough Council, West Berkshire District Council and Wokingham Borough Council to develop a bespoke ITS Maintenance contract that will enable a single supplier for the maintenance and supply of the Pan Berkshire ITS equipment:** The ITS maintenance contract will provide a long term, innovative and compliant service appointment, with the ability to demonstrate value for money and improve social value for the Local Authorities. This option will allow the authorities to reduce delays when undertaking the maintenance of ITS equipment. The ITS Maintenance contract will set out the scope and specification of the equipment to ensure that a capable contractor is selected to supply and maintain the ITS equipment. **This is the recommended option.**

- 4.9 The aim of the traffic signal maintenance service is to provide travelling conditions that are as safe as reasonably practicable having regard to the road hierarchy, 'Well-managed Highway Infrastructure - Code of Practice' October 2016, as well as the Traffic Management Act 2004 (Section 16(1)), which imposes a Network Management Duty to ensure that the Council secures the expeditious movement of traffic on the authority's road network and facilitates the expeditious movement of traffic on road networks for which another authority is the traffic authority. From 30 July 2021, Councils shall have regard to the statutory guidance 'Traffic Management Act 2004: network management to support recovery from Covid-19' to deliver their management duty under that Act.

## **Procurement**

- 4.10 The total estimated value of the contract is approximately £25,000,000 over the lifetime of the contract (2023-2028 plus 5-year extension), at the rate of approximately £2,500,000k per year (up to £500,000 per Local Authority).

- 4.11 In accordance with the Public Procurement Rules the Council will publish on the Find a Tender service which replaces the Official Journal of European Union (OJEU) contract notice portal and in accordance with the Council's Contract Procedure Rules, will be advertised on the Council's electronic tendering portal, as well as via 'Contracts Finder'.
- 4.12 As this is a statutory Service, the Council will be required to tender and award the Pan Berkshire Intelligent Transport Systems (ITS) Maintenance Service Term Contract in advance of the 2023/2024 financial year.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 Reading Borough Council's vision is:

To help Reading realise its potential - and to ensure that everyone who lives and works here can share the benefits of its success.

- 5.2 The ITS Contract 2023/2028 Term Maintenance Contract will contribute to the Council's Corporate Plan 2022 - 2025 objectives of:

- Healthy environment - Keeping the town clean, safe, green and active
- Inclusive economy - Enabling the infrastructure to continue to support the economy
- Thriving Communities - Remaining financially sustainable and to ensure everyone has an equal chance to use the public highway

- 5.3 TEAM Reading values:

Together - Collaborative working approach between the Council, consultant, contractors and the public

Efficiency - Continue to explore efficiency savings within the contract

Ambitious - Investing into the public highway & traffic assets

Make a Difference - Providing a safe inclusive public highway network for all users

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

- 6.1 The Council declared a climate emergency at its meeting in February 2019 and as such recognises the need to minimise the climate impacts of its decisions. To this end, Council on 15th October 2019 formally adopted of the 'Unite Construction Charter' where the Authority supports the 'Get Britain Building' campaign, which is aimed at supporting and sustaining the British construction industry. All relevant construction contracts will be required to comply with the Authority's Sustainable Buying Standard for Highways and Construction Materials, which requires structural steel and other relevant materials to be covered by BES 6001 Responsible Sourcing of Construction Product certification, or equivalent.
- 6.2 Tenders for any subsequent contracts that are necessary will be invited to submit Environmental Implications proposals which will form part of the quality element of the tender evaluation. A social value quality submission will also be required to be submitted with tenders and evaluation.

- 6.3 Tenders also needed to include carbon reduction targets and improved sustainability within tender returns. The intent is to reduce the amount of carbon used to produce the materials at source, using recycled materials, reducing the uncontrolled waste in the environment to reduce pollution of the natural environment, use of electric vehicles and plant, as well as how they will achieve their own carbon reduction targets.
- 6.4 Efficient ITS equipment will result in the improved operation of the network, facilitate movement of pedestrians, cyclists, buses and deliver transport improvements that will reduce the requirement for costly infrastructure schemes. The use of ITS based traffic monitoring equipment will assist in monitoring the network and assist Officers with data to target congested areas. The above will reduce environmental impacts of transport, enhance safety and improve operational efficiency. In addition, the contract will enable energy efficiency improvements and encourage innovation
- 6.5 The Reading Climate Emergency Strategy, which was endorsed by the Council in November 2020, highlights the importance of adapting to climate impacts as well as reducing the emissions which are driving climate change.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

- 7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".
- 7.2 The public can report faults of the ITS equipment and transport delays on the public highway and strategic network for action and consideration.
- 7.3 This report will be available on the Council's website following Housing, Neighbourhoods & Leisure Committee approval processes.

## **8. EQUALITY IMPACT ASSESSMENT**

- 8.1 Under the Equality Act 2010, Section 149, a public authority 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.
- 8.2 The ITS Maintenance Contract consists of maintaining the Council's existing transport assets on the public highway, as well as maintain the network in a safe condition. There is no overall change to service delivery at this time and all users will have a safe & efficient public highway network. Should any future updates/amendments be required, which result in service delivery changes, an equality impact assessment will be carried out.

## **9. LEGAL IMPLICATIONS**

- 9.1 It will be necessary to enter into a contract with the successful tenderer.
- 9.2 The tender process is being undertaken in accordance with the Council's Contract Procedure Rules and the principles of the Open Process as defined by the Public Contract Regulations 2015 ("the Regulations"). It is intended to enter into a contract based upon a 60% quality and 40% price tender contract return.
- 9.3 The Borough Council, as Highway Authority, has a duty under the Traffic Management Act 2004 (Section 16(1)) to ensure that the expeditious movement of traffic on the authority's road network and facilitates the expeditious movement of traffic on road networks for which another authority is the traffic authority.
- 9.4 From 30 July 2021, Councils shall have regard to the statutory guidance 'Traffic Management Act 2004: network management to support recovery from Covid-19' to deliver their management duty under that Act. Highways Act 1980 Section 41 (Clause 1A) and Section 150 to ensure, so far as is reasonably practicable, that safe passage along a highway.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The costs of the Pan Berks ITS Service contract will be up to £ 25M over the lifetime of the contract split across the 5 Berkshire Local Authorities with Reading Borough Council's contribution of up to £ 500k per annum, (up to £5M over the full 10-year term), which will be met from existing revenue & capital budgets.

## **11. BACKGROUND PAPERS**

There are none.