
Report to: Cabinet **Date of Meeting:** 20th June 2013

Subject: Traffic Signal Maintenance Contract - Tender Award

Report of: Director of Built Environment **Wards Affected:** All

Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt / Confidential No

Purpose/Summary

To seek approval from Members to award a new Term Service Contract for 'Traffic Signal Maintenance'.

Recommendation(s)

Cabinet is recommended to:

1. Approve the appointment of the highest scoring tenderer based on a price and quality assessment as preferred Contractor.
2. Subject to call in and mandatory standstill period, authorise the Head of Corporate Legal Services to enter into a formal Contract accordingly.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		X	
2	Jobs and Prosperity	X		
3	Environmental Sustainability	X		
4	Health and Well-Being	X		
5	Children and Young People		X	
6	Creating Safe Communities	X		
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

Reasons for the Recommendation:

To comply with the Constitution and to enable the Authority to put the necessary provision in place to maintain its traffic signal asset.

What will it cost and how will it be financed?

The contract primarily focus's around demand and planned maintenance activities and hence there is no fixed project cost.

(A) Revenue Costs

Costs of works instructed under this contract will be contained within the available traffic signal maintenance budgets. There is no commitment within the contracts that a certain value of work will be instructed.

(B) Capital Costs

Capital works instructed under this contract, will be primarily funded through LTP monies and be contained within available budgets.

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	
The Standstill Period is a 10 day pause between contract award decision and the formal award of the contract. The Standstill Period will not commence until the Call-In Period has expired	
Human Resources	
None	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and notes expenditure will be met by existing revenue budget and approved capital resources (FD 2305)

Head of Corporate Legal Services (LD 1621) have been consulted and any comments have been incorporated into this report.

Are there any other options available for consideration?

No

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting and formal ‘stand still’ period in accordance with OJEU procurement rules.

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Background Papers:

None

1. Background

- 1.1 The Council's existing term maintenance contract for traffic signal maintenance has been in place and in operation for the last seven years. It expired on the 31st March 2013, however Cabinet Member approval was granted for a temporary extension until the procurement of the new contract could be completed.

2. Management of Risk

- 2.1 As the primary objective of this term maintenance contract is the maintenance and installation of traffic signal equipment, it was essential to ensure that only specialist and suitably qualified Contractors would be able to tender for the contract. Due to this, a robust procurement route was chosen as detailed below.

3. Procurement Process

- 3.1 A two-stage process to procure a new term maintenance Contractor has been undertaken in accordance with the statutory OJEU process that governs maintenance contracts of this value. During the first stage, expressions of interest from potential Contractors were invited via an advert in 'OJEU' (Official Journal of the European Union). There was a total of 18 initial Expressions of Interest recorded on the 'Chest'. Each Contractor was required to prepare and submit a Pre-Qualification Questionnaire (PQQ) for assessment. Only three completed PQQ's were returned.
- 3.2 A number of assessment criteria were developed in order to determine Contractors' ability to deliver a contract of this nature. These included Contractors' experience, project management capabilities and health and safety records.
- 3.3 At the second stage, the three Contractors who submitted a compliant PQQ were invited to tender. Tenders were invited on 26th March 2013 from the following Contractors (in alphabetical order).
- Motus Traffic Ltd
 - Peek Traffic Ltd
 - Siemens Traffic Ltd
- 3.4 Two of the three companies returned Tenders on Monday 29th April 2013 and were both found to be compliant.
- 3.5 Tenders were assessed using a 'quality cost' methodology. Each tender comprised a Quality Submission and Financial Submission and was assessed against specific criteria and awarded a score. Each Contractor then attended an hour-long interview with the Project Team, which was scored accordingly and at the end of this process, the final scores were combined in the ratio of price = 30%, quality = 70%.
- 3.6 As there is no defined scope of work with this being a maintenance contract, the financial assessment was completed using a 'model' based on possible anticipated activity within a year of the contract. Details of the quality and financial assessment are set out in the Part 2 report included on the agenda.

4.0 Conclusion

- 4.1 The above Cost and Quality evaluation has now been completed and tenders scored accordingly.
- 4.3 The Contractor that has submitted the highest scoring tender, based on the combined price and quality assessment, be recommended for appointment as the Preferred Contractor.
- 4.4 Subject to approval, the highest scoring tenderer will be appointed as Preferred Contractor in accordance with OJEU procurement rules. These rules stipulate that a 10-day 'standstill period' must then commence to allow for any legal challenge by the unsuccessful parties prior to full contract award.