

Report to:	Cabinet	Date of Meeting:	27 th March 2014
Subject:	Tender for "Highway Term Maintenance HM7" – Tri Partite Agreement for Unmetered Electricity Supply connections	Wards Affected:	All
Report of:	Director of Built Environment		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To seek approval from Members to invite tenders through the appropriate procurement route for the delivery of the Term Maintenance Contract HM7 for a period of three years with the option to extend for up to a further two years.

Recommendation(s)

1. To give approval to invite Tenders for the Contract on the basis of an 80% Cost / 20 % Quality ratio.
2. To authorise the Director of Built Environment to award the Contract for a period of three years (with the option to extend for up to a further two years) to the highest scoring Tenderer subject to the appropriate Cost and Quality evaluations being completed on tender return.

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		*	
2	Jobs and Prosperity	*		
3	Environmental Sustainability		*	
4	Health and Well-Being	*		
5	Children and Young People		*	
6	Creating Safe Communities	*		
7	Creating Inclusive Communities		*	
8	Improving the Quality of Council Services and Strengthening Local Democracy	*		

Reasons for the Recommendation:

The existing Term Maintenance Contract HM7 is due to expire on the 31st October 2014. The works delivered through this Contract form part of essential services the Council need to continue to deliver to ensure that electrical connections and disconnections for highway street furniture can be undertaken.

Alternative Options Considered and Rejected:

The services required cannot be delivered by the Councils in house street lighting team as they do not carry the required training and accreditation to undertake such works.

What will it cost and how will it be financed?

(A) Revenue Costs

Costs of works instructed under this contract will be contained within the available street lighting maintenance budgets. There is no commitment within the contract 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 will be contained within available budgets.

Implications:

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

Financial - The total estimated cost of the capital and revenue works covered by these contracts is £250,000 per annum	
Legal – The appropriate procurement route will be followed when tendering the Contract, following which the mandatory standstill periods will be followed before Contract award.	
Human Resources - None	
Equality	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

None, unless a decision is made 'not' to grant approval to renew the Contract.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD2863/14.) has been consulted and notes the report indicates work awarded under the new contract will not exceed the financial value of the current budgets held and LTP funding awarded.

The Head of Corporate Legal Services (LD2168/14.) has been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Background Papers:

The following papers are available for inspection on the Council website via this link:

<http://modgov.sefton.gov.uk/moderngov/ieDecisionDetails.aspx?ID=9105>

1.0 Introduction/Background

- 1.1 The Authority's existing Term Maintenance Contract (HM7) for 'Tri Partite Agreement for Unmetered Electricity Supply Connections' has been in place and in operation for the last three years and is due to expire on the 31st October 2014.
- 1.2 Due to its forthcoming expiry, it will be necessary to invite Tenders from suitably qualified Contractors so that the Contract can be renewed later this year.
- 1.3 The primary services delivered under this contract is the disconnection, transfer and provision of new electrical connections for highway street furniture directly from the Scottish Power mains networks.
- 1.4 To be able to make such connections onto live mains you must carry the necessary training and accreditation to do so. This is not something the Councils own in house street lighting team have, hence the need to procure the services from a 3rd Party.

2.0 Procurement Process

- 2.1 It is proposed to follow a two-stage process to procure a new term maintenance Contractor which will be in accordance with the statutory OJEU process that governs maintenance contracts of this value. During the first stage, expressions of interest from potential Contractors will be invited via an advert in 'OJEU' (Official Journal of the European Union) and via the Chest portal. Contractors will be required to submit a PQQ (Pre-qualification Questionnaire) following which a tender shortlist will be formulated.
- 2.2 A number of assessment criteria will be developed in order to determine Contractors' ability to deliver a contract of this nature. These will include Contractors' experience, project management capabilities and health and safety records.
- 2.5 Tenders will subsequently be invited and assessed using a 'cost : quality' methodology. The ratio of cost shall be 80% and quality 20%. Each tenderer will be required to submit a Quality Submission and Financial Submission and will be assessed against specific criteria and awarded a score.
- 2.6 As there is no defined volume of work with this being a demand led contract, the financial assessment will be completed using a 'model', based on possible anticipated activity within a year of the contract.