

Report to:	Cabinet	Date of Meeting:	6 April 2017
Subject:	Street Lighting Maintenance & Installation Pre-procurement Report	Wards Affected:	(All Wards);
Report of:	Head of Locality Services - Commissioned		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

In accordance with the contract procedure rules, this report seeks Cabinet approval for the proposed method of procurement and the basis of tender evaluation in connection with the proposed Street Lighting maintenance & installation Term Service Contract and the delegated authority for acceptance of the most advantageous bid received.

Recommendation(s)

1. Approve the proposed method of procurement and evaluation as set out within the report.
2. Delegate authority to the Head of Locality Services Commissioned in consultation with the Cabinet Member – Locality Services to award the contract to the highest scoring bidder.
3. Authorise the Head of Regulation and Compliance to enter into Contracts with the successful Tenderer.

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			
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Reasons for the Recommendation:

The Council has a statutory duty to maintain its Street Lighting asset. Historically this has been delivered via the in-house Street Lighting Team with support from external sub-contractors. Following the recent budget savings report the Council has decided to decommission the in-house Street Lighting service. Therefore due to no other suitable alternative arrangements being available the Council now needs to source an external provider / Contractor to deliver the service. By procuring a new service provider the Council can continue to fulfil its statutory duty.

Alternative Options Considered and Rejected:

The Council has consulted with the five other Authorities within the Liverpool City Region Combined Authority to establish how they deliver their own street lighting maintenance activities and whether they would have the ability to deliver Sefton’s service moving forward through their existing service provision. The responses received confirmed that they would be unable to assist due to their existing contractual arrangements. Therefore this only leaves the option to undertake a competitive procurement exercise.

What will it cost and how will it be financed?

(A) Revenue Costs

All works delivered will be contained within the available annual Revenue budgets

(B) Capital Costs

All works delivered will be funded from the allocations in the Transportation Capital Programme.

Implications:

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

Financial	
None	
Legal	
None	
Human Resources	
TUPE will apply to the existing in house staff currently delivering the service.	
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"/>

Impact of the Proposals on Service Delivery:

Subject to a new service provider being successfully procured, there will be no impact on service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources (FD 4577/17) and the Head of Regulation and Compliance (LD 3860/17) have 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: (to be inserted by Democratic Services if necessary).

<http://smbc-modgov-01/ieListDocuments.aspx?CId=143&MId=8568&Ver=4>

Introduction/Background

- 1 The Council has a statutory duty to maintain its Street Lighting asset. Historically this has been delivered via the in-house Street Lighting Team with support from external sub-contractors. At the Council meeting on Thursday 2nd March 2017 it was agreed to decommission the in-house service and to explore alternative arrangements for service provision. Alternative service provision has been explored and other Merseyside Councils have confirmed that they are unable to assist. Therefore the Council now needs to source an external provider / Contractor to deliver the service. By procuring a new service provider the Council can continue to fulfil its statutory duty.
- 2 The total cost of the works to be delivered during the term of the Contract will exceed the relevant OJEU threshold which, as at January 2016, is £164,176.00 and hence it will be necessary to procure the Contract in accordance with EU procedural rules. Based on recent years expenditure it is anticipated that circa £1m of works could be delivered per annum (this includes both revenue and capital works).
- 3 It is therefore proposed that, bids should be invited from suitably experienced and qualified contractors using 'The Chest' local authority procurement system.
- 4 Bids would be assessed using a combined price / quality scoring system to ensure that as well as obtaining the best market price, bids also meet the Council's requirements in terms of financial standing, capacity and ability to complete the work, quality of performance, approach to Social Value and managing the work safely.
- 5 Due to the nature of the works the contract will be priced as a schedule of rates. A typical basket of work will be developed for the contract to reflect the likely nature and volume of works to be undertaken. This basket of work will be used to calculate a value of works for use in the financial assessment process for the contract.
- 6 It is intended to procure the contract on the basis of a five year fixed term plus an option of up to five one year extensions. This would provide the opportunity to align the contract end date, subject to performance, with the recently procured Highway Maintenance suite of contracts.
- 7 The successful bidder will only be appointed following the completion of the tender evaluation in accordance with the current contract procedure rules.
- 8 It is understood that TUPE will apply to the existing in house staff currently delivering the service. Therefore in parallel to the procurement exercise the appropriate consultation will continue with those staff affected and the associated Trade Unions.