

Finance and Resources Committee

10.00am, Thursday, 7 March 2019

Traffic Signal Equipment Maintenance and Ancillary Support Services – Extension to Contract

Item number	7.14
Executive/routine	Executive
Wards	All
Council Commitments	7 , 16 , 17 , 27

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves a short-term contract extension, via waiver, for the maintenance of the city's traffic signals infrastructure for the period 4 November 2018 to 31 July 2019 (this includes a period of extension which was approved under Delegated Authority). This will ensure continuity of service provision to allow time for the current tender process to be finalised and a new contract put in place.

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Finance and Resources Committee

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2. Executive Summary

- 2.1 The existing contract with Siemens Mobility Ltd provides services relating to the ongoing maintenance of the city's traffic signals infrastructure. The purpose of this report is to request approval from the Committee for a short-term contract extension, via waiver, to ensure continuity of service provision until such time as a new contract is put in place. The value of this extension (inclusive of that approved by Delegated Authority to date) is £450,000.

3. Background

- 3.1 The Council currently has an existing maintenance and repair contract for all traffic signals and associated traffic control equipment located across the city. The contract primarily caters for the maintenance and repair of the existing traffic signals infrastructure, however, it also offers the option for the supply and installation of new traffic signals infrastructure. In summary, the scope of the existing contract includes:
- 3.1.1 maintenance, inspection and repair of all traffic signal installations and associated communications equipment;
 - 3.1.2 renewal/replacement of traffic signal infrastructure as a result of deterioration/decay; and
 - 3.1.3 installation of new traffic signal infrastructure resulting from damage by third parties.
- 3.2 The current contract commenced on 3 November 2014 and was due to expire on 2 November 2018. As a result of delay in completion of the procurement process, a short term extension was put in place, under delegated authority, to the end of March 2019.
- 3.3 The procurement process associated with provision of a new traffic signals maintenance and repair contract is ongoing.

4. Main report

- 4.1 The procurement process associated with a replacement contract for the maintenance of the city's traffic signals infrastructure commenced in February 2018.
- 4.2 As part of this exercise it has been necessary to obtain a separate licence agreement for the Fault and Asset Management System (FMS) currently used by the service as this is currently supplied and maintained by the incumbent contractor (Siemens Mobility Ltd). The licence agreement will allow the continued use of the system regardless of who the successful bidder is and will provide parity for all bidders as per the Procurement Regulations. This fault and asset management system is currently in place and is deemed essential to ensure robust asset management and maintenance recording, as well as ensuring continuity in record keeping.
- 4.3 The licence agreement had to be in place prior to the tender being published. The time taken to agree this was lengthy, and as such, delayed the planned tender publication date.
- 4.4 This contract expired on 3 November 2018 and was extended initially via Delegated Authority to 31 March 2019, thus ensuring continuity of provision (essential to meet statutory duties).
- 4.5 To ensure the Council continues to meet its statutory duties, service provision is required to continue until the tender process is complete and a new contract has been awarded. This tender process is currently underway and is expected to be completed by the end of July 2019. On that basis a short contract extension is recommended to align with this timeline.
- 4.6 The proposed contract extension is based on an expected maximum value of £450,000 with implementation of a new contract by 1 August 2019. This will ensure continuity of service and subsequent best value moving forward. This extension is based on the existing terms and conditions; there will be no increase in the costs of these services to the Council during this extension period, which will remain in line with previous spend.

5. Next Steps

- 5.1 Subject to approval, the services will continue to be provided by the existing provider until the ongoing tender process is complete and a new contract in place, expected by 1 August 2019. This will ensure the Council continues to meet its statutory obligations.

6. Financial impact

- 6.1 The cost of this service for maintenance to infrastructure is largely fixed, however, it can vary slightly dependent on the level of activity and volume of any road traffic

incidents. The estimated maximum value of this contract extension (inclusive of Delegated Authority extension to date from 3 November 2018) is £450,000. This will be contained within the Street Lighting and Traffic Signals Infrastructure revenue budget.

- 6.2 As previously noted, this extension is based on the existing contract terms, conditions and prices.

7. Stakeholder/Community Impact

- 7.1 The Council has a statutory obligation to maintain the roads infrastructure under the Roads (Scotland) Act 1984, thus ensuring that the infrastructure for which it is responsible is, so far as is practicable, maintained to the required standard. Should this contract not be extended the Council could fail to meet this statutory obligation.
- 7.2 Risk of challenge from other suppliers has been assessed as low as the contract extension period is short term and a new tender opportunity for future service provision has been published by the Council, however it cannot be excluded.
- 7.3 Contract Standing Order 9 provides an option to waive standing orders where the requirement is in the Council's best interest having regard for best value, risk, principles of procurement and the impact upon service users. The publication of the award of business along with the other factors reported will help to satisfy these requirements.
- 7.4 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014. This will be reported within the Council's annual report to the Scottish Government.
- 7.5 Any disruption to service provision would offer risk in relation to Health and Safety, statutory obligations and Council reputation.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 None.