

## **Slough Borough Council**

**REPORT TO:** Cabinet

**DATE:** 17<sup>th</sup> October 2022

**SUBJECT:** Intelligent Traffic Systems Maintenance Contract

**PORTFOLIO:** Cllr Nazir - Transport & The Local Environment

**CHIEF OFFICER:** Richard West, Executive Director of Place and Community

**CONTACT OFFICER:** Chris Weedon/Savio DeCruz

**WARD(S):** All

**KEY DECISION:** YES

**EXEMPT:** NO

**DECISION SUBJECT TO CALL IN:** YES

**APPENDICES:**

- I. Pre-Market Engagement
- II. Prior Information Notice- Maintenance of Traffic Signals and Other ITS Equipment Within the Berkshire Area published 12 April 2022.

### **1. Summary and Recommendations**

1.1 This report seeks approval for Slough Borough Council to participate in the procurement exercise for the Intelligent Transport Systems (ITS) Maintenance Contract from May 2023 to April 2033 via a joint procurement exercise led by Reading Borough Council and including Bracknell Forest Borough Council, West Berkshire Council and Wokingham Borough Council. The ITS Maintenance contract will include maintenance of the following:

- Traffic signals
- Automatic Traffic Counters
- Bluetooth Journey Time devices
- CCTV Cameras
- Variable Message Signs
- Vehicle Activated Speed Signs
- ITS associated minor civil engineering works

The contract value is expected to be £25,000,000 for 10 years split across all authorities (according to their asset database) equating to a potential estimated annual spend of up to £500,000 per authority.

## **Recommendations:**

Cabinet is recommended to:

- I. Agree that Reading Borough Council will lead a joint procurement on behalf of other Berkshire authorities, including Slough Borough Council.
- II. Delegate authority to the Executive Director of Place and Community, in consultation with the Lead Member for Transport & The Local Environment, to approve the award of the ITS Maintenance Contract to the successful tenderer and to enter into the contract documentation.

## **Reason:**

The ITS Maintenance Contract via the joint procurement exercise by the five local authorities is a cost-effective procurement option that will reduce costs and deliver ongoing efficiencies for the procured services. An approved supplier will have up to 10 years to improve the existing infrastructure and have the opportunity to introduce innovation when new technology becomes available.

## **Commissioner Review**

The recommendations are supported.

## **2. Report**

### **Introductory paragraph**

- 2.1 ITS covers a range of services to enable the Council to carry out its function as a Highway Authority. The main element of this contract is to provide a contractor to carry out maintenance on our traffic signals but in addition to support information gathering for traffic monitoring and updates to commuters using the Councils Variable Message Signs (VMS).
- 2.2 The ITS Maintenance contract will enable the Council to obtain a single Supplier for the maintenance and supply of ITS equipment. The full extent of the contract will cover: the supply and installation of traffic signals, Automatic Traffic Counters, Journey Time devices/Bluetooth detectors, CCTV Cameras, Variable Message Signs and Vehicle Activated Speed Signs.
- 2.3 The incorporation of the social return on investment (SRoI) into ITS Framework Agreement tender and contract will significantly help the Council to deliver on its strategic corporate objectives and deliver added value for the borough.

As part of the tender exercise, the Invitation to Tender (ITT) will state how tenderers will be able to deliver social value relevant to the ITS Framework Agreement to the Community and the Council. An evaluation weighting will be allocated to each social value and assessed on how they benefit the community. These values will include but are not limited to the following:

- Work experience and support for young people - young offenders - care leavers - children with SEND - children with complex health needs.
- Apprenticeships for Slough residents.
- Engaging with schools both primary and secondary;
- Provide initiatives which retain, protect or enhance the character of Slough.

- Secure suppliers from sustainable sources.
- Introducing diversity programmes that include education, upskilling and re-skilling with particular focus on women in the Slough Community.

All Key Performance Indicators (KPI's) identified will be reported by the appointed contractor on a quarterly basis using the agreed reporting tool. Contract managers will be responsible for reporting the KPI's of their Local Authority for the entire contract duration. The report this will be a mix of quantitative and qualitative data of the performance of the selected contractor.

The monitoring of the KPIs will be built into the contract management of the tender, and where appropriate financial or commercial penalties can be associated with these.

2.4 The social value benefit of the ITS Contract to the residents is that the provision of good transport infrastructure will result in improved access to socio-economic opportunities (jobs, training, access to leisure activities) by improving accessibility to key destinations and land uses. By utilising new technology to tackle high congestion levels and by optimising traffic flow, improvements to the ITS systems will:

- Reduce everyday congestion, smooth traffic flows and prioritise traffic in response to demand in real time, which will lead to improved productivity for local businesses, through the reduction in staff lateness, delivery delays etc.
- Help to reduce pollution throughout the town: stop-start driving is inefficient and polluting.
- Give priority to sustainable modes including buses approaching junctions, phasing lights to give traffic flowing with buses a 'green wave' through the town.
- Allow for a response to traffic incidents, especially on the A4.
- Help manage traffic-related injuries.
- On strategic routes, will ensure motorists remain on these roads and reduce rat running.

In addition, the Council is able to maximise on:

- The opportunity to share expertise and engineering knowledge across the five Local Authorities (LA).
- Potential suppliers will be more amenable to test and/or price new products in one LA if they believe this could be rolled out into the other LA's. An example is the new Smart Radar unit which is capable of vehicle classification, counting and speed across multiple lanes. The unit was first tested in Reading and based on this trial there are now test units in Slough, Bracknell Forest and West Berkshire.

By delivering broader social outcomes, not just scheme outputs, infrastructure projects can create additional social value. For the Council this includes:

#### Economic

- Deliver innovation, efficiency and costs savings
- Quick response times by supplier due to the supplier dedicating staff to the contract.

- The partnership will save the Council substantial time costs and cost of repeat tendering of maintenance works.
- The preparation of the contract will involve technical expertise to write the tender documents including the specification. By partnering with the 4 Berkshire Authorities, Slough will benefit from shared knowledge of other officers thereby reducing the costs of seeking costly consultancy services to prepare the specification.
- The partnership will result in lower administrative and legal costs to prepare the tender documents and contract.
- Increased opportunity for innovation and value engineering by advocating sharing visions and resources from the partnership that can create mechanisms for efficient and effective service delivery.
- Shared risk by the participating local authorities.

### Environmental

The partnership will look in reducing the carbon footprint of the awarded contractor by maximising the efficient planning of machinery across the sites and having a centralised compound that serves the participating local authorities.

### Social

The partnership will:

- Improve the community's perceptions of the council and raise the council's profile across a wider area by demonstrating that the Council is willing to engage and foster relationships with neighbouring local authorities to achieve a positive impact on the lives of residents.
- Present the Council as a body that is receptive to innovative and creative partnerships.

The Pre-Market Engagement session currently being undertaken has revealed that procurement of individual ITS Equipment by the Local Authorities will not be attractive enough for a supplier to offer a competitive price or even bid. However, the combination of over 500 sites from the five Berkshire Local Authorities will be an attractive package for suppliers and will result in a competitive price.

2.5 The introduction of the ITS Maintenance Contract will assist with the delivery of projects/schemes that help fulfil the objectives of the Recovery Plan and Corporate Plan through:

- A council that lives within our means, balances the budget and delivers best value for taxpayers and service users by ensuring that the procurement process and social return on investment for the new and existing ITS equipment will deliver best value for money, contribute to the support, delivery and monitoring of transport infrastructure that provides reliable transport links.
- An environment that helps residents live more independent, healthier and safer lives by reducing congestion on the network and providing reliable ITS monitoring equipment that will help the Council to continue to improve the transport system and assist with measuring the success of sustainable modes of transport.

- A borough for children and young people to thrive by implementing and maintaining ITS infrastructure that delivers safer signalised crossing points and monitoring of traffic related data.
- Infrastructure that reflects the uniqueness of Slough's places and a new vision for the town centre by ensuring that the contract makes provision of ITS infrastructure that continues to support the monitoring and development of the town centre.

## 2.6 Options considered

### **Option 1. 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 increase the likelihood of endangering road users due to delays in addressing any identified faults with 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:**

This approach is currently being used for other services but there are fee implications for Slough to access the agreements and additional administration fees from Local Authorities. The existing Framework Agreements do not offer the opportunity to use Slough'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. Slough Borough Council to undertake a joint procurement exercise with Reading Borough Council, Bracknell Forest Borough Council, West Berkshire Council and Wokingham Borough to develop a bespoke ITS Maintenance contract that will enable the Council to obtain a single supplier for the maintenance and supply of ITS equipment:**

The ITS maintenance contract will provide a long term, innovative and compliant service appointment, with the ability to demonstrate social value for residents and value for money for the Council. This option will allow the Council 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. The ITS contract duration will be for 10 years set out as 5 years and subject to meeting performance indicators optional extensions of not more than 5 years in aggregate.

**This is the recommended option.**

**Option 5. Do nothing.** Not to undertake any procurement activity for the ITS equipment. This option will result in increased delays on the highway with more infrastructure not being replaced expediently and potentially resulting in more

collisions on the road network, congestion and pollution due to communication failure of the ITS Infrastructure.

## 2.7 Background

The five local authorities including Slough have jointly procured maintenance for ITS equipment (mainly traffic signals) in partnership since 2010. 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.

Over the past six years, the five local governments in charge of preparing the ITS procurement documents have had staffing challenges and this has delayed the procurement exercise. To enable the local authorities to continue maintenance of the ITS infrastructure and prepare the tender documents, Reading Council extended the contract from April 2016 to date with 6-month extensions on a rolling basis.

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 Traffic Signals maintenance contract.

The 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 five local authorities.

Reading Borough as the lead council, is currently undertaking a pre-market engagement exercise and has published a Prior Information Notice (PIN) on the Find a Tender portal.

The draft outline programme for the procurement of the ITS Maintenance contract is:

Publish tender documents	Dec 2022
Tender Returns	Jan 2023
Intention to Award	Jan 2023
Standstill period 10 days to	Jan 2023
Award of Contract	Feb 2023
4-month mobilisation period commences	Feb 2023
Start of contract	May 2023

## 3. Implications of the Recommendation

### 3.1 Financial implications

Reading Borough Council have estimated £25,000 costs to run the procurement of the new contract shared equally between the five participating authorities, hence a cost of £5,000 to Slough BC.

Once the contract is in place expenditure will be in the region of up to £0.500m per authority per annum which will be drawn down from the ITS Maintenance Budget (£0.298m) and the following programmed Capital projects which will require ITS support: A4 Cycle Lane (£10.4m), Twinches Lane /Eden School (£0.308m) and A4 Safer Roads (grant funding of £1.4m). It is challenging to project longer-term future schemes as funding streams are subject to competitive bidding with government funding focused on short- term delivery. While funding announcements do not provide long-term certainty, SBC officers will continue to seek funding opportunities.

Currently, the Council spends approximately £242k on maintenance for all traffic signals and other ITS equipment using five contractors who are currently on 6 month rolling extensions which will enable transition of services to the new provider as these expire. Further cost savings are anticipated with one first line maintenance provider and one communications contract. The contract will be set up to cover each council's existing annual maintenance bill of between £200,000 and £300,000. There is no requirement to exceed this annual figure per Local Authority, but the £25m total over the ten years is divided across all participating councils based on their asset base and thereby enabling Slough to potentially spend up to their estimated £500,000 share if projects come online that require additional ITS support. **Thus, there is no obligation or commitment to spend in excess of the current level of spend incurred by SBC.**

Any projected underspend by one council could enable another to exceed their allocated allowance if the cumulative total does not exceed the contract value over the 10 years. Local authorities will also have an option to carry over their yearly allocation to the next financial year to undertake any ITS maintenance work.

The Finance Team will be engaged throughout the development of the contract to ensure costs are monitored.

### 3.2 Legal implications

- The Traffic Management Act 2004 (Section 16(1)) 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.
- The Council has an obligation to ensure procurement activity is carried out in accordance with (a) the Council's Constitution; (b) the Contract Procedure Rules; and (c) the Public Contract Regulations (PCR) 2015. In accordance with the Procurement Application and Authorisation Table set out in the Council's Contract Procedure Rules, any contract over £500,000 is a significant decision and must be approved by Cabinet prior to procurement and prior to any contract award. As this is a joint procurement, specific delegated authority is sought for award of contract. Full business cases should be reviewed by the Council's internal procurement review board.
- The ITS Contract will be developed by Reading Council with the support of the Legal Team (HB Public Law) and the rest of the Berkshire Authorities' Legal teams.

- The contract documentation will be reviewed by HB Public Law and be entered into under seal.

### 3.3 Risk management implications

<i>Description of risk</i>	<i>Risk/Threats/Opportunities</i>	<i>Current Controls</i>	<i>Proposed future controls</i>
Legal	Use of unskilled workmen or lack of maintenance of the ITS infrastructure could result in legal implications to the Council.	Continued use of historic ITS Maintenance contract with 6-month extensions to maintain the infrastructure.	Procurement exercise with clearly set out specification will enable the Councils to procure experienced supplier.
Procurement	The termination of the existing contract such as Mobius and the UTC hosted services would result in disconnection of the SIMs and less efficient traffic signals with no coordination between the major site corridors resulting in congestion on the network.	Continued use of the existing contracts with 6 month notice requirements.	Undertake a procurement exercise with the Berkshire Local Authorities to procure an ITS Maintenance contract and handover maintenance to the winning supplier.
Finance	The joint procurement exercise with the Berkshire Local authorities will help minimise costs associated with preparing the tender documents and achieve value for money.	Existing contracts have been renewed every 6 month by the Local Authorities to ensure service continuity.	To test the Market and progress the ITS Maintenance Contract, a Pre- Market Engagement exercise is being undertaken by Reading Council.
Contract Management	Poor contract management due to Reading leading on the contract.	Joint meetings are currently being undertaken by the Local Authorities	Contract Officers undertake KPI's including joint meetings with officers and delegated SBC Officer to manage the contract. Officers will work with the Head of Commercial to apply best practice to this contract.

### 3.4 Environmental implications

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 can reduce environmental impacts of transport, enhance safety and improve operational efficiency. In addition, the contract will enable energy efficiency improvements and encourage innovation.

### 3.5 Equality implications

As part of the tender exercise, the ITT will be advertised on the tender portals to allow equal access for all registered suppliers. In terms of the evaluation, officers will ensure that the evaluation is fair and consistent and is clearly set out in the procurement documentation.

An equalities impact assessment will be undertaken as part of the procurement exercise.

### 3.6 Procurement implications

Option appraisals have been discussed in section 2.6. The Officer recommendation is for the Council to undertake a joint procurement exercise with Reading Borough Council, Bracknell Forest Borough Council, West Berkshire Council and Wokingham Borough Council and to develop a bespoke ITS Maintenance contract for the maintenance and supply of 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 Council. This option will allow the Council 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. Reading Borough Council published the Prior Information notice on the 12<sup>th</sup> April 2022 and Pre-Market Engagement is underway.

The draft outline programme for the procurement exercise is:

Publish tender documents	Dec 2022
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### 3.7 Workforce implications

Reading Borough Council are the lead council taking forward the procurement activity which will result in improved efficiencies for the Council and reduce officer time procuring a supplier independently.

### 3.8 Property implications

None

## 4. **Background Papers**

None