

SURREY COUNTY COUNCIL

CABINET MEMBER REPORT

DATE: 8 JUNE 2016

**REPORT OF: MR JOHN FUREY, CABINET MEMBER FOR HIGHWAYS,
TRANSPORT AND FLOODING**

LEAD OFFICER: LAURA LANGSTAFF, HEAD OF PROCUREMENT

**SUBJECT: TO AWARD A CONTRACT FOR THE PURCHASE AND
INSTALLATION OF DRIVER INFORMATION VARIABLE
MESSAGE SIGNS (VMS)**



SUMMARY OF ISSUE:

The report seeks approval from the Cabinet Member for Highways, Transport and Flooding to award a contract to the recommended tenderer for the purchase and installation of Variable Message Signs (VMS) to commence on 1 July 2016. The contract objectives are to expand our existing portfolio of VMS in the eastern part of the county to give additional on route information to motorists.

The report provides details of the procurement exercise, including the results of the evaluation process, and demonstrates why the recommended contract award delivers best value for money.

RECOMMENDATIONS:

It is recommended that the Cabinet Member for Highways, Transport and Flooding agrees that:

1. Surrey County Council use the existing South East Regional Intelligent Transport Systems (ITS) Framework to award a contract to Swarco for the purchase and installation of Variable Message Signs. Slough Borough Council is the lead authority for this contract and has produced the Framework on behalf of the South East Region, inviting all South East authorities if they wished to be named on the Framework.
2. Surrey County Council call off from the framework agreement for an initial period of one year, with an option to extend for up to three further years, should future SCC projects require Variable Message Signs. (Subject to separate Surrey County Council internal authorisation as required by values procured).

REASON FOR RECOMMENDATIONS:

3. A full tender process, in compliance with the requirements of Public Contracts Regulations 2015 has been completed by Slough BC on behalf of SE authorities.

4. The offers received as part of the tender have been rigorously evaluated and the best overall solution has been identified.
5. This report recommends that SCC procure from the South East Regional ITS Framework for the provision of the purchase and installation of VMS to commence on 1 July 2016, with an estimated completion date of 31 March 2017 to align with LEP spending profile, and that the contract is awarded to Swarco.

DETAILS:

Background

6. Following successful award of a £3.0m Coast to Capital Local Enterprise Partnership (LEP) bid, (with additional £0.75m SCC Match funding), the aim of the project is to develop economic growth by using technology installed on the existing road network to give journey time reliability and enhanced driver information. The principle of the project is to 'Monitor, Inform and Control'. One of the key 'Inform' elements of the project is to display real time travel information messages to motorists on Variable Message Signs (VMS), in advance of key decision points on the highway network to allow motorists to better consider route options in response to incidents and events on the highway. Automatic Number Plate Recognition (ANPR) Cameras and Dial up CCTV cameras are the 'Monitor' elements of the scheme, with Dial up Signal Control (DUSC) completing the 'Control' element of the project
7. There is also the need to procure the goods and services within this financial year as this is a stipulation of the funding received. As such there is a need to have a flexible/scalable and time efficient means of procuring VMS and associated services going forward.

Procurement Strategy

8. Surrey Procurement identified a collaborative opportunity for the Purchase and Installation of VMS. The benefits of collaboration are greater leverage to achieve a competitive schedule of rates. The following options were considered;
 - Use an existing framework to award the contract. The South East Regional ITS Framework, produced by Slough BC on behalf of SE authorities, includes all known suppliers. This was identified as the preferred option.
 - Conduct an Open OJEU tender which would take considerable staff time to write, produce and tender the project. All known suppliers are already included on the South East Framework.
 - Use the Crown Procurement Route (Government Procurement Service) to award the contract. Despite several attempts to engage with this process, no progress was made leaving officers concerned over the timeliness in which this route might be secured.

Key Implications

9. By awarding a call-off contract under the Framework identified in paragraph 4 above for the purchase and installation of VMS to commence on 1 July 2016, the Council will be able to better fulfill its Network Management Duty under the Traffic

Management Act 2004, allowing SCC to expand its existing portfolio of VMS to give additional on route information to motorists.

10. It is intended to install VMS within 39 locations on key corridors in the eastern part of the county and link these into the existing back office facilities of SCC, as specified in the LEP bid.
11. The management responsibility for the Framework Agreement lies with SCC and will be managed in line with the contract management strategy and plan as laid out in the access agreements between the participating authorities.
12. The framework agreement has been tendered and is available for use by all named local authorities in the South East and Highways England. This will allow the Council to realise best value and unlock any economies of scale.

Competitive Tendering Process

13. South East Regional ITS Framework used the OJEU Open Procedure for the tender process.
14. There are 14 lots across the Framework. Following adjudication of the tenders received, four providers qualified for Lot 5 : Supply and Installation of VMS.
15. Representatives from Slough BC were involved throughout the evaluation process to ensure that the proposed solution was fit for purpose for all authorities. All named SE authorities were asked to review and contribute to the specifications within each Lot.
16. The initial tender responses were evaluated against the criteria and weightings; 60% Quality, 40% Price, against a schedule of rates.
17. SCC officers subsequently used the schedule of rates to price specific requirements for the LEP Project and used these calculations to select the preferred supplier.

CONSULTATION:

18. Highway authorities across South East England and Highways England have been invited to be named on the contract consulted and on the technical specifications required for each Lot.

RISK MANAGEMENT AND IMPLICATIONS:

19. Table 1 – Risks and mitigating actions

Category	Risk Description	Mitigation Activity
Financial	Price increases	Prices are fixed.
	Insufficient project funds to complete VMS installation	Accurate initial estimate of likely required budget with flexibility and scalability of funding across VMS and other project deliverables.
Service Provision	Maintaining the competence of personnel	Regular contract meetings will include review of procedures to ensure the provider meets the respective standards. Contractor's personnel will work to National and SCC Policies and

	Availability of locations for required apparatus	<p>Procedures.</p> <p>Design work for each proposed site includes a site visit to establish the optimum location. Later Statutory Undertaker apparatus searches will highlight any problems before installation and the project itself allows flexibility of siting VMS to avoid any identified problem locations.</p>
Reputational	Public and staff perception	<p>Transparent procurement process, regular client/contractor review meetings, staff briefings and public engagement regards VMS provision. Pre-installation consultation with stakeholders on specific VMS locations in urban areas where frontagers may be impacted.</p>

Financial and Value for Money Implications

20. Financial savings are demonstrated in Part 2 of this report. These have been achieved by unlocking economies of scale from using the South East Framework.
21. Utilising a Framework Contract to procure VMS has saved considerable staff time in both the Highways and Transport Service and Procurement, as opposed to conducting an Open OJEU tender..
22. An overarching benefit of the successful LEP bid is that a better managed road network is vital to the future economic growth of urban areas, estimating that a 10% reduction in travel time can increase productivity up to 1.1%.
23. Increasing the coverage of VMS equipment will allow accurate and timely information to be relayed to road users which would allow for pre-emptive re-routing to avoid congestion and incidents. This will reduce journey times between destinations and thus improve journey time reliability, in addition to improving public safety and security.

Section 151 Officer Commentary

24. The Section 151 Officer confirms that material risks and issues have been addressed in this report and in the accompanying Part 2 Annex to this report. The cost of proceeding will be met from a combination of Coast2Capital LEP approved grant and the Council's own approved capital budget.

Legal Implications – Monitoring Officer

25. The procurement exercise undertaken was compliant with the Public Contracts Regulations 2015 and the Council is entitled to call off from the Framework Agreement identified in this Report

Equalities and Diversity

26. The need for an Equality Impact Assessment (EIA) was considered, however, the conclusion was reached that as there were no implications for any public sector equalities duties due to the nature of the services being procured, an EIA was not required. Despite this, the preferred supplier will be required to comply with the

Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission.

Other Implications:

27. There are no potential implications for Council priorities and policy.

WHAT HAPPENS NEXT:

28. The timetable for implementation is as follows:

Action	Date
Cabinet member decision to award	8 June 2016
Cabinet call in period	9 – 27 June 2016
Contract Signature	28 June 2016
Contract implementation	1 July 2016
Contract Commencement Date	1 July 2016

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Annexes:

Part 2 report with financial details attached

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