

ENVIRONMENT CABINET MEMBER MEETING

Agenda Item 45

Brighton & Hove City Council

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| Subject: | Approval to procure street lighting maintenance contract | | |
| Date of Meeting: | 24 September 2009 | | |
| Report of: | Director of Environment | | |
| Contact Officer: | Name: | Christina Liassides | Tel: 29-2036 |
| | E-mail: | Christina.liassides@brighton-hove.gov.uk | |
| Key Decision: | Yes | Forward Plan No: CAB11928 | |
| Wards Affected: | All | | |

This item is on the Council's Forward Plan to be determined by the Cabinet, but has been referred directly to the Environment Cabinet Member Meeting due to its specificity to Environment matters.

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The report requests approval to procure, through the EU procurement process, a Highways Street Lighting Maintenance Contract for the period 2010 – 2012 with an anticipated works value of £2,000,000.00. If the contract extensions are taken up the anticipated value would increase by approximately £900, 000 for every year of extension.
- 1.2 The report requests approval to procure jointly with East Sussex County Council in order to maximise value for money, and in line with previous Street Lighting contracts.
- 1.3 Due to a recently notified legal technicality, the existing contract with Colas was not able to be extended as expected. Therefore East Sussex County Council and Brighton & Hove City Council have had to begin the procurement process immediately in order to have a works contract that enables the council to safely and adequately maintain our street lighting stock by 1 April next year.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member authorises the Director of Environment to:
 - (a) To enter into a procurement process with ESCC to tender for the maintenance of the highway street lighting, illuminated signs and bollards stock.
 - (b) To present a future report to the Cabinet Member outlining the results of the procurement process and seeking permission to proceed with appointing the contractor.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The contract will provide for the maintenance and repair of the council's 22,000 items of street lighting and illuminated signs.
- 3.2 The contract will also provide for provision of replacement or new street and amenity lighting under any environmental enhancement projects which will be funded from such project budgets. This may increase the value of the contract by a small percentage.
- 3.3 Because of the different nature of the works, varying from changing a defunct lamp to refurbishment of a listed column, there can be a variation in the value of Works Orders from about £150.00 to £2,000.00 and approximately 1000 are issued per year. It can be up to £14,000 to replace a seafront column. The location of the work can be anywhere within the city of Brighton & Hove.
- 3.4 The contract will commence on 1 April 2010 and terminate on 31 August 2012.
- 3.5 Subject to satisfactory Contractor performance, the contract may be extended annually until 31 August 2016.
- 3.6 A typical annual spend profile is show below:
Routine maintenance: £700,000 inspection of lighting stock and bulk lamp changes at pre-programmed intervals.
Special Maintenance: £200,000 replacement of faulty stock, painting, emergency works at road traffic collisions and so on.
- 3.7 Therefore the projected value of these works is potentially £900,000.00 per annum.
- 3.8 This will be a term contract and payment for works will be from a call-off Schedule of Rates.
- 3.9 Whilst this contract has a predicted value of £900,000.00 per annum, all works undertaken are funded from the Highways Street Lighting Maintenance revenue budgets. Any project work undertaken will be independently approved through funding streams such as the LTP budget.
- 3.10 Due to a recently notified legal technicality, the existing contract with Colas was not able to be extended as expected. Therefore East Sussex County Council and Brighton & Hove City Council need to carry out the procurement process immediately in order to have a works contract that enables the council to safely and adequately maintain our street lighting stock by 1 April next year. East Sussex County Council is the lead organisation in this process and has already begun the process of advertising via the European Union Contract Journal (OJEU). Brighton & Hove City Council will be fully involved in all aspects of the contract specification and decision-making.
- 3.11 The Contract documents will contain several price options for consideration which will involve different levels of service. Therefore some service level reductions are to be proposed in these options. This may make savings for the Council but consideration must be given to the public image and perceptions of

safety if there is faulty lighting for longer periods of time on the city's streets. The Cabinet Member will be consulted on these service reductions once tenders have been received and cost savings can be considered.

4. CONSULTATION

- 4.1 Consultation has been with the Procurement team and with Strategy and Governance (Legal) and with East Sussex County Council.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 As stated in the body of the report, maintenance of street lighting delivered through this contract would be funded by existing budgets. The revenue budget for general lighting maintenance is £600,200 for 2009-0.
- 5.2 The Local Transport plan sets out a five year delivery programme of works, with the current plan agreed to 2010/11. The funding set aside in 2009-10 for street lighting is £250,000.

Finance Officer Consulted: Karen Brookshaw

Date: 31/07/09

Legal Implications:

- 5.3 The nature of the service (maintenance) means that it falls under 'Part A' of the EU Procurement Directive and accompanying Regulations. As a result, the full application of both the Directive and Regulations applies. The report refers to the contract notice being advertised in OJEU and procurement in accordance with the relevant process. Contracts over £75,000 in value must be prepared in a form approved by the Head of Law. The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.

Lawyer Consulted: Sonia Likhari

Date: 06/08/09

Equalities Implications:

- 5.4 The Council's Code of Practice on Equalities and Workforce Matters is enforced in all procurement.

Sustainability Implications:

- 5.5 Sustainability is promoted in all highway contract procurement. Specifications allow for recycling and development of sustainable processes. New energy efficient technology is introduced wherever possible and funding permits.

Crime & Disorder Implications:

- 5.6 Well-lit streets help prevent crime and improve public perceptions of safety.

Risk & Opportunity Management Implications:

- 5.7 There are safety risks involved in failing to maintain the public highway street lighting which could have severe and costly consequences. Failure to improve or maintain the lighting adversely affect National Indicators, Best Value Performance Indicators and potential funding.

Corporate / Citywide Implications:

- 5.8 The contract will deliver revenue and Capital funded works across the City and can be utilised by other departments through the Council where appropriate.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 At this current time, this form of EU procurement tendered jointly with East Sussex is considered to be the most suitable. Timescales and resources issues within Brighton & Hove mean that alternatives are unlikely to produce good value for money and a robust contract specification.
- 6.2 The contract is being tendered for 2 years 5 months with optional extensions so this gives Brighton & Hove an opportunity to re-consider alternative options within 2 years 5 months.
- 6.3 The only other alternative is not to tender at all but this would leave Brighton & Hove City Council without any contract for the maintenance of the street lighting, illuminated signs and bollards, with a resulting safety risk and failure in its duty to maintain.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The Council has a duty maintain regulatory signs / bollards and also to maintain the public highway street lighting in a safe condition. This Contract facilitates this requirement.
- 7.2 This contract succeeds the current Highway Street Lighting Maintenance Contract that terminates on 31st March 2010.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

None