



Glasgow City Council

Contracts and Property Committee

Report by Director of Governance and Solicitor to the Council

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Item 6

26th November 2020

Traffic Equipment Maintenance, Supply, Installation and Design (TEMSID)

Tender Reference :- GCC004915CPU

Purpose of Report:

To submit details of the tenders received for traffic equipment maintenance, supply, installation and design (TEMSID) and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for traffic equipment maintenance, supply, installation and design (TEMSID) to the contractor listed below.

Siemens Mobility Ltd

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Background and Tender

- 1.1 Glasgow City Council's ("the Council's") current annual spend on TEMSID is approximately £2.43 million per annum. The existing contract includes the requirements of West Dunbartonshire Council which increases the total spend to £2.49 million per annum.
- 1.2 This contract will provide a maintenance service for all roadside traffic control and information equipment within Glasgow and West Dunbartonshire. The contract also includes a range of services necessary to support traffic control operation. These services include supply, assembly, installation, configuration and civil engineering works for new equipment.
- 1.3 A commodity team consisting of stakeholders from Neighbourhoods and Sustainability (within the TRAFFCOM section) was formed to develop the sourcing strategy and deliver a new contract.
- 1.4 The contract covers 4 distinct scopes of services, installations and works and pricing structures based on the following requirements:-
 - 1.4.1 Maintenance schedule - the primary purpose of the contract is to provide a fault management and maintenance schedule for all on street traffic management equipment. The fault management provides a response and repair service incorporating an emergency response operating 24 hours per day, 365 days a year. The maintenance schedule provides a 6 monthly inspection of all on street traffic management equipment. Each site is visited twice annually to carry out an inspection of traffic signals equipment, including all safety critical operations and condition of equipment.
 - 1.4.2 Schedule of rates (core) – this provides the Council with an agreed price list for the supply and installation of core equipment, civil engineering works and other services such as testing and fault finding services. The core equipment and services have been based on historical installations and purchases of new traffic signals, and refurbishment of old traffic signals within the last 12 months.
 - 1.4.3 Schedule of rates (non-core) – this provides the Council with a list of item prices which may be purchased during the contract. The list includes: core items in alternative sizes; items purchased historically; new items; occasional required parts for expansion of systems; and ancillary services.
 - 1.4.4 Counting loops – this is an optional element which has been included as a replacement for an existing traffic system. This system counts vehicles and provides statistics on travel volume and speed. The existing system is approaching end of life with replacement parts proving difficult to procure. The new system will include purchase, rental, maintenance and support for a fixed quarterly rental over the length of the new contract. A decision on whether to proceed with this option will depend on budget.
- 1.5 It was agreed that an open tender process would be the most appropriate method to deliver this contract. The opportunity was advertised via the Official

Journal of the European Union and Public Contracts Scotland. The contract will be awarded to a sole supplier.

1.6 The duration of the contract is 5 years from 1 February 2021 to 31 January 2026, with the option to extend for a further 2 years.

1.7 The Contract will be utilised by TRAFFCOM, a section within Neighbourhoods and Sustainability.

2 Evaluation

2.1 A total of 9 contractors accessed the tender and of these, 2 suppliers submitted a bid. All of the 7 contractors which did not submit a bid cited an inability to fulfil all of the contract requirements.

2.2 The award evaluation was based on the following criteria and weightings:-

Price	Quality	Quality Sub Criteria
30%	70%	Contract Delivery – 65%
		Fair Work Practices (including the Glasgow Living Wage) - 5%

2.3 The 30% commercial evaluation was broken down into the following areas: -

- Maintenance Schedule – 12% (approximately £833k per annum)
- Schedule of Rates (Core) – 12% (approximately £1.6million per annum)
- Schedule of Rates (Non-Core) – 5% (no spend within last 12 months)
- Counting Loops – 1% (no spend - revised specification)

2.4 The commercial evaluation required bidders to provide prices for each of the products and services listed in the areas above. For the counting loops this was an optional requirement and the Council will only take up this option if the bid is within the Council budget.

2.5 The evaluation of award criteria and the scoring of the supplier which has been recommended for award is shown in the table below:-

Supplier	Total Evaluation Score	Evaluation/Award Value (per annum)	Award Value over 7 years
Siemens Mobility Ltd	99.06	£2,835,286	£19,847,002

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

2.6 The values within the table include West Dunbartonshire requirements. The split in value being: GCC £2,776,226 and West Dunbartonshire £59,060. If the

Council decides to take up the option on counting loops then this would increase the contract by £134,000 per annum, or £938,000 over the 7 years.

- 2.7 Further clarifications with the recommended contractor have provided a cost avoidance of £36,568 within the schedule of rates (core) element if future requirements remain in line with historical quantities and no further price variations are required.
- 2.8 There will be an annual increase for the Council of £320,091 (13%), if future requirements remain in line with historical quantities, equating to an overall cost increase over the 7 years of £2,240,637. The increase relates, in particular to labour, materials and civil engineering works which have seen increases above the general inflation rate. The CPU and TRAFFCOM will meet with the contractor and look for opportunities to reduce costs during the contract term.
- 2.9 The contractor will be permitted to submit an annual increase which is a measure of inflation and reflects any changes in labour rates, electrical materials, transport costs and also due to the unknown impact of Brexit. The last application for an annual cost increase resulted in a 1.1% increase. The request must include supporting evidence to justify the reason for the variance and is based on indices published by the Office for National Statistics.
- 2.10 TRAFFCOM will monitor the supplier's day to day operational performance. Overall contract and supplier performance will be managed by TRAFFCOM and the Corporate Procurement Unit.

3 Policy and Resource Implications

Resource Implications:

Financial:

The tender has resulted in an annual increase for the Council of £320,091, equating to an overall cost increase over the 7 years of £2,240,637, as set out in paragraph 2.8.

The CPU and commodity team intend to meet with the contractor to establish if any future savings can be made.

The funding for the maintenance schedule will come from the Council's revenue budget. The majority of funding for the schedule of rates (core) will come from capital budget with some funding from revenue budget and also from private developers (typically private companies which invest in housing, office and retail developments within the city).

Legal:

The report raises no new legal issues. The Director of Governance and Solicitor to the Council will be required to conclude the contract.

Personnel: No direct personnel implications for this project.

Procurement: Please refer to Paragraph 1.5

Council Strategic Plan:

This procurement supports the following key priorities in the Council Strategic Plan, specifically under the following themes: -

A Sustainable and Low Carbon City (Priorities 53, 54 and 66)

The Council's strategic aim is to have a more connected and sustainable road traffic transport system by maintaining all traffic equipment and to improve the efficiency of traffic equipment by using technology and environmentally friendly lighting where possible.

The priorities were supported within the contract by applying the undernoted evaluation criteria weightings /conditions:

Fair Work Practices – 5%
Community Benefits – Mandatory

The deliverables for each of the priorities are listed below within the Sustainability Impact section.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22

Yes, the proposal supports best practice in the procurement of goods and services.

What are the potential equality impacts as a result of this report?

An EQIA is not required for this contract. The procurement process adheres to the procurement strategy which in turn supports the principles of the EQIA.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Both Community Benefits and Fair Work Practices were accounted for in the procurement exercise and outcomes can be seen below.

Sustainability Impacts:

Environmental: The recommended contractor Siemens are ISO 14001 accredited.

Social, including Article 20 of the European Public Procurement Directive: The recommended contractor Siemens pay the Real Living Wage.

Economic: The recommended contractor Siemens will provide the following community benefits as part of this contract: -

- Siemens will recruit at least three new entrants through the Youth Employment Initiative into appropriate roles.
- Siemens will employ a graduate during the Contract.
- Siemens will employ at least one modern apprentice during the Contract.
- Siemens will provide vocational training/qualifications S/NVQ (or equivalent) for new entrants, graduate and modern apprentice and existing employees.

Privacy and Data Protection impacts: No data protection impacts identified.

4 Recommendations

The Contracts and Property Committee is requested to approve the award of a contract for traffic equipment maintenance, supply, installation and design (TEMSID) to the supplier listed below.

Siemens Mobility Ltd

Appendix A

Supplier	Total Evaluation Score	Rank
Dyyniq UK Ltd	95.21	2