



In accordance with the Procurement and Contracts Rules and Procedures (PCRP) (see section 3.1.1): a formal business case is required for any procurement with a total value above £50,000. The level of approval required for the Business Case depends on the type of procurement and total ascertainable value of the contract, as indicated in the table below: -

1. Level of Approval

State “YES” in the applicable box at either Level 1 or Level 2:

Type of Procurement	Level 1 –		Level 2 –	
	Head of Service & Director Approval	“Yes”	Executive Approval	“Yes”
Goods and Services	£50k – £500k		> £500k	Yes
Schedule 3 Services	£50k – £589k		> £589k	
Works	£50k – £4,104k		> £4,104k	

2. Project Information

Project / Contract Title	ITS Maintenance Contract
Project / Contract Description	Service required to maintain the Council’s on street monitoring, control and information technology (Intelligent Transport Systems) including the council traffic signal asset, for both junction control and pedestrian crossings.
Expected Start Date & Duration (months)	October 2018 (60 months)
Any Extension/s Allowed (months) (E.g.: 1 x 24m / 1 x 12m + 1 x 12m)	5 x 12m (automatic extensions subject to satisfactory KPI based on previous year)
Total Ascertainable Value	Around £1,200,000 (Value for WBC, projected over 10 years)
Type of Procurement (Goods [supplies], Services, Sch3 or Works)	Services
Procurement Procedure	OJEU
If not an Open or Restricted procedure, has it been approved by Procurement? (state “Yes”, “No” or “Not Applicable”)	Joint procurement with the other Berks LAs Open – lead by Reading BC YES – approved by Procurement
Budget Available	Yes
Source of Funding (revenue or capital or mixed)	Revenue
Any specific comments or notes associated with the budget	Core service expected to be the same level of cost as the existing contract. Joint procurement with other LAs expected to create a more attractive offering to the market to achieve the best possible pricing.

3. Project Justification

Link to Service or Corporate Objectives:

Wokingham Borough Council (WBC), along with the other Berkshire Authorities, currently has a contract with Siemens PLC for the maintenance of their traffic signal assets, which is a statutory requirement. The existing ten year contract period has expired and has been extended in the short term however, a new arrangement must be put in place. The existing contract is no longer fit for purpose as maintenance methods and technologies have changed significantly in the past ten years.

A new contract specification has been prepared jointly between the Berkshire Authorities, a Soft Market Testing exercise was undertaken and meetings held to discuss the arrangement. The new specification includes more stringent financial performance incentives, the option to incorporate other ITS assets (such as Intelligent Transport Systems) and responsibility for the 'whole life' of any fault, including contracting 3rd parties on the Council's behalf (such as power suppliers in the event of a power outage).

The specification will accompany an NEC3 form of contract and has been structured such that other ITS assets can be included in the maintenance agreement should the council wish it, the benefits of doing so include value for money, time saving for the council and utilisation of one central Fault Management System (FMS).

The specification is required to be advertised through OJEU. A memo of understanding will need to be signed, indicating the Council's commitment to the contract and authorising RBC as the lead authority in the procurement, before the contract is advertised. The other Authorities which will be included in the agreement are:

- | | |
|---|------------------------------------|
| ▪ Slough Borough Council | ▪ Wokingham Borough Council |
| ▪ The Royal Borough of Windsor & Maidenhead | ▪ Bracknell Forest Borough Council |
| ▪ Reading Borough Council | ▪ West Berkshire Borough Council |

The specification has been set up in a modular fashion to allow equipment, over and above the core requirements, to be added on an 'ad hoc' basis and at the full discretion of each individual council. The types of ITS equipment that may be added, includes, but is not limited to:

- | | | |
|---------------------------------------|---------------------------------------|---|
| ▪ Automatic Rising Bollards | ▪ Automatic Traffic Counters | ▪ Air Quality Monitoring units |
| ▪ Wireless communication networks; | ▪ Over Height Vehicle Warning systems | ▪ Remote Monitoring Cameras including ANPR & CCTV |
| ▪ Journey Time monitoring units | ▪ Vehicle Actuated Signs | ▪ Variable Message Signs |
| ▪ Hostile Vehicle Protection systems. | ▪ Real Time Information Displays | |

Project Specific Objectives, Appraisal of Options and Project Timetable:

The contract is being procured on behalf of all the Berkshire Unitary authorities through Reading's procurement team, via an OJEU compliant process.

The current version of the maintenance specification has been developed in conjunction with the other Berkshire Authorities. The contracts operated by many other authorities have been reviewed and the 'respond and fix' style arrangement was agreed to be the most appropriate; as opposed to the alternative 'availability' style contract.

The headline themes of the new contract specification are:

- A 5 year minimum contract with automatic extensions based on satisfactory KPI performance on a yearly basis up to maximum of 10 years; year 6 will automatically be given subject to KPIs in year 4 and so on.
- Proactive maintenance of equipment (a statutory requirement) including:
 - Optical Maintenance (OM)
 - Period Electrical Testing (PET)
 - Yearly Periodic Inspections (PIs)
- Addition of critical fault category, which is an urgent fault at a site flagged as critical.
- A revised pricing structure which affords the maximum flexibility and Value for Money
- The option to include ITS assets in addition to the core traffic signal maintenance;
- Whole life management of a fault and liaison with 3rd party suppliers (such as electricity providers) the Councils behalf
- Revised KPIs, which include a multiplier so that if a target time is exceeded twice, this will count as 2 failures, up to a maximum of ten.
- Fault rectification to timescales:
 - Critical 2 hours attend, 4 hours fix (currently category does not exist);
 - Urgent 4 hours attend, 6 hours fix (currently 4 hours respond and fix);
 - Non Urgent, 56 hours attend and fix, (currently 48 hours);

The timings have been carefully chosen to provide an appropriate level of service whilst providing reasonable flexibility to the contractor and subsequently reasonable costs to the councils.

The proposed setup takes as much of the burden away from the Council's Engineers, but it should be noted, the council is still responsible for the management of the systems, reporting faults, operating and utilising ITS assets, timing changes/ datasets, installation of new equipment, Council Inspections, specification and approval of minor improvements and fault rectification outside the maintenance scope.

Table 1 below indicates the approximate timeline for letting the new contract. A detailed project plan is currently being produced along with a 'memo of understanding', which will confirm the council's intention to proceed with the re-letting of the contract with the other authorities.

Table 1 - Key Actions

Target Date	Action	WBC Approval
29 March 18	Business Case approval	Executive
March 2018	Project plan and memorandum of understanding signed by all authorities	WBC Director Signature required
	Legal review undertaken by Reading Borough Council Legal Services to be undertaken (cost to be split equally between authorities).	
March 2018	Reading Council (as existing lead authority) submit notice period to Siemens to Cancel existing contract	
April 2018	Final Specification and contractual Ts & Cs approval	AD for H&T SLS
	Contract Notice published on OJEU	
	The tender will be reviewed by a board of Technical representatives from each authority and limited number of Legal/procurement representatives. For Wokingham this will be the authority's ITS Engineer.	
	Approval of selected supplier prior to contract award	Director via Material Decision
	Contract signed with successful tender	Sealed as a Deed by SLS
	'Call off' and mobilisation period	
October 2018	Contract commencement	

Cost Benefit Analysis:

An initial soft market engagement has been undertaken to ensure that the scope of the contract fulfilled the ambitions of the authorities involved and that cost risks were mitigated. The contract structure has been designed to balance the service needs with best value.

The contract is being tendered through the OJEU Open process to ensure competitive returns.

Financial banding of equipment types and quantities will be sought through the tendering process to ensure that economies of scale can be met and to determine contract impacts.

WBC's share of the current contract value is **£57,188** per annum plus 'Minor Chargeables', which vary from month to month.

'Minor Chargeables' refers to work not expressly covered by the maintenance contract, such as damage repair or minor upgrades. In 2017 'Minor Chargeables' totalled an additional **£62,242**.

Soft market testing indicated that the new contract is likely to be approximately the same cost.

The contract tenders will be evaluated on the basis of **Quality 60%, Cost 40%**

Assurance of quality at tender stage and during contract is essential. A sub-standard maintenance contract would result in unnecessary delays and potential safety considerations on the network. It may also result in additional costs, if issues are not identified early enough. The impact on the Council, local businesses and road users, if the system is unreliable, would be far more significant than the cost of the investment. Within Wokingham, risks are further compounded by the network demands created by development growth.

4. Approval

Please fill in the applicable fields according to the level of approval required.

Note: If level-2 approval is required, the document should be signed by Head of Service and Director at Level-1 first and then presented to relevant Executive Member for final approval.

Level 1

<i>Position</i>	<i>Department / Directorate</i>	<i>Name</i>	<i>Signature</i>
Head of Service	Place Based Services	Clare Lawrence	
Director	Environment	Josie Wragg	

Level 2

<i>Position</i>	<i>Name</i>	<i>Signature</i>
Executive Member (or approved delegated authority)	Cllr Keith Baker	