

CABINET

DATE	17 th July 2024
REPORT OF	Councillor Stewart Swinburn – Portfolio Holder for Housing, Infrastructure and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom - Director for Economy, Environment, and Infrastructure
SUBJECT	Installation and Maintenance of Road Lighting, Traffic Signs and Bollards
STATUS	Open
FORWARD PLAN REF NO.	CB 07/24/04

CONTRIBUTION TO OUR AIMS

The contract for the Installation and Maintenance of Road Lighting, Traffic Signs and Bollards contributes to the Council's priority of residents should 'Live in a safe environment'.

EXECUTIVE SUMMARY

The Council wish to progress a further 12-month extension of the existing contract to provide time to explore alternative procurement opportunities with neighbouring authorities which will form part of the Combined County Authority e.g., Lincolnshire County Council and North Lincolnshire Council. The existing contract is being managed by the Council's transformation partner, Equans, as required under the Services Agreement.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Approves the principle of a 12-month extension for the contract with the current incumbent for the provision of the installation and maintenance of road lighting, traffic signs and bollards.
2. Authorises the Director for Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Housing, Infrastructure and Transport, to make all necessary arrangements to implement such extension.
3. Authorises the Assistant Director Law and Governance (Monitoring Officer) to complete and execute all requisite legal documentation arising from the above recommendations.

REASONS FOR DECISION

The Council is required to demonstrate value for money and wish to progress a further 12-month extension of the existing contract to provide further time to explore alternative procurement opportunities with neighbouring authorities which will form part of the Combined County Authority e.g., Lincolnshire County Council and North

Lincolnshire Council. This will potentially allow for greater economies of scale for all the constituent authorities.

1. BACKGROUND AND ISSUES

- 1.1 In 2017 the Council awarded the street lighting term maintenance contract (Installation and Maintenance of Road Lighting, Traffic Signs and Bollards) after an EU complaint tender exercise. The contract was awarded for an initial period of three years with two further two-year extensions. The contract will therefore come to an end on 31 October 2024.
- 1.2 Schedule 28 of the main services agreement between the Council and Equans Services Ltd requires that Equans are to administer Traffic Services and to manage the contract for Installation and Maintenance of Road Lighting, Traffic Signs and Bollards.
- 1.3 As part of preparatory internal governance, an exception to the Council's Contract Procedure Rules has been sought for the 12-month extension.
- 1.4 North Lincolnshire Council have expressed an interest in a joint procurement for their requirements.
- 1.5 A Pre-Market Consultation will be carried out during the extension period. This will provide information from the market to ensure there is interest in the market for this type of arrangement and to ensure there is adequate competition to achieve value for money.
- 1.6 Although it does not form part of the contract that is the subject of this Cabinet report, it is worth noting that the Council's Partnership agreement with Equans contains the requirement to strengthen the local economy. This is expanded in the need for the Partner to establish relationships with developers, businesses, and government agencies to attract public and private investment into the area during the contract term.
- 1.7 During the existing term, the current incumbent has demonstrated their commitment to social value for the residents of North East Lincolnshire and reducing their carbon emissions across the borough. They have shown their commitment by employing local people, investing in the local economy and supporting charitable organisations. In addition, they minimise CO₂ emissions through the selection and use of their fleet.

2. RISKS AND OPPORTUNITIES

- 2.1 Failure to allow for the extension would mean that the Council would not have time to secure a new contract prior to the expiration date of the existing contract.
- 2.2 The Council would see a significant increase in rates that is currently being paid through this arrangement as there would be no contractual rates in place.
- 2.3 The quality of service delivered by the current incumbent consistently meets

the set KPI's but these could be at risk should the existing contract not be extended. It may result in a loss of a good working relationship, and they may not wish to retender in future.

2.4 It is a contractual requirement for the contractor to have a local depot which employs a local workforce.

2.5 The Council could benefit from economies of scale with a new arrangement procured under a Combined County Authority.

3. OTHER OPTIONS CONSIDERED

3.1 Status Quo

3.1.1 A decision could be made not to implement further contracting arrangements, although for the Council this would potentially reduce value for money opportunities that come by aggregating demand.

3.2 Negotiation

3.2.1 Negotiate an extension to the existing contract for a longer period of time. This option would not ensure that the Council was receiving best value and would be in breach of contract regulations and the Council's Contract Procedure Rules (CPRs).

3.3 Short Term Extension to the Current Contract

3.3.1 Only issue a three-month extension to allow time for a procurement exercise to be completed. The Council would not know the outcome of the options to procure as a Combined County Authority during this shorter extension period.

3.4 12-month Extension to the Current Contract

3.4.1 Grant a 12-month extension to allow time to carry a pre-market consultation with the supply chain and to allow the Council to consider its options to procure as a Combined County Authority.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There is no statutory requirement on local authorities in the UK to provide public lighting, the law states that:

- The Highways Act 1980 empowers local authorities to light roads but does not place a duty to do so.
- The Council has a duty of care to road users and has an obligation to light obstructions on the highway.
- The Council has a statutory duty under the Highways Act 1980 to ensure the safety of the highway and this includes any lighting equipment placed on the highway.
- The Electricity at Work Regulations imposes a duty on owners and operators of electrical equipment to ensure its safety.

5. FINANCIAL CONSIDERATIONS

Currently the Council is spending approximately £1m per year between revenue and capital expenditure. This figure varies year on year based on capital projects.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

There are no implications on children and young people.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 In accordance with the Government's Public Procurement Note – Taking into account of Carbon reduction Plans in the procurement of major government contracts 06/21. 'As part of assessing a supplier's technical and professional ability, in scope organisations should include, as selection criterion, a requirement for bidding suppliers to provide a carbon reduction plan (using the template in Annex A) confirming the supplier's commitment to achieving Net Zero by 2050 in the UK, and setting out the environmental management measures that they have in place and which will be in effect and utilised during the performance of the contract'.

[Procurement Policy Note 06/21: Taking account of Carbon Reduction Plans in the procurement of major government contracts – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts)

- 7.2 The Council replaced the majority of its streetlamps, lanterns and associated equipment and peripherals with low energy LED lighting, which has contributed to the reduction of energy costs and maintenance costs.
- 7.3 The Council's energy supply procured through its utility frameworks is carbon neutral.

8. CONSULTATION WITH SCRUTINY

There has been no consultation with Scrutiny at this stage.

9. FINANCIAL IMPLICATIONS

The proposed 12-month extension to the contract will enable joint procurement opportunities with neighbouring authorities to be explored, whilst still retaining a cost benefit by having contractual rates in place.

10. LEGAL IMPLICATIONS

- 10.1. The proposed Preliminary Market Consultation and extension are governed by the Public Contracts Regulations 2015. The Preliminary Market Consultation activity will enable a specification to be developed, in line with the appropriate contractual documentation and give the opportunity to explore wider regional opportunities with others. Such activity enables the seeking or accepting of advice from independent experts, authorities or from market participants providing it does not distort competition nor breach the requirements for non-discrimination and transparency. The contract is the key governing document through which the resulting relationship will be

governed, and Legal Services will support the process throughout.

- 10.2. Internal governance processes have been invoked, supporting the proposed extension, as a formal exception from the Contract Procedure Rules, as permitted by the Public Contracts Regulations 2015.
- 10.3. The matter comes to Cabinet, given the estimated value of the 12-month extension, in line with the expectations of the constitution.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications.

12. WARD IMPLICATIONS

The proposal affects all wards.

13. BACKGROUND PAPERS

There are no background papers.

14. CONTACT OFFICER(S)

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