

North Yorkshire County Council

Business and Environmental Services

Executive Members

26 June 2020

Traffic Signals Maintenance Contract Renewal

Report of the Assistant Director – Highways and Transportation

1.0 Purpose of Report

- 1.1 The purpose of this report is to request approval of the Corporate Director of Business and Environmental Services (BES) in consultation with BES Executive Members to tender for the renewal of the Traffic Signals Maintenance Contract.

2.0 Background

- 2.1 The current Traffic Signals Maintenance contract expired on 31 March 2020 following the successful delivery of a 7-year contract term by the service provider, Dynniq. However due to delays in the procurement process it was not possible to tender and award a new contract prior to that date.
- 2.2 To ensure the asset continued to be maintained and operational, Dynniq agreed to a 6-month extension on the current contract service terms and rates. This arrangement will expire on 30th September 2020. This short term extension was agreed in accordance with the corporate procurement rules.
- 2.3 Section 16 of the Traffic Management Act 2004 places a statutory duty on the County Council as Local Traffic Authority;
- “It is the duty of a local traffic authority to manage their road network with a view to achieving, so far as may be reasonably practicable having regard to their other obligations, policies and objectives, the following objectives:
- (a) securing the expeditious movement of traffic on the authority’s road network; and,
 - (b) facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.”
- 2.4 Traffic signals play a critical part network management and it is therefore imperative to have an efficient traffic signals maintenance service to ensure the equipment remains operational, fit for purpose and any faults are dealt with quickly and effectively.
- 2.5 As a specialist service, it cannot be delivered ‘in house’ at a cost comparable to a procured service from an established company.

3.0 Contract Value

- 3.1 Over all the cost of the current contract (7 years) is in the region of £950k with a current annual cost of around £140k with payments made on a quarterly basis. The annual cost of the contract has increased over the contract term through annual inflationary increases and in result of new traffic signals sites being introduced to the network adding asset value to the maintenance inventory.
- 3.2 For the reasons set out in 3.1 the current contract is dynamic and the value is wholly representative of the current market conditions. It is expected that the new contract will be of a similar value to the current annual service cost.
- 3.3 As part of the tender process the current contract has undergone a thorough review to understand where any updates and changes to the service need to be replicated in the new contract. Substantially this has been around response times to faults and Key Performance Indicators and are relatively minor in change yet should achieve a notable service benefit for the County Council.
- 3.4 The value of this contact forecast to be in the region of £750k for the 5-year period, however, the contract will include the option of a + 2-year extension on acceptable performance which will increase the overall contract value. Any extension will be reported on for approval at that time.

4.0 Efficiency Savings

- 4.1 As part of the contract review process consideration was given to what efficiency savings could be achieved. It was resolved that substantially any future savings were in respect of technological improvements, reliability and remote monitoring. As and when improved technology comes to the market, this can be introduced at new installations and as part of the annual traffic signals refurbishment programme and any other junction improvement works. From a staffing resource perspective, the current service provider allocates the equivalent of 1 engineer to cover the county, so there was no scope for savings.
- 4.2 In addition to the costs associated with the maintenance of traffic signals, the other significant revenue cost is associated with the cost of electricity to power the installations. As part of the 2020 North Yorkshire programme, a relatively recent exercise to understand the business case for accelerated investment in to the conversion of all non (extra low voltage) ELV, LED lamp sites was carried out. This revealed that there would be a substantial upfront outlay in the region of £2.4million to convert all remaining signal sites returning estimated savings of approximately £50,000 per year on energy consumption and equipment reliability. This equates to a payback period of around 50 years, though in reality that would not be possible as traffic signal sites have an expected lifespan of approximately 15 years. For this reason, we have continued with a gradual replacement via the annual traffic signals refurbishment programme. However, it is worth noting that since sites have been converted to ELV/LED power consumption costs have reduced from around £250k to £150k per annum.
- 4.3 Consideration was also given to any social values which could be enhanced due to the procurement in accordance with the national framework. However, it was found that any links to the set themes would be difficult to measure. Those that could be considered are;

Safer Communities; with improved technology being more reliable it is active longer. Improved detection of pedestrians and vehicles on crossings and at junctions resulting in better and safer management of traffic flows for improved network efficiency and general highway environment.

Resource Efficiency; improved technology resulting in fewer faults and deployment of engineers.

5.0 Tender process

- 5.1 The initial Gate 1 Options appraisal / Project Initiation Report has been drafted with the overall recommendation being to call-off the Crown Commercial Service's (CCS) Traffic Management Technology 2 Framework. This report has been approved by Procurement Assurance Board and is with Directors for their final sign-off.

6.0 Legal Implications

- 6.1 As mentioned in para 2.3, it is the duty of a local traffic authority to manage their road network with a view to achieving, so far as may be reasonably practicable having regard to their other obligations, policies and objectives, the following objectives:

(a) securing the expeditious movement of traffic on the authority's road network; and,

(b) facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.

In order to discharge that duty the County Council must maintain its traffic signals asset.

- 6.2 The recommendation is to call-off the Crown Commercial Service's Traffic Management Technology 2 Framework, which is a compliant procurement route in accordance with the Public Contracts Regulations 2015.

7.0 Finance Implications

- 7.1 The financial implications of the contract are the term value of in the region of £700k in the full term of 5 years increasing to circa £950k should it be extended. This is budgeted for as part of the Traffic Signals Maintenance Budget and it is proposed to continue with that arrangement.

- 7.2 It is proposed to make payment on a quarterly basis funded from the annual Traffic Signals Maintenance budget.

8.0 Equalities Implications

- 8.1 Advice was taken on any potential equalities impacts that arise in result of retendering and awarding the contract. It was confirmed that there are no direct equalities impact and a screening form has been completed included as Appendix A to this report.

9.0 Recommendations

9.1 It is recommended that the Corporate Director, Business and Environmental Services (BES), in consultation with the BES Executive Members, approves:

- i. The procurement of a new Traffic Signals Maintenance Contract

BARRIE MASON
Assistant Director, Highways and Transportation

Author of Report: David Kirkpatrick

Backing Documents: None

Initial equality impact assessment screening form (As of October 2015 this form replaces 'Record of decision not to carry out an EIA')			
This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
Directorate	Business and Environmental Services		
Service area	Highways and Transportation		
Proposal being screened	Traffic Signals Maintenance Contract		
Officer(s) carrying out screening	David Kirkpatrick		
What are you proposing to do?	To tender for and award the Traffic Signal Maintenance Contract to a service provider		
Why are you proposing this? What are the desired outcomes?	To discharge the statutory duty placed on the County Council as local traffic authority by the Traffic Management Act 2004. The desired outcome is a successful tender process and award of contract with effect from 1/09/20		
Does the proposal involve a significant commitment or removal of resources? Please give details.	No		
Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYCC's additional agreed characteristic As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> To what extent is this service used by particular groups of people with protected characteristics? Does the proposal relate to functions that previous consultation has identified as important? Do different groups have different needs or experiences in the area the proposal relates to? 			
If for any characteristic it is considered that there is likely to be a significant adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your Equality rep for advice if you are in any doubt.			
Protected characteristic	Yes	No	Don't know/No info available
Age		No	
Disability		No	
Sex (Gender)		No	
Race		No	
Sexual orientation		No	
Gender reassignment		No	
Religion or belief		No	
Pregnancy or maternity		No	
Marriage or civil partnership		No	
NYCC additional characteristic			
People in rural areas		No	
People on a low income		No	
Carer (unpaid family or friend)		No	
Does the proposal relate to an area where there are known	No.		

inequalities/probable impacts (e.g. disabled people's access to public transport)? Please give details.				
Will the proposal have a significant effect on how other organisations operate? (e.g. partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.	No			
Decision (Please tick one option)	EIA not relevant or proportionate:	X	Continue to full EIA:	
Reason for decision	To ensure the traffic signals and other traffic management technologies are maintained, functional and fit for purpose as part of the County Councils network management duties.			
Signed (Assistant Director or equivalent)	Barrie Mason			
Date	18/06/20			