

REPORT OF
The Strategic Director for Place
TO
Procurement Board
ON
14th September 2022

TITLE: Approval to Award the Contract for Street Lighting Cyclic Maintenance

RECOMMENDATION:

That Procurement Board approve the award of the Contract for Street Lighting Cyclic Maintenance services as detailed in the table below:

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Street Lighting Cyclical Inspection and Maintenance
Name of Successful Contractor	Altitude Service Ltd
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	3350786
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME
Contract Value (£)	£80,000 per annum
Contract Duration	24 months
Contract Start Date	05/09/2022
Contract End Date	05/09/2024
Optional Extension Period 1	12 months
Optional Extension Period 2	12 months
Who will approve each Extension Period?	Procurement Board (extension > £150k)

Detail required	Answers
Contact Officer (Name & number)	Paul Jackson - 07812 781 562
Lead Service Group	Place
How the contract was procured? (to be supplied by procurement)	Open Tender on the Chest
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	N/A
Funding Source	Revenue Budget
Ethical Contractor (EC): Mayor's Employment Charter	<input type="checkbox"/>
EC: Committed to sign up to charter	x
EC: Accredited Living Wage Employer	<input checked="" type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above-mentioned contract.

BACKGROUND DOCUMENTS:

Approval to go out to tender was given at the Procurement Board meeting held 16th February 2022. An invitation to tender was submitted to the Chest in February 2022.

KEY DECISION:

Yes – Whilst the activity is a business as usual one, the potential total value of the contract is circa £320,000

DETAILS:

1. Background

Salford City Council is seeking to appoint a Street Lighting Annual Inspection and Maintenance service provider to deliver essential reactive and planned street lighting maintenance works for the Technical Highways Services team. Since the transition from the Urban Vision partnerships agreement, there is now a need to have in place a legally compliant and properly procured contractual agreement with a third-party contractor to deliver these services. It is intended to appoint a single contractor to

deliver this service, this includes the inspection, reporting, cleaning and routine maintenance of the street lighting network, that consists of approximately 30,000 street lighting columns, which SCC is responsible for. This service will run in tandem with the in-house Street Lighting team based at Swinton Hall Road depot, who deliver the vast majority of any emergency or reactive repair and maintenance. The maintenance schedule is split into a 6-year cycle based on historically defined zones across the city regions. The yearly funding allocation is used to maintain as much of the asset as possible with the monies available. Based on previous years spend and current budget levels, the value of the tender should be estimated at £80,000 per annum and £320,000 for the potential duration of the award. Due to a lack of in-house technical capability and resources at this time and the absence of a contract to award this work, there is currently a back-log of maintenance work. It is hoped that through awarding this contract any backlog of maintenance activity can be addressed in year one, and the forward programme can remain on track.

Approval to go out to competition for the provision of Street Lighting contract was secured at Procurement Board dated February 16th, 2022. An open tender opportunity was subsequently advertised on the Chest in March 2022 and team are seeking to award the contract to the successful bidder for a period of 2 year + 1 +1 year subject to annual review.

2. The Procurement Process

An invitation to tender was submitted to the Chest in March 2022. This was an open tender process that allowed any business interested in the contract to bid via that system. The process saw 17 of businesses indicate an expression of interest with ultimately five businesses submitting formal applications. These bids were assessed internally by members of the Technical Services team using a weighting of 50% price, 35% quality and 15% social value. The social value aspect was assessed externally by *The Social Value Portal*. These weightings were used in view of the fact that road lining services are very similar regardless of the business providing them and price of services is a key determining factor in the operating model for such activities.

Scoring for the assessment was as below:

Nr	Company Name	Quality Score	Price Score	Social value score	Total Score	Ranking
1	Altitude Services	34.40%	15.61%	18.00%	68.01%	1
2	Bidder 2	21.60%	40.00%	6.17%	67.77%	2
3	Bidder 3	12.80%	16.99%	11.05%	40.84%	3
4	Bidder 4	25.60%	0.00%	10.12%	35.72%	4

- We are recommending that Altitude Services Ltd be awarded the contract as overall they are the Most Economically Advantageous Tender (MEAT) i.e. an

award to Altitude Services which is not the highest in terms of Price but has the highest overall score once Quality and Social Value is also taken into account

- The contract duration is intended for two years with the option to extend by 12 months plus a further 12 months providing contractor performance is acceptable.
- Members of the Technical Services team will monitor contractor performance and it will be this regular assessment which will determine whether the extensions will be activated or not.

3. Social Value

The Contractor's ability to deliver Social Value outcomes was assessed as part of the Framework process; all potential bidders had demonstrated a satisfactory capacity to deliver Social value outcomes.

Bidders were asked a series of questions that covered the following areas which would deliver social value outcomes during construction.

- Total spent in the LOCAL supply chain through the contract
- Number of new local businesses added to your supply chain
- Total amount (£) spent through the contract with LOCAL MSMEs
- Donations or in-kind contributions to local community projects (£ & materials)
- No. of staff hours spent on local school and college visits (inc. prep. Time)
- Equality, diversity and inclusion training for staff & supply chain
- Carbon savings from energy efficiency measures - on site
- No. employees provided access to multidimensional wellbeing programmes
- No. of hours volunteering time provided to support local community projects
- Innovative measures to safeguard the environment

The successful tenderer was the highest scoring bidder in this area and has committed to working with the SCC Technical Services team in order to deliver on promises made in their submission and deliver social value to the area throughout the lifetime of the bid.

KEY COUNCIL POLICIES:

List the strategies, plan or programme to which the project/scheme/service or purchase of goods specifically relates.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

N/A

ASSESSMENT OF RISK:

If the contract is not awarded it runs the risk of the street lighting not being maintained to the required standards expected and increasing a health and safety risk to residents

SOURCE OF FUNDING:

This will be funded via the annual Highways Maintenance Revenue Budget

LEGAL IMPLICATIONS: Supplied by: The Shared Legal Service

When commissioning contracts for the procurement of goods, services, or the execution of works, the Council must comply with the Public Contracts Regulations 2015 (PCR) and its own Contractual Standing Orders (CSO's), failing which a contract may be subject to legal challenge from an aggrieved provider. The proposed award of the contract follows a tender exercise by competition in accordance with an Open Tender arrangement via The Chest portal.

The procurement procedure undertaken in this matter appears robust, and the appointment of the provider for this service follows an open tender process which is outlined within the body of the report, with 4 bidders submitting tenders and being evaluated on the most economically advantageous tender basis, resulting in the proposed award of the contract to Altitude Services Ltd, which is compliant with the requirements of CSO's and public procurement legislation. Undertaking the open tender exercise in the recommendation will also give some comfort to the Council in ensuring that value for money is being obtained and periodically tested, with open competition maintained.

FINANCIAL IMPLICATIONS:

Submitted by: Alison Woods, Interim Commercial Finance Manager

Date: 2nd August 2022

Taking into consideration spend in previous years, the annual value of works to be delivered through this contract is estimated at £80,000 per annum and there is an approved Highways revenue budget in place, to directly support the award of a contract to this value.

The Innovation Project implications of this award have been fully considered.

Expenditure code: D0277

PROCUREMENT IMPLICATIONS: Supplied by: Heather Stanton, Category Manager xt 6241

This contract was advertised as an open tender which resulted in 4 bids being received. Altitude was deemed to be the most economic advantageous tender which complies with the Procurement Regulations 2015 and SCC standing orders.

As part of the Council's Innovate program and budget challenges over the next three years, the service group should consider efficiencies, revenue savings opportunities and enhanced contract management KPI's as part of this procurement activity.

HR IMPLICATIONS: Supplied by:

N/A

CLIMATE CHANGE IMPLICATIONS: Supplied by:

N/A

OTHER DIRECTORATES CONSULTED:

List other parts of the organisation consulted with if applicable. Also identify if this is a joint report and if it is, also reflect this in the Heading.

CONTACT OFFICER: Paul Jackson
TELEPHONE NUMBER: 07812 781 562

WARD(S) TO WHICH REPORT RELATE(S): ALL
