Decision Session: Executive Member for Transport and Planning **22 June 2017**

Report of the Corporate Director of Economy and Place

Traffic Signals Asset Renewal (TSAR) Programme, Procurement of Engineering Support

Summary

1. This report seeks permission to undertake a tendering exercise for the provision of specialist traffic signal engineering design services to support internal resources in the Transport Team. This is the retendering of an ongoing provision and is required to support the continued successful delivery of the Traffic Signals Asset Renewal (TSAR) Programme.

Recommendations

2. The Executive Member is asked to:

   1) Approve the tendering and subsequent award of engineering design support services to support the delivery of the TSAR Programme up to a value of £300,000 over four years.

      Reason:

      To provide specialist traffic signal engineering design services to support CYC staff in the ongoing delivery of the remaining four years of the TSAR Programme. This service is required to provide capability in the design and implementation of traffic signals schemes in addition to the general highways and civil engineering design and construction support provided internally by the Highways and Projects Teams.

Background

3. The TSAR Programme is an ongoing highways capital programme scheme that is addressing the increasing age and unreliability of York's traffic signal equipment. In 2016/17, its first year, the Programme delivered £900,000 of improvements that resulted in six traffic signals sites across the City being completely refurbished and brought up to modern standards. This level of expenditure will be continued over the coming four years resulting in the refurbishment of a further 25 to 30 traffic signal sites.

4. Traffic signal design and implementation is a very specialist discipline and one in which it is difficult to recruit and retain staff. It is also one that cities of the size of York only have an intermittent need for, and so it is not cost effective to maintain significant levels of this capability within the Council. A degree of skill in this area is provided by the Transport Systems Team to meet the day to day needs for the City's highway network but this is not intended to be capable of resourcing major capital scheme delivery, as required by the TSAR programme.

5. In order to deliver this level of work, significant additional flexible resource over that normally required by the Council is needed. To date, the services of AECOM Ltd have been used to meet this requirement and support the delivery of the first year of the TSAR Programme. As the contractual basis under which this was provided has now come to an end, this retendering exercise is required to provide ongoing support for the remaining years of the TSAR Programme.

6. The aim of the tender is to appoint a single contractor to provide staff, suitably qualified in the disciplines associated with traffic signal design and implementation, to work alongside and under the direction of the CYC Transport Systems Team. The purpose of this contract is to provide a flexible and efficient way of infilling staff resource shortfalls in the specialist engineering disciplines required for traffic signal design and implementation The contract will take the form of a 'call off' arrangement allowing the exact level of support provided to be adjusted month by month to meet Programme requirements. This form of contract will also allow the degree of support to be varied yearly, as the level of capital programme funding available to TSAR varies.

7. In addition to specialist support provided by this contract, the Transport Systems Team also makes use of internal capability to deliver TSAR where this is available. The general highway and civil engineering design

and construction elements of the programme are delivered by Council's highways teams and telecommunications requirements are delivered through the Council's central ICT managed service. The provision of actual traffic signalling equipment and installation is undertaken under a separate call-off contract awarded in 2016 to Dynniq Ltd specifically for this purpose.

8. As is common with complex engineering projects, it is anticipated that around 20% of the total budget will be spent on 'programme delivery' activities, such as design and project management. Based on experience from the delivery of the first year of the TSAR Programme, the value of work procured annually under this contract is likely to be between £50,000 and £80,000, depending on overall yearly programme size. This, representing around 10% of total TSAR capital budget, falls acceptably within the anticipated 20% allocation for programme delivery.

9. Work has been ongoing with the Council's Procurement Team to develop the best method for procuring this work. It is intended to undertake a mini competition using the Crown Commercial Service's 'Traffic Management Technology' framework. This means that only suppliers that have prequalified to be on the framework will be able to bid and also provides a standard model form of contract for us to use. This approach saves significant time and resource over the traditional approach of holding an open tender process.

Consultation

10. Internal consultation has been undertaken with the Procurement Team to ensure this procurement exercise is completed in line with Corporate Procurement Regulations and in a manner that will secure best value for the Council. Some 'market testing' informal external consultation has been undertaken with suppliers registered on the framework we intend to use to procure this work, to ensure the specification we issue to the market is realistic, aligns well with the known capabilities of likely bidders and will therefore attract competitive, deliverable tender returns

Options

11. There are two options for delivery of the specialist services required and outlined above;
12.
    - the appointment of an external provider as proposed above, (the preferred option)

- Create and fill additional posts on the Council staffing structure to deliver the required services.

Analysis

Preferred option, the appointment of an external provider;

13. As described above, this option presents the most flexible and effective way of infilling shortfalls in internal staff capabilities. The nature of the work required delivering this complex, multi-year programme requires flexibility and the ability to match level of resource to work required and this clearly suggests a call-off contract as the best fit for our requirements. Furthermore, the limited pool of engineers possessing the necessary skills means that recruiting and retaining staff would be difficult and there is no guarantee we could accomplish this within the timescales required to avoid delays to the TSAR Programme.

Alternative option, internal recruitment of staff;

14. It would be possible to create additional posts with the Transport Systems Team to undertake this work. This however, has a number of difficulties. The limited pool of engineers in the market place possessing the necessary skills means that is in no way certain that CYC could successfully recruit and it is unlikely that such staff could be appointed quickly enough to avoid serious delays to the TSAR Programme. This would delay the delivery of the Programme and lead to unreliable, increasingly outdated traffic signal equipment remaining in use around the City for longer than necessary. Additionally, the very inflexible resourcing level that results from appointing staff directly would be very inefficient, considering the varying levels of resource required by the scheme month to month and from one year to the next.

Council Plan

15. The TSAR Programme is a key element of the Council's highways capital programme and an important part of meeting the Council's priority of ensuring a prosperous city for all. Renewal and upgrading of ageing traffic signal equipment has a very significant role in improving the highway network, our ability to manage congestion and provide high quality and safe facilities for all road users. Having the right skills available in a flexible and responsive way is crucial to the ongoing successful delivery of the TSAR programme.

Implications

16.

- **Financial**

  Ability to deliver a significant element of the highways capital programme is at risk without the correct resourcing of TSAR Programme delivery.

- **Human Resources (HR)**

  Recruiting suitably qualified candidates into CYC posts to fulfil this requirement would be very challenging and given the highly competitive nature of this discipline is not guaranteed to be successful. This would have a serious implication on the ongoing delivery of the TSAR Programme.

- **One Planet Council / Equalities**

  The introduction of new traffic signalling equipment is beneficial both in its inherently greater efficiency and lower energy consumption and its ability to management traffic more efficiently. The systems being installed through TSAR makes widespread use of low power equipment and LED lighting technology to significantly reduce power use and costs. The new systems also use better traffic detection technologies making them better at reacting to traffic flow and managing congestion. Failure to deliver TSAT on time due to lack of appropriate staff resources would severely impact the realisation of these benefits.

- **Legal**

  The proposed approach has been developed with the Procurement Team and offers the most suitable route for the procurement of this requirement.

- **Crime and Disorder**

  None.

- **Information Technology (IT)**

  The roll-out of the TSAR Programme is part of a wider project to migrate all of York's traffic signals to the corporate communications network, realising significant savings in revenue costs.

- **Property**
  None.

- **Other**
  Highways – The TSAR Programme represents a significant investment in the highway network and will deliver efficiencies both in the operation of the network and associated costs. The correct resources to deliver TSAR are essential to ensure this can be delivered.

Risk Management

15. There is a significant risk to the ability of the Council to deliver the highways capital programme without correct resourcing of the TSAR Programme in place. The proposals outlined in this report will mitigate this risk. Similarly, delivery of TSAR has wider benefits in enhancing the highway network, reducing congestion, increasing accessibility for vulnerable road users and reducing revenue expenditure that will not be realised if the resources to deliver the Programme are not in place.

16. There is a risk to the Council in undertaking any procurement exercise and so it is essential to ensure that it meets Corporate Procurement Regulations, relevant law and offers best value. The approach proposed in this report has been developed with input from the Procurement Team to ensure this risk is mitigated and an appropriate method of procurement is used.

Contact Details

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	Report Approved √ **Date** 12/06/17

Specialist Implications Officer(s) List information for all

None

Wards Affected: List wards or tick box to indicate all **All** X

For further information please contact the author of the report

Background Papers:

None

Annexes

None

List of Abbreviations Used in this Report

TSAR – Traffic Signals Asset Renewal