

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3385
Author:	Mark Lethbridge
Department:	Development and Growth
Contact:	Mark Lethbridge (Job Title: Technical Expert - Highway Systems, Email: mark.lethbridge@nottinghamcity.gov.uk, Phone: 876 5766)
Subject:	Bus Lane Enforcement Maintenance Contract
Total Value:	Up to £600,000 over 3 years (Type: Revenue)
Decision Being Taken:	1) To renew the existing contract to use Siemens Traffic Solutions to continue to maintain and repair both Nottingham and Leicester's ANPR Department for Transport Type Approved enforcement network of bus lane and clearway parking cameras, review station hardware and software for 3 years. 2) To approve dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.2.9 (Operational issues) to award the maintenance contract to Siemens without undertaking a full tender process.

Reasons for the Decision(s)

After renewing the contract on a yearly basis we are now seeking to contract for a longer term to ensure continuity of service and consistency, and to secure additional cost savings.

For operational and interoperability reasons, Siemens who are the sole supplier of the DfT Type Approved camera enforcement system are the only contractor able to work on the whole system as they are the manufacturer. Whilst a tender process could be undertaken to identify other channel partners, these partners will add their uplift costs for providing the contract, a contract where Siemens will be the provider. There are other type approved systems on the market but unfortunately these products are not compatible with the Siemens system. A type approved system works on the same basis as Siemens which means their equipment cannot be used on another suppliers framework. We could look to remove the Siemens System and replace it with a new supplier however the costs involved would be between £1-2 million and we would then encounter the same issue as now with the new supplier being the only company able to maintain and repair the enforcement system.

Following negotiations in order to secure the best possible deal for the City Council, Siemens have confirmed that Nottingham City Council will be paying the Recommended Retail Price by contracting directly with them which will ensure the Council has the opportunity to make savings and achieve best value.

By purchasing for 3 years and paid over 3 yearly instalments Siemens have also stated they will maintain the unit costs for 2018/19 for the following 2 years. This will mean no inflationary increases over the final 2 years of the contract. The only increase in the yearly costs will be the additional cameras which will be coming off their warranty and becoming part of the maintenance contract. This means the Authority will make a saving of between 2% - 4% over the last 2 years of the contract depending on the Retail Price Index (RPI), Siemens determine their inflationary yearly costs after analysing various different sources.

The Council is contracting on behalf of itself and Leicester City Council for whom it operates its bus lane enforcement system under a partnership agreement. There will be an initial additional cost implication as the quotations will include Leicester City Council's element of the contract. Leicester are then invoiced for their element of the contract once the Delegated Decision is signed and an official requisition has gone in for the first year of the contract.

2005 No 2725 Road Traffic, England. The Bus Lane contraventions (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2005, Section 36, Paragraphs 1-7 governs the fund of the upkeep and maintenance of the system. This means that the income generated from the cameras first must be reinvested back into the enforcement system for maintenance purposes and other transport initiatives.

Other Options Considered:

1) Not maintaining the whole system - Both Nottingham and Leicester's camera network would fail, we would also be in breach of our SLA with Leicester and it is a requirement of the DfT that the Bus Lane Enforcement system is maintained to keep the system approved and certified. For these reasons this option was rejected.

2) Going out to tender - The provider of the maintenance contract, were it not Siemens directly, would employ Siemens and we would pay an additional uplift fee for this service over and above the quotation we have already received from Siemens. For this reason this option was rejected.

3) Remove the Siemens system and install a new system. By removing the whole system and replacing it would cost the authority between £1-2 million. For this reason this option was rejected.

Background Papers:

Unpublished background papers:

Bus Lane Enforcement Regs 2005.docx

Published Works:

2005 No. 2757 Road Traffic, England. The Bus Lane contraventions (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2005, Section 36, Paragraphs 1 - 7 governs the fund of the upkeep and maintenance of the system.

Affected Wards:

Citywide

Colleague / Councillor Interests:

There are no declaration of interests of colleagues and councillors who will be involved in this decision

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

By not employing a maintenance contract we risk our network of enforcement cameras failing, this will then allow vehicles to abuse bus lanes and gates and park on clearways which is also prohibited. This will impact on slower journey times for public transport users and all other road users, this is contrary to Nottingham's pledge, 'Let's Keep Nottingham Moving' and will mean our legal commitment to Leicester will also be compromised.

Equality:

EIA not required. Reasons: EIA not required - Renewal of an existing maintenance contract.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

31/01/2019

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The proposals in this report raise no significant legal issues.

Siemens provide the Council's camera equipment and back off system for bus lane enforcement. Whilst it is understood there are other suppliers of an enforcement system in the market, the systems that are compatible would be Siemen's systems, purely provided at an extra cost by third party providers and alternative systems provided by other suppliers are not compatible with the camera equipment the Council currently have in place.

For these reasons, competition for provision of the system and its maintenance is deemed absent for technical reasons and no reasonable alternative without a full and substantially costly and financially prohibitive reprocurement of both the equipment and system, exists at this time. Contracting with Siemens is therefore considered the most appropriate and best value method for securing the continued upkeep of the equipment and associated systems. Advice provided by Dionne Claire Screatton (Solicitor) on 04/01/2019.

Finance Advice:

As Siemens are the sole supplier of the equipment and the only supplier who can provide the appropriate maintenance, the Dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulations 3.29 is considered appropriate in these circumstances.

The contract will be financed from within existing budgets/income from the BLE cameras and presents no financial pressure on the service. Advice provided by Susan Tytherleigh (Senior Finance Manager) on 08/01/2019.

Procurement Advice:

Dispensation from Contract Procedure Rule 5.1.2 is being sought in accordance with Paragraph 3.29 of Financial Regulations. This proposal is supported due to the specific nature of the services (i.e. maintenance, support, upgrades not licensing) and the inability of alternative contractors to provide the necessary maintenance and support due to the IPR of the system. Therefore there are no significant procurement concerns with this proposal. Advice provided by Rosalie Parkin (Category Manager) on 21/12/2018.

Signatures

Dave Liversidge (Portfolio Holder for Transport and HR)
SIGNED and Dated: 24/01/2019
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 23/01/2019