

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3656

Author:

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Department:

Development and Growth

Contact:

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Subject:

Maintenance Contract for Average Speed Cameras in Nottingham

Total Value:

£818,004 (Type: Revenue)

Decision Being Taken:

1) To enter into a four-year maintenance agreement with Jenoptik Traffic Solutions UK Ltd (Jenoptik), the supplier of the average speed cameras used across Nottingham, to be paid £204,500 on an annual basis.2) To grant dispensation under Financial Regulation 3.29 from obtaining at least three written tenders (set out in Contract Procedure Rule 5.1.2).

Reasons for the Decision(s)

There are currently 96 average speed cameras across Nottingham. In the last few years the oldest cameras, installed in the early 2000s, became obsolete and were upgraded to the latest technology at a cost of £1.5million. The cameras were installed to reduce road traffic casualties. Since installation, the number of people killed or seriously injured has reduced by over 60% and the number of slight injuries by over 33% in areas where such cameras are operational. In addition, the cameras also reduce the number of delays caused by traffic collisions and national research shows that traffic is flowing better where the cameras are installed, helping to keep Nottingham moving and reduce air pollution. A maintenance contract is needed to ensure that the equipment meets the Home Office Type Approval requirements for speed enforcement. This provides ad-hoc servicing, repairs and the regularly required type approval checks. Only Jenoptik (the supplier) or a contractor appointed by them are able to fulfil the legal obligations needed to authorise that the equipment meets the type approval. The Traffic Service Area revenue budget has allocations to fund the maintenance of existing highways infrastructure (traffic signals, cameras, etc.) using the income generated by the Service Area's activities. £235,000 had been set aside for this equipment and negotiations have been taking place over the last few months to explore options and ensure the best possible deal has been reached.

Other Options Considered:

1) A one-year maintenance contract at £204,500. This option was rejected because, although the cost for this year is identical, a new maintenance contract would be required for 2020/21 onwards. The cost of this would increase by inflation plus an uplift. Over the four-year period, the annual maintenance agreements would cost £63,500 more than the recommended option, based on 5% increase per year.2) Reduce or end the maintenance. This option was rejected because this would negate the positive effects on congestion, pollution and safety that the cameras bring. The equipment would also begin to degrade and would eventually need removing or bringing back in to operation, at considerable cost, before it became a liability.3. Tender for an alternative maintenance supplier. This option was rejected because the legal requirements of Section 20 of the Road Traffic Offenders Act 1988 requires all speed enforcement devices to be approved by the Secretary of State. To obtain the approval, all devices must be Type Approved by the Home Office as detailed in The Speedometer Handbook (Forth Edition) No. 15/05. This requires regular maintenance of speed cameras to be carried out by the manufacturer, their appointed agent or a suitably qualified technician offering appropriate evidence of technical and professional competence. The Home Office and National Police Chiefs' Council state that the supplier of the system has to certify that it meets the required Type Approval. This means any work undertaken by an alternative provider would have to be certified by Jenoptik, or another contractor they have authorised, as they own the intellectual property rights to the software and would have to undertake inspection and validation of such works. Jenoptik have not authorised any other contractor and the cost of the validation would be the same as that charged by Jenoptik for undertaking the works themselves. Jenoptik are therefore the only viable provider of this service.

Background Papers:

None

Published Works:

None

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Dispensation from Financial Regulations:

Yes

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

Continuing the maintenance contract will enable Nottinghamshire Police to continue to use these cameras. As well as discouraging excessive speeds and enabling direct action to be taken against those that break the law by speeding, the cameras have also been used to provide evidence in multiple non-speeding investigations and help to deny criminals the use of the road.

Equality:

EIA not required. Reasons: The proposals do not represent changes to a policy, service or function.

Social Value Considerations:	See Procurement Advice.
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	04/10/2019
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	<p>This report does not raise any significant legal issues. It is understood from discussions with the report author (and as set out in this report and previous reports) that Jenoptik is the only company from whom the City Council can contract for these services to meet its legal obligations for Home Office type approval and also because Jenoptik is the owner of the intellectual property in the software. On that basis a direct award can be made to Jenoptik in accordance with the Public Contracts Regulations 2015.</p> <p>Advice provided by Andrew James (Team Leader Contracts and Commercial) on 27/08/2019.</p>
Finance Advice:	<p>There is sufficient within the Traffic budget to fund this cost - although as it is for 4 years - this budget will need to be safeguarded against future budget cuts to ensure that there is sufficient in future years. As outlined in the body of the decision, it is a requirement that the supplier of the system has to provide the maintenance and therefore it is considered appropriate to seek a dispensation from Financial Regulations and provide a direct award to the contractors as stated.</p> <p>Advice provided by Susan Tytherleigh (Senior Finance Manager) on 23/08/2019.</p>
Procurement Advice:	<p>The client has stated that there is no other provider who has the knowledge to maintain the software which is an integral part of the equipment and system. The value is above the EU threshold, however, the client has stated that the provider is exclusively able to access and maintain the system, therefore it is considered unlikely that a challenge would be made. The proposed award to the provider for the maintenance of the system is supported.</p> <p>Advice provided by Paul Ritchie (Lead Procurement Officer) on 19/08/2019.</p>
Signatures	<p>Adele Williams (Portfolio Holder for Adult Care & Local Transport)</p> <p>SIGNED and Dated: 27/09/2019</p> <p>Chris Henning (Corporate Director for Development and Growth)</p> <p>SIGNED and Dated: 23/09/2019</p> <p>Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations</p> <p>SIGNED and Dated: 29/08/2019</p> <p>Chief Finance Officer's Comments:</p>