

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Executive Director of Housing, Environmental and Economic Development**

**Tendering Committee: 26 January 2012**

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**Subject: Extension to the Road Lighting Maintenance Contract**

#### **1. Purpose**

- 1.1** To seek the Committee's approval to extend the existing road lighting term maintenance contract on a further short term basis pending finalisation of the consideration of alternative business cases and if appropriate to commence a further procurement exercise, for a new 4 year term period.

#### **2. Background**

- 2.1** The existing term maintenance contract was tendered in March 2005 for a 5 year term period.

- 2.2** The current procurement of this term maintenance contract was initially delayed following challenges to similar pre qualification questionnaires for street lighting term maintenance contracts within Scottish Councils. Prior to the commencement of this procurement process our pre-qualification questionnaire was subjected to vigilant scrutinisation to ensure it would withstand legal challenge should it arise during the procurement process. Short term extensions since March 2011 have been agreed with our current contractor, Lightways (Contractors) Ltd. to ensure the continuation of this essential term maintenance contract

#### **3. Main Issues**

- 3.1** The procurement process has also recently been held back to facilitate the promotion of a detailed business case seeking funding through the re-securitisation process currently ongoing within the Council. Interest has also been expressed by the Scottish Futures Trust to further develop a street lighting efficiency business case and the consideration of this expression of interest will further delay the procurement of a new term contract should this be considered the best value approach to the future maintenance of our street lighting infrastructure.

**3.2** The existing procurement process has now been delayed significantly and it is considered necessary to cancel the current procurement exercise, and if appropriate following consideration of the Council's preferred approach to street lighting provision, re-advertise expressions of interest through a new OJEU notice, however this procurement process will not commence until the ongoing detailed business case is fully considered and determined. An extension to the existing contract is therefore required for a suitable period to consider the benefits of engagement with the Scottish Futures Trust.

#### **4. People Implications**

**4.1** The existing term maintenance contract will continue to be managed by the Roads and Transportation Services Section of Housing, Environment and Economic Development.

#### **5. Financial Implications**

**5.1** The existing term maintenance contract has been bench marked against other Authorities term maintenance costs and continues to provide a best value service to the Council. Costs are subjected to price fluctuation and as such will not be subject to review by the existing Contractor. Expenditure will be contained within current revenue funds for street lighting maintenance.

#### **6. Risk Analysis**

**6.1** The term of the existing contract has now expired and a formally agreed extension is required to ensure the availability of a suitable contractor to undertake the necessary maintenance of the Council's street lighting infrastructure.

#### **7. Equalities Impact Assessment (EIA)**

**7.1** No significant issues were identified in a screening for potential equality impact of this report

#### **8. Strategic Assessment**

**8.1** The maintenance of our street lighting infrastructure is essential in maintaining social well being, keeping our road network safe and alleviating the fear of crime.

#### **9. Conclusions and Recommendations**

**9.1** In order to consider future procurement models within a fully developed business case either through the Council's current re-securitisation process or in partnership with the Scottish Futures Trust it is necessary to extend the existing term maintenance contract until completion of that exercise, an initial 6 months extension with an option to extend by a further 6 months is required to finalise consideration of the Council's preferred approach.

- 9.2** The Committee is invited to approve the extension, on a further short term basis of the Road Lighting Maintenance Contract to Lightways (Contractor) Ltd. pending finalisation of the consideration of alternative business cases and if appropriate to commence a further procurement exercise.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 13 January 2012**

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**Appendix:** None

**Background Papers:** None

**Wards Affected:** 6