

Report to the Chief Officer (Highways and Transportation)

Date: 19 July 2016

Subject: Request to Waive Contract Procedure Rules 8.1 and 8.2 to upgrade the Leeds City Council Airviro Air Quality Data Management and Modelling system without seeking competition.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- 1 Airviro is a proprietary Air Quality Data Management and Dispersion Modelling application which was originally purchased in 1996 from the Swedish Meteorological and Hydrological Institute (SMHI) following a competitive procurement process.
- 2 Airviro is used to automatically collect, collate and process monitored data from remote air quality monitoring stations and the Leeds City Council meteorological station. It is also used to calculate the effects of weather conditions on local and regional emissions in order to predict pollution concentrations and the likely impact of different scenarios.
- 3 Defra are to mandate Leeds City Council to introduce a Clean Air Zone (CAZ) by 2020 and expect Leeds to assess a number of potential alternative and supportive measures to determine the scale and scope of the interventions required to ensure that Leeds Complies UK Air Quality standards and EU Standards. In order to meet the timescale required, Leeds must aim to complete the assessment of alternative scenarios by the end of this calander year. This means the modelling needs to commence as soon as possible and no later than mid-September.
- 4 Defra have issued guidelines for the minimum specification required for all modelling outputs associated with the any CAZ scoping study and have made funding available where required to assist local authorities to comply with those standards.

- 5 Since its original purchase, the Airviro application has been supported through an annual service and maintenance contract through SMHI and their appointed sub-contractor, Apertum . It was last upgraded to V3.12 approximately 9 years ago along with the server that it runs on. The system will struggle to cope with the modelling resolution Defra are specifying as a minimum requirement.
- 6 Defra have approved grant funding of up to £24,000 to enable Leeds City Council to upgrade both the Airviro application to Version 4 and replace the computer server which it runs on to a more powerful specification so that the package as a whole can meet the requirements expected.
- 7 This report seeks approval to waive Contract Procedure Rules 8.1 and 8.2, to enable the purchase of the application upgrade and installation directly through the proprietary system supplier.

Recommendations

- 8 The Chief Officer Highways and Transportation, is requested to:
 - i) approve the waiver of Contract Procedure Rules: 8.1 and 8.2 (Intermediate Value Procurement) and approve the upgrade of the Airviro Air Quality Data Management and Modelling application from V3.12 to V4 at a cost of £15,800 and £4,600 to cover the costs of installation of the Application without seeking competition;
 - ii) approve the expenditure of £2,300 on provision of a new higher specification server; and
 - iii) approve the expenditure of necessary internal staff fees within ICT to ensure that the installation of the above is managed correctly within our corporate IT infrastructure.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Chief Officer, Highways and Transportation, to waive Contract Procedure Rule 8 (Intermediate Value Procurement, contracts between £10k and £100k), to purchase an upgrade to a specific piece software for use by the Highways & Transportation, Environmental Studies team.

2 Background information

- 2.1 The Environmental Studies team maintains a West Yorkshire transport emission database using traffic data for both the Key Route Network (using DfT traffic count data) and a more detailed Leeds District network using the SATURN Model. They are both used for assessing the impact of major transport schemes on emissions and air quality and to supporting the development of future transport scheme scenarios across both the City and West Yorkshire.
- 2.2 Airviro also acts as a central data collection device to collect, analyse and display monitored air quality and meteorological data. The emission database is updated annually and used for reporting the progress of the emission targets within the

LTP and LCC's requirements under Defra's air quality review and assessment process. N&H Scientific Services also have access to the application as they maintain the remote air quality monitoring stations.

2.3 Airviro will be a key application in LCC being able to scope and assess the future impact of the proposed Clean Air Zone scenarios which Leeds will be required to implement by 2020. However it has not been upgraded for nearly a decade and will struggle to meet the minimum modelling resolution specified by Defra.

2.4 Whilst other Air Quality data collection and modelling software is available. Purchasing new air quality modelling data management systems capable of meeting the requirements is expensive. They are also complex to use and would involve a lengthy process to procure and set up from scratch. Such delays would impact heavily on the council's ability to complete the necessary work on time.

3 Main issues

Reason for Contracts Procedure Rules Waiver

3.1 The existing Airviro application is a proprietary application and is subject to an annual service and Maintenance contract with its developer and supplier, SMHI. To upgrade the application to the latest version will cost a one-off fee equal to 30% of a full licence for a completely new installation.

3.2 The alternative to upgrading the existing Airviro application is to go through a competitive tender and procurement route to compare the upgrade of the existing LCC Airviro Application against the purchase of a completely new system capable of meeting the same criteria.

3.3 Any alternative application meeting the same criteria as V4 of Airviro would also be a proprietary system subject to similar service and support limitations and requirements. In addition the specification would need to ensure that the system would be compatible with all existing remote monitoring loggers and communication protocols.

3.4 An application has been made to Defra for funding to cover the required upgrade of both the application software and purchase a new server. Defra has subsequently contacted Leeds City Council to confirm that they will be awarding £24,000 for the specific purpose of :-

- Upgrading Airviro to V4 (licence and contractor installation costs)
- Replacing the existing server with a more powerful specification
- Contribution towards internal staff costs associated with the planning and implementing the server swap.

3.5 The application to Defra had to satisfy their own Best Value for Money test prior to award and also took in to account the timescales for which the work they require Leeds to preform must be completed.

- 3.6 It is therefore considered more cost effective and efficient to upgrade the existing Airviro application model for which all our existing data collection systems and previous modelled outputs are compatible.

Consequences if the proposed action is not approved

- 3.7 Defra will remove their offer of funding for this purpose. The Airviro application we have will continue to work, but will become unsupported by the suppliers within a few years.
- 3.8 The existing application and the server it runs on will not be able to adequately meet the modelling resolution which Defra are specifying as necessary to complete the CAZ scoping studies. Consequently, Leeds will struggle to meet the requirements expected by Defra.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This decision is primarily related to the support of service provision within Highways and Transportation so no consultation has taken place with elected members.
- 4.1.2 Colleagues in N& H Scientific Services also have access to the Application and have been consulted on these proposals.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been prepared and an independent impact assessment is not required for the approvals requested.
- 4.2.2 The screening process confirmed that the proposals have no impact on any of the equality characteristics.
- 4.2.3 A copy of the screening report is attached as Appendix A.

4.3 Council policies and City Priorities

- 4.3.1 The proposed procurement of this system is included in this waiver report to allow Leeds City Council to meet the requirements Defra have set out in their Clean Air Zone Scoping Study minimum specification guidance and to take advantage of the grant funding Defra have agreed to allocate for this purpose.

4.4 Resources and value for money

- 4.4.1 The cost is 176,000 Swedish Krona (SEK) which is £15,800 for the upgraded application (30% of the original license fee) with a further 52,000 SEK (£4,600) for actual installation costs including travel, subsistence and introductory training session on the new features.
- 4.4.2 The cost of a new Server to the recommended specification is expected to cost in the region of £2,300. The hardware upgrade will be purchased either through

SMHI or LCC's chosen IT supplier depending on who can provide the suggested specification at the lowest cost.

- 4.4.3 At the above figures, the grant funding from Defra will also contribute up to £2,300 towards the costs incurred by LCC ICT staff to plan and implement the replacement of the server.
- 4.4.4 The proposal will upgrade software and hardware that has not been upgraded for many years and allow greater flexibility, speed and accuracy in the future air quality modelling capacity of Leeds City Council at a period where Air Quality has become increasingly high profile within national and local agendas.
- 4.4.5 Future service delivery (and potential income) can be realised through the Council's increased ability to model air quality at greater resolution and accuracy whilst removing the existing risk of the hardware failure and software becoming unsupported due their age.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The report is not subject to Call In and there are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.
- 4.5.2 Awarding a contract directly to SMHI in the way proposed could leave the Council open to a potential claim from other contractors to whom this contract could be of interest that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value would be of interest to providers in other Member States and if it would, subject the matter to a degree of European wide advertising.
- 4.5.3 The Chief Officer Highways & Transportation has considered this and, due to the nature of the services being delivered and the relatively low value of this contract is of the view that it would not be of interest to contractors in other EU Member States.
- 4.5.4 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver of CPR 8, the above comments should be noted. In making their final decision, the Chief Officer Highways and Transportation should be satisfied that the course of action chosen represents best value for money.

4.6 Risk Management

- 4.6.1 The Airviro system has been integral to Leeds City Council's ability to collect manage and interrogate air quality monitoring data and perform complex air quality dispersion calculations since 1996. In this time it has always been supported

through SMHI and its appointed sub-contractor Apertum, who also performed the last upgrade around 9 years ago.

- 4.6.2 Both the application and the support has been reliable in its operation and the previous upgrade was performed without any problems. Appropriate Leeds City Council ICT officers will be in regular communication with the suppliers to ensure the upgrade is performed as quickly and smoothly as possible.

5 Conclusions

- 5.1 The existing version of the Council's air quality modelling application (Airviro V3.12) is not able to meet the specification required by Defra to model the impacts of future potential Clean Air Zone interventions within Leeds.
- 5.2 The newest version of Airviro (V4) is able to meet the requirements set out by Defra. However the existing server is unlikely to be able to cope with the increased demands placed up on it through the additional data and calculation requirements.
- 5.3 Defra have agreed to provide Leeds City Council with up to £24,000 to cover the costs of the upgraded licence, software installation costs and purchase of a new, more powerful server.
- 5.4 The upgrade of the application is charged at 30% of the full licence cost. The alternative to upgrading the application would be for the council to embark on a detailed and lengthy procurement procedure to assess the alternative Air Quality modelling applications to ensure that they could deliver what is necessary and be compatible with all existing outstations. This would prevent Leeds City Council being able to meet the deadlines required in order to deliver the outputs which Defra wants and allow elected members enough time to consider and act upon them.

6 Recommendations

- 6.1 The Chief Officer Highways and Transportation, is requested to:
- i) approve the waiver of Contract Procedure Rule: 8.1 and 8.2 Intermediate Value Procurement and approve the upgrade of the Airviro Air Quality Data Management and Modelling application from V3.12 to V4 at a cost of £15,800 and £4,600 to cover the costs of installation of the Application without seeking competition;
 - ii) approve the expenditure of £2,300 on provision of a new higher specification server; and
 - iii) approve the expenditure of necessary internal staff fees within ICT to ensure that the installation of the above is managed correctly within our corporate IT infrastructure.

7 Background documents¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include

7.1 Defra provisional grant award email

7.2 SMHI upgrade quotation.

published works.

U:HWT/Admin/Wordproc/Comm/2016/Airvio Upgrade – Waiver Report.doc.