

Report to Chief Officer, Highways and Transportation

Date: 2nd March 2017

Subject: Request to Waiver of Contract Procedure Rules 8.1 and 8.2 to purchase annual support contract for mesh system supplied by Integrated Design Techniques Limited 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 The current IMesh network utilised by Urban Traffic Management Control (UTMC) controls and monitors over 400 traffic signals and requires technical support.
- 2 Integrated Design Techniques Limited (IDT) supply the proprietary system used by UTMC in Leeds and Calderdale, and as such are the only contractor who can provide the required technical support.
- 3 There will be benefits to the operation of the UTMC network with IDT performing monitoring and diagnostic checks on the system, and replacing hardware if it becomes faulty.

Recommendations

- 4 The Chief Officer Highways and Transportation is requested to approve the waiver of Contract Procedure Rule: 8.1 and 8.2 (Intermediate Value Procurement) and approve the purchase of an annual software and hardware support contract with Integrated Design Techniques Limited to the value of £20,256 for the first year with the option to extend for a further three years without seeking competition.

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 8.1 and 8.2 to purchase of an annual software and hardware support contract with IDT to the value of £20,256 for the first year with the option to extend for a further three years without seeking competition.

2 Background information

- 2.1 UTMC controls and monitors over 600 sets of traffic signals in the Leeds and Calderdale districts, the connection to the main UTC server is generally via an adsl circuit and wifi connections to adjacent junctions using IDT IMesh equipment.
- 2.2 Following the UTC migration from Merrion House an annual £100K saving was achieved by switching the connection method to traffic signals from BT point to point circuits to the current IDT adsl system which utilises broadband technology and reduces costs with fewer circuits required using Wi-Fi to connect junctions.
- 2.3 The initial contract for the installation of the IDT system was tendered in 2012 and Siemens Traffic were successful and procured IDT as our main supplier of hardware and software. We have since expanded the system and now control and monitor over 400 signals in Leeds and Calderdale using this system. Following the move to Middleton a further 3 years LTP funding of £360,000 was invested in the network.
- 2.4 The IDT equipment has an asset value in region of £750,000 and is still in the forefront of technology in this field, providing technical support from the manufacturer is vital to maintain connectivity to traffic signals and cctv installations.

3 Main issues

Reason for Contracts Procedure Rules Waiver

- 3.1 The support contract for the bespoke equipment needs to be provided by IDT, being that they are the manufacturer and installer and are therefore the only organistaion that have access to the workings of the background network.
- 3.2 The current capital investment of £750K in the system requires support to ensure it is working at maximum capacity and providing value for money. The future proposals for a joint West Yorkshire UTMC will not have an effect on the current installations as it has been agreed that IDT will remain the provider for Leeds and Calderdale in the proposed organistation.

Consequences if the proposed action is not approved

- 3.3 Leeds UTMC could have reduced capability if connection and control to traffic signals and cctv are affected.
- 3.4 The possible loss of CCTV images connected to the network would impede UTMC operation.

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.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality, Diversity, Cohesion and Integration Screening has been prepared (Appendix A) 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.

4.3 Council policies and City Priorities

4.3.1 The proposed procurement of this support contract will provide UTMC with technical support and replacement hardware. Diagnosis and repair of faults will improve and the system will run more efficiently.

4.4 Resources and value for money

4.4.1 The cost of £20,256 per annum averages at around £50 per site per annum and is considered to represent good value for money.

4.4.2 The funding will be allocated from the existing UTMC revenue budget with a pro rata contribution from Calderdale MBC.

4.4.3 The system will allow greater flexibility in the provision of CCTV in the future and reduce the need for expensive fibre circuits.

4.4.4 Future revenue savings can be realised with the expansion of IP communications in proposed Highways schemes.

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 this contract directly to IDT in this way could leave the Council open to a potential claim from other suppliers 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 could be of interest to suppliers from other EU member states and, if it could, the opportunity should be subjected to a degree of EU wide advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.

- 4.5.3 The Chief Officer Highways and Transportation in approving this waiver acknowledges he has considered the nature of the services being delivered and due to the fact that this service must be provided by IDT, along with the relatively low value of this contract, is satisfied that this opportunity would not be of interest to providers 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 8.1 and 8.2, 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 ongoing support required for the UTMC IMesh system can only be supplied by the manufacturer of the equipment IDT, the investment of £750,000 in the existing system requires technical support and maintenance of hardware.
- 4.6.2 There remains a risk that a complaint could be raised that the council has not followed reasonable procedures, resulting in a loss of opportunity, which could potentially give rise to an Ombudsman Investigation, however it considered that this risk is low.

5 Conclusions

- 5.1 Having the support contract with IDT is necessary to provide a high level of service on the IMesh system to UTMC.
- 5.2 The proposed support contract will provide a high level of technical support and savings on hardware repairs as the initial installations were installed some 4 years ago, the unit cost of support for each location is around £50 per location per annum.

6 Recommendations

- 6.1 The Chief Officer Highways and Transportation, is requested to approve the waiver of Contract Procedure Rule: 8.1 and 8.2 (Intermediate Value Procurement) and approve the purchase of an annual software and hardware support with Integrated Design Techniques Limited to the value of £20,256 for the first year with the option to extend for a further three years without seeking competition.

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 None.

published works.