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**Report of Economic Dev Programme Leader**

**Report to Chief Officer Resources and Strategy**

**Date: 27<sup>th</sup> August 2019**

**Subject: Procurement Waiver for Appointment of IS Group for Wayfinding Signage**

Are specific electoral Wards affected?	Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Hunslet & Riverside, Little London & Woodhouse		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

**What is your reason for seeking to waive CPRs?**

There is a genuine, unforeseeable emergency meaning there is no time to go through a procurement process (e.g. to deal with the consequences of extreme weather).	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
To purchase supplies or services on particularly advantageous terms due to liquidation/administration.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Requirement to put a contract in place with a current provider whilst a review of the services is completed.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Ran out of time to undertake a new procurement exercise	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Other (please provide summary here) Five reasons as detailed in 3.1 – 3.5 below (Value for money; previous intention to carry out this phase, quality of previous work, complications arising from appointing new suppliers, efficiencies arising from continuing with existing supplier)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## **Summary of main issues**

1. Having been originally approved by Executive Board in 2009, the city's 'Legible Leeds' pedestrian signage network has since expanded to 80 on-street signs across the city centre. The network of signs has grown incrementally as the city has developed, and the continued expansion of the city centre means there is now a need for more signage, to ensure new destinations are adequately signed.
2. Key drivers for this phase of the Legible Leeds scheme include the change of name to Leeds Playhouse, the development of Quarry Hill, the LPTIP Gateways scheme, the aspirations to improve connectivity on the waterfront, and the increased concentration of employees and visitors using the West End of the city centre, particularly at Wellington Place.
3. This report requests authorisation to make a direct appointment to the existing supplier (called IS Group) for the manufacture and installation of the signage on the basis that they won a competitive tendering exercise in 2018 by a considerable margin, that their performance and quality of work has been high, and that changing suppliers (for a fourth time) on the scheme would generate additional resource implications outweighing the benefits of changing.

## **Recommendations**

4. In respect of the manufacture of Legible Leeds Signage, the Chief Officer of Resources and Strategy is recommended to approve a waiver of Contracts Procedure Rule(s) 9.1 and 9.2 (High value procurements) and award a contract to IS Group in the sum of approximately £150,000. The contract shall commence on the 1<sup>st</sup> September 2019 and expire on the 31<sup>st</sup> August 2021 with the option to extend for a period of 12 months.

## **1 Purpose of this report**

- 1.1 This report requests to authorisation to waive CPRs 9.1 and 9.2 and to make a direct appointment to the existing supplier for the manufacture and installation of the signage.

## **2 Background information**

- 2.1 Having been originally approved by Executive Board in 2009, the city's 'Legible Leeds' pedestrian signage network has since expanded to 80 on-street signs across the city centre. The network of signs has grown incrementally as the city has developed, and the continued expansion of the city centre means there is now a need for more signage, to ensure new destinations are adequately signed.
- 2.2 Key drivers for this phase of the Legible Leeds scheme include the change of name to Leeds Playhouse, the development of Quarry Hill, the LPTIP Gateways scheme, the aspirations to improve connectivity on the waterfront, and the increased concentration of employees and visitors using the West End of the city centre, particularly at Wellington Place.
- 2.3 A mix of funding sources has been brought together to fund the installation of an additional 39 on-street wayfinding signs, and the updating of around 20 existing signs. There is also a requirement to improve the safety of the fixings of a number of signs that were installed around 10 years ago.
- 2.4 The total cost of this phase is £132,111, which will be funded by a variety of internal and external sources.
- 2.5 Of the anticipated £132,111 overall costs for the phase, the cost for IS Group to manufacture and install the new signage, and amend the existing signage is £99,600.
- 2.6 In addition to the work required as part of this phase, it is anticipated that IS Group will be commissioned to do further work over the course of the two year contract. For the purposes of this report, the cost of that further work is estimated at £20,400, bringing the total anticipated expenditure to £150,000.

## **3 Main issues**

### **Reason for Contracts Procedure Rules Waiver**

#### **Value for Money**

- 3.1 In early 2018, IS Group won a competitive tendering exercise by a considerable margin. The prices submitted were around 40% lower than the next cheapest tender. IS Group have committed to honouring the same costs for the next phase of work, provided orders are placed before 31<sup>st</sup> October 2019 (the date for the UK's exit from

the EU). From the start of the Legible Leeds project in 2009 to the present day, the costs per unit of the wayfinding signage has gradually been reduced by over 70%.

### **Intention all along for IS Group to deliver this phase**

- 3.2 During the 2018 tendering exercise, it was always expected that IS Group would deliver this phase of work, and indeed the tender documents stated that. However, the 'contract end' date in that documentation was put as 31<sup>st</sup> March 2019 with no provisions made for extension, so technically that original contract has finished.

### **Quality of work**

- 3.3 Despite the cheap tender prices as outlined in 3.1, the quality of work, service and finished product offered by IS Group is good.

### **Complications arising from multiple suppliers**

- 3.4 Already, the 80 signs on street are manufactured by three different suppliers. Each supplier has at least two different signage styles so there are now seven different types of sign in Leeds city centre, meaning updates to signs are complicated and in some cases more expensive than it should be. Adding more variety and more manufacturers to this only complicates the system further and adds further cost.

### **Efficiencies arising from familiarity**

- 3.5 IS Group have developed signage for Leeds already, including the detailed design, tooling, colours and finishes, and they are familiar with working in Leeds city centre. This means that the resources required within the project to familiarise them with local product and installation working requirements are minimised, thereby saving time and resource for Leeds City Council project management staff.

### **Consequences if the proposed action is not approved**

- 3.6 If the direct appointment is not made, then this will lead to a full procurement exercise which will delay the installation of the signage. This is particularly relevant to the Leeds Playhouse signage, which needs to be in place soon.

### **Advertising**

- 3.7 Advertising has not taken place in respect of the proposed decision contained within this report, however, the previous procurement exercise carried out in 2018 was advertised to three tenderers.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Consultation has taken place under the Legible Leeds project consistently and widely across a ten year period. However, the focus of this report is procurement, and this has not been the subject of consultation.

## 4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Much work has been done to ensure the Legible Leeds scheme is beneficial for all users. However, the focus of this report is procurement, which does not in the case carry any particular equality, diversity, cohesion or integration implications.

## 4.3 Council Policies and City Priorities

4.3.1 The **Our Spaces** strategy, among its key principles, calls for a city centre that is 'Better Connected, [with] spaces that are clearly legible and easy to navigate'.

4.3.2 The Legible Leeds scheme contributes to a number of the big ideas within the **Inclusive Growth Strategy**:

- **Best city for health and wellbeing** – by encouraging journeys on foot
- **Doubling the size of the city centre** – by installing signage which 'ties in' the north and south banks of the city, from a wayfinding point of view.
- **Maximising the economic benefits of culture** – by ensuring people are aware of, and can find, the city's key cultural destinations
- **Promoting Leeds and Yorkshire** – by promoting what Leeds has to offer across on-street, online and printed mapping products.
- **21<sup>st</sup> Century Infrastructure** – by installing a network of modern, easy to use signs befitting of a 21<sup>st</sup> Century city.

4.3.3 **Leeds: Becoming the Best City Centre** calls for a 'City Centre that is Legible and Walkable'. The Legible Leeds scheme clearly assists in addressing this ambition.

### **Best Council Plan Implications**

4.3.4 Among the key outcomes of the **Best Council Plan** are that everyone in Leeds should move around a well-planned city easily, and that the city should be Child and Age Friendly. Having high quality, comprehensive pedestrian wayfinding helps to address these ambitions.

### **Climate Emergency**

4.3.5 In terms of the city's **climate emergency** status, the scheme will encourage people to make journeys on foot, rather than by vehicle. By installing a comprehensive pedestrian wayfinding system in the city centre and giving people information about how to walk to their destination, the number of short taxi and car-based journeys within the city centre should decrease.

## 4.4 Resources and Value for Money

4.4.1 Value for money and efficiency are the primary reasons for this waiver. In early 2018, IS Group won a competitive tendering exercise by a considerable margin. The prices submitted were around 40% lower than the next cheapest tender. IS Group have committed to honouring the same costs for the next phase of work, provided orders are placed before 31<sup>st</sup> October 2019 (the date for the UK's exit from the EU). From the

start of the Legible Leeds project in 2009 to the present day, the costs per unit of the wayfinding signage have gradually been reduced by over 70%.

- 4.4.2 Additionally, IS Group have developed signage for Leeds already, including the detailed design, tooling, colours and finishes, and they are familiar with working in Leeds city centre. This means that the resources required within the project to familiarise them with local product and installation working requirements are minimised, thereby saving time and resource for Leeds City Council project management staff.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The proposed direct appointment of IS Group contains no significant legal implications. The EU Procurement Threshold for works (for which this contract relates to) will not be exceeded as a result of this direct appointment.
- 4.5.2 As this waiver report constitutes a Significant Operational Decision it is not eligible for Call In. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.2 Awarding this contract directly to the supplier may leave the Council open to a potential claim from other suppliers to whom the contract could be of interest.
- 4.5.3 The Chief Officer Resources and Strategy has considered this and, due to the nature of the works being delivered and the imminent need for the city's 'Legible Leeds' pedestrian signage, is of the view that it would not be of interest to contractors in other EU Member States.
- 4.5.4 Although there is no overriding legal obstacle preventing the waiver of CPRs 9.1 and 9.2, the content of the report should be noted. In making their final decision, the Chief Officer Resources and Strategy should be satisfied that the approved course of action represents best value for the council.

#### **4.6 Risk Management**

- 4.6.1 The key risk in proceeding with the direct appointment is that other suppliers will challenge the decision. However, the reasons in 3.1 – 3.5 clearly set out the rationale for the direct appointment, and the previous tendering exercise was completed as recently as 2018. A full procurement exercise will be undertaken at the end of the proposed contract.

### **5 Conclusions**

- 5.1 Due to the continued expansion of the city centre means there is now a need for more pedestrian wayfinding signage, to ensure new destinations are adequately signed. Key drivers for this phase of the Legible Leeds scheme include the change of name to Leeds Playhouse, the development of Quarry Hill, the LPTIP Gateways scheme, the aspirations to improve connectivity on the waterfront, and the increased concentration of employees and visitors using the West End of the city centre, particularly at Wellington Place.

5.2 This report requests authorisation to make a direct appointment to the existing supplier (called IS Group) for the manufacture and installation of the signage on the basis that they won a competitive tendering exercise in 2018 by a considerable margin, that their performance and quality of work has been high, and that changing suppliers (for a fourth time) on the scheme would generate additional resource implications outweighing the benefits of changing.

## **6 Recommendations**

6.1 In respect of the manufacture of Legible Leeds Signage, the Chief Officer of Resources and Strategy is recommended to approve the waiver of the Contracts Procedure Rule(s) 9.1 and 9.2 (High value procurements) and award a contract to IS Group in the sum of approximately £150,000. The contract shall commence on the 1<sup>st</sup> September 2019 and expire on the 31<sup>st</sup> August 2021 with the option to extend for a period of 12 months.

## **7 Background documents**

7.1 None