



London Borough of Hammersmith & Fulham

Cabinet

29 MARCH 2010

**DEPUTY LEADER
(+ENVIRONMENT)**

*Councillor Nicholas
Botterill*

**DELEGATION OF AUTHORITY TO AWARD
TERM CONTRACTS FOR SUPPLY OF
STREET LIGHTING AND SIGNAGE
MATERIALS 2010 TO 2011 AND STREET
LIGHTING SUPPORT 2010 TO 2013**

**Wards
All**

This report recommends that Cabinet delegates the award of these Term Contracts to the Director of Environment and Director of Finance and Corporate Services, in consultation with the Deputy Leader (+ Environment), for the reasons detailed within the report.

CONTRIBUTORS

DENV
DFCS
ADLDS
TENDER APPRAISAL
PANEL

Recommendation:

That authority be delegated to the Director of Environment and Director of Finance and Corporate Services to award the Term Contracts for Street Lighting Support 2010 to 2013 and Supply of Street Lighting and Signage Materials 2010 to 2011, in consultation with the Deputy Leader (+ Environment).

**HAS A PEIA BEEN
COMPLETED?
YES**

1. PURPOSE OF THE REPORT

- 1.1 This report has been prepared to seek Cabinet approval for the delegation of the decision to award the Term Contracts for Street Lighting Support 1 April 2010 to 31 March 2013 and the Supply of Street Lighting & Signage Materials 1 April 2010 to 31 March 2011 to the Director of Environment (DEnv) and Director of Finance & Corporate Services (DFCS) in consultation with the Deputy Leader (+ Environment). This would otherwise be a Key Decision.
- 1.2 The Term Contract for Street Lighting Support is being prepared to support the Council's in house contractor (Borough Lighting) deliver its annual programme of works. Works will be called off as and when required, matched to peaks in the workload of the in-house team.
- 1.3 The contract for the Supply of Street Lighting & Signage Materials is being created to regularise the purchase of materials in line with the Council's Contract Standing Orders and Public Contract Regulations.
- 1.4 The procurement strategy was agreed by and progress of these contracts has been reported to the the Deputy Leader (+ Environment) at various key stages of the procurement exercise.

2. INFORMATION AND PROCUREMENT PROGRAMME

- 2.1 The Term Contracts for Street Lighting Support and the Supply of Street Lighting & Signage Materials both have a proposed start date of 1 April 2010 for a three year and 12 month term respectively
- 2.2 The proposed start date of 1 April 2010 was identified to coincide with the start of the new financial year.
- 2.3 The report identifying and agreeing the shortlist of tenders for the Street Lighting Support contract was approved by the Deputy Leader (+ Environment) on 26 November 2009. The Supply of Street Lighting & Signage Materials contract is an open tender process where companies / suppliers can submit tenders without the need to pre-qualify.
- 2.4 The Street Lighting Support contract documents were electronically issued to the shortlist of tenderers on the 22 January 2010 via the London Tenders portal website. The final date for Tender submission is the 3 March 2010.
- 2.5 The Supply of Street Lighting & Signage Materials contract documents are due to be issued for open tender on 17 February 2010. The final date for Tender submission will then be the 29 March 2010.
- 2.6 The targeted commencement date of 1 April 2010 will therefore not be met, but this presents no risk to the current service. The delay to the procurement programme has arisen because key officers have been dealing with the severe weather issues over the Christmas period as well as being fully engaged in the procurement of a number of other contracts which have been successfully let during the current financial year.

- 2.7 In addition to 2.5 above, the local elections in May would coincide with the award of the contracts and this may present further delays to the programme; therefore a delegated decision to award these term contracts is being sought to enable the contracts to be let by the intended deadlines.

3. COUNCIL DECISION-MAKING PROCESS

- 3.1 The total contract value is estimated at £900,000 for the Street Lighting Support contract (for the 3 year term) and £200,000 for the Supply of Street Lighting & Signage Materials (12 month term). This requires the award of the contracts to be approved by Cabinet through a Key Decision report in accordance with the Council's Decision-Making process.
- 3.2 The award of this contract is being overseen by a corporate Tender Appraisal Panel (TAP) and in order to meet a new start date as soon as possible after the originally planned 1 April 2010, their recommendation is to seek authority from Cabinet for the award of these contracts to be delegated to Chief Officers in consultation with the Deputy Leader (+ Environment).
- 3.4 The proposed delegation would mean that the contracts could be awarded in early April 2010 and, following a short mobilisation period, could commence from 1 May 2010.

4. CONTRACTS AWARD DECISION

- 4.1 The evaluation of the most economically advantageous tenders will be determined by the TAP.
- 4.2 In the case of the Street Lighting Support contract, the Tender evaluation shall be based on 70:30 price/quality ratio respectively, and for the Supply of Street Lighting & Signage Materials contract it shall be based on lowest price conforming.
- 4.3 The TAP recommendations to the Director of Environment and the Director of Finance are submissions which offer the most economically advantageous tender.

5. RECOMMENDATIONS

- 5.1 To delegate the award of the Term Contracts for Street Lighting Support 2010 to 2013 and Supply of Street Lighting & Signage Materials 2010 to 2011 to the Director of Environment and Director of Finance & Corporate Services, in consultation with the Deputy Leader (+Environment).

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 6.1 The report identifying and agreeing the shortlist of tenders for the Street Lighting Support contract was approved by the Deputy Leader (+ Environment) on 26 November 2009. Unfortunately, it has not been possible to conclude the procurement within the proposed timetable and it will be necessary to implement interim arrangements until the contract can be mobilised.
- 6.2 The final date for Tender submission for the Street Lighting Support contract is 3 March 2010. The final date for Tender submission for the Supply of Street Lighting & Signage Materials contract will be 29 March 2010. The Tender Appraisal Panel will then meet to consider submissions and recommend to the Director of Environment and Director of Finance and Corporate Services approval of the successful contractor. The approval report will contain the financial implications of the award at that time.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1 The Assistant Director (Legal and Democratic Services) agrees with the recommendations in this report. Legal Services will continue to provide advice to officers on the procurement of this contract.

8. COMMENTS OF THE ASSISTANT DIRECTOR STRATEGY, PERFORMANCE AND PROCUREMENT

- 8.1 The Assistant Director agrees with the recommendations contained in this report and will provide procurement advice through out the tendering process.

**LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of holder of file/copy	Department/ Location
1	PQQ's and evaluation files. Minutes of Tender Appraisal Panel Meeting	Jonathan Addis Ext. 3073	EnvD 4 th floor HTHX