

ABERDEEN CITY COUNCIL

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COMMITTEE: ENTERPRISE, PLANNING & INFRASTRUCTURE

DATE: 1 September 2009

CORPORATE DIRECTOR: GORDON McINTOSH

TITLE OF REPORT: Traffic Signal Maintenance Contract 2009-2014 - Contract Award

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1. PURPOSE OF REPORT

This report advises the Committee of the outcome of the recent tender exercise for the maintenance of the Intelligent Transport traffic signal infrastructure within Aberdeen City, Aberdeenshire and Moray.

2. RECOMMENDATION(S)

It is recommended that Committee approves the award of the traffic signal maintenance contract for the period from 1<sup>st</sup> October 2009 to 30<sup>th</sup> September 2012 (with the option for the Councils to extend for a further two years until 30<sup>th</sup> September 2014) to Siemens Traffic Controls. The contract award is to include the core items contained in Table 1 and the optional items contained in Table 2 of this report. The optional item covering electronic information signs for Aberdeenshire, Table 7 (schedule 7c) of the tender document, is not to be taken up at this time.

3. FINANCIAL IMPLICATIONS

The current revenue budget allocation for the traffic signal maintenance contract is £332,000. Current expenditure for the 6 months to September is £165,915.27, with the costs associated with the preferred tender for the remaining 6 months being £134,183.06, giving a total annual spend of £300,098.33. However the remaining budget allocation will be required for future maintenance of the bus lane enforcement cameras in the current financial year. No additional provision will be required in this years budget allocation should the committee approve the acceptance of the Tender submitted by Siemens Traffic Controls as the tendered sum is within the allocated budget. However the contract allows for future index-linked price increases in line with inflation and additional provisions within the revenue budget may be necessary in future years.

4. SERVICE & COMMUNITY IMPACT

This report is in accordance with the Council's key aims to improve accessibility, social inclusion and promote sustainable transport.

5. OTHER IMPLICATIONS

There are no other implications

## 6. REPORT

### 6.1 Background

The provision of traffic signal maintenance services for Aberdeen City, Aberdeenshire and Moray Councils is procured and managed by Aberdeen City for all three authorities.

The current traffic signal maintenance contract was to expire at the end of May 2009. However, due to delays in the tendering process and new procedures for the preparation and finalisation of the contract document the current maintenance contract was extended up to the end of September 2009. The contract to supply traffic signal maintenance services is generally re-tendered every 5 years to ensure the Council continues to receive best value for money.

The new contract is anticipated to come into effect on the 1<sup>st</sup> October 2009 subject to approval by Committee and will be for a duration of three years with an option for the Councils to extend for a further two years.

### 6.2 Tendering Process

To comply with EU law and the Public Contracts (Scotland) Regulations 2006 it has been necessary to advertise the contract in the European Journal so that interested parties from within the EU would have the opportunity to express an interest in the tender. Of those companies that expressed an interest only three specialist contractors returned completed pre-tender questionnaires. These were duly assessed and were deemed to comply with the requirements set out in the assessment document. The returned questionnaires were submitted by the three main suppliers of traffic signal equipment/services in the UK; PEEK Traffic, Siemens Traffic Controls and Telent (Roads) Ltd.

The tender documentation for the provision of maintenance services for the traffic signal infrastructure in Aberdeen City, Aberdeenshire and Moray was issued on the 15<sup>th</sup> June 2009 to the three contractors. Of the tender documents issued two completed tenders were returned on 28 July 2009 by PEEK Traffic and Siemens Traffic Controls.

The tender submissions were assessed in terms of quality and price. Satisfactory quality proposals were submitted by both tenderers and the outcome of the quality evaluation showed both to be experienced and competent contractors. The quality submissions evaluation placed Siemens in first place with a score of 86.5 and Peek attaining 75.

The financial element of the contract consists of four core elements for the maintenance of traffic signal equipment in Aberdeen, with optional elements covering ancillary items related to the traffic signals in Aberdeen, the signal equipment installations in Aberdeenshire and Moray and Aberdeenshire's electronic information signs.

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During the financial appraisal it was necessary to seek clarification from both tenderers on elements of their tender submissions and satisfactory responses were received from both parties.

The four core items within the tender were evaluated both collectively and individually with the optional items within tables 5 to 8 evaluated on their individual merits. Of the optional items priced the costs associated with the electronic signs Table 7 (Schedule7) for Aberdeenshire was not considered to represent best value and with the agreement of representatives from Aberdeenshire Council this element is not to be taken up. It is felt that for this item a more competitive tender could be procured from local general electrical contractors who would be in a position to maintain the less complicated electronic signs within Aberdeenshire.

It should be noted that the maintenance of the bus lane enforcement cameras has not been included within the current contract. However it is anticipated that the maintenance of the bus lane enforcement cameras will be tendered separately following the decriminalisation of the bus lanes. It is anticipated that the maintenance of the bus lane enforcement cameras will be funded in future years from the generated income. An option to maintain the Council's variable message car park guidance system was included within the tender as the original signs are now out of warranty.

As part of the tender evaluation the rates for the current contract were compared with the tender submissions. The tender rates are noted to be competitive showing a reduction across the core items against those of the existing contract.

The table below provides details of the tender submissions and together with the adjusted totals following clarification by the tenderers.

Table 1.

Core Items	Peek Tender submission	<b>Peek Corrected Submission</b>	Siemens Tender Submission	<b>Siemens Corrected Submission</b>
Traffic Signal Equipment	£101,246.99	<b>£101,246.99</b>	£97,760.52	<b>£97,761.17</b>
Optical Maintenance	£111,292.93	<b>£111,303.01</b>	£42,240.25	<b>£42,242.99</b>
Below Ground Detection	£7,026.38	<b>£7,410.81</b>	£78,874.63	<b>£78,875.10</b>
Automatic Traffic Count Equipment	£11,533.08	<b>£11,553.08</b>	£9,695.96	<b>£9,696.06</b>
<b>Core Items Sub-Total</b>	<b>£231,099.38</b>	<b>£231,513.89</b>	<b>£228,571.36</b>	<b>£228,575.32</b>

Table 2.

Optional Items	Peek Tender submission	<b>Peek Corrected Submission</b>	Siemens Tender Submission	<b>Siemens Corrected Submission</b>
Aberdeen City option – Urban Traffic Control system support	£19,941.18	<b>£19,941.18</b>	£9,273.18	<b>£9,273.18</b>
Aberdeen City option – RMS system	£7,294.12	<b>£7,294.12</b>	£4,590.82	<b>£4,590.82</b>

support				
Aberdeen City option – Fault management support	£6,294.12	<b>£6,294.12</b>	£3,740.82	<b>£3,740.82</b>
Aberdeen City option – Variable message signs	£1,779.12	<b>£1,779.12</b>	£5,753.76	<b>£5,753.76</b>
<b>Aberdeen City Optional Items Sub-Total</b>	<b>£35,308.54</b>	<b>£35,308.54</b>	<b>£23,358.58</b>	<b>£23,358.58</b>
<b>Total (Core Items + All Options)</b>	<b>£284,219.36</b>	<b>£284,633.87</b>	<b>£268,358.58</b>	<b>£268,366.12</b>
Aberdeenshire Council option	£14,293.00	£14,293.00	£13,031.36	<b>£13,031.30</b>
Moray Council option	£3,518.44	£3,518.44	£3,397.28	<b>£3,400.92</b>

The outcome of the financial appraisal has shown Siemens Traffic Controls to have tendered the lowest quote for maintaining the core elements and the optional items that are to be taken up.

Following this assessment the combination of price and quality calculation was carried out confirming that the winning tender to be that submitted by Siemens Traffic Controls. Committee is therefore asked to approve the award of the traffic signal maintenance contract to Siemens Traffic Controls.

#### 7. AUTHORISED SIGNATURE

Gordon McIntosh  
 Director of Enterprise, Planning and Infrastructure  
 522941  
 gmcintosh@aberdeencity.gov.uk

#### 8. REPORT AUTHOR DETAILS

Donald Kinnear  
 Technical Officer  
 522037  
 donaldk@aberdeencity.gov.uk

#### 9. BACKGROUND PAPERS

None