

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 11 July 2016

Portfolio:	Policy, Strategy and Finance
Subject:	Award of Contract - Bus Shelter Services
Report of:	Director of Operations
Strategy/Policy:	
Corporate Objective:	A safe and healthy place to live and work.

Purpose:

This report considers the tenders received for the supply, installation, maintenance and cleaning of bus shelters in the borough. The report recommends an award of contract for the services.

Executive summary:

The existing 15 year bus shelter maintenance contract (between the council and Primesight Ltd) will expire in June 2016.

Following the report to the Executive meeting on 12 October 2015, a tendering exercise has been undertaken seeking tenders for two options.

Option a) the supply and installation of replacement shelters (following the removal of Primesight's advertising shelters) with non-advertising shelters together with their ongoing maintenance. In addition the maintenance and cleaning of the existing Council owned stock.

Option b) the supply and installation of advertising shelters to replace those that are to be removed by Primesight together with their maintenance, plus maintenance and cleaning of the existing Council owned stock. The tenderers were asked to identify any income share, generated by advertising, to offset the cost of maintenance.

The contract was advertised via the South East Business Portal with tenders issued on 13 April 2016 with a closing date of 27 May 2016.

Four companies submitted tenders. Of the four, only one tenderer submitted a tender that met the specification provided for option b). The other tenderers proposed cost for advertising shelters but did not provide an advertising partner option, suggesting it could be undertaken by the Council if required. As the Council are not in a position to undertake this element of the contract, the evaluation panel only considered and evaluated option a).

The Panel scored all valid tenders based on the Best Price Quality Ratio in order to rank and position the tenders.

Recommendation/Recommended Option:

That the Executive agrees to award the contract for option a) to the contractor ranked in 1st position (as set out in confidential appendix A), being the best price quality ratio tender received.

Reason:

To provide and install replacement bus shelters following the removal of those owned by Primesight as well as undertaking the maintenance and cleaning of all shelters that will be in the Council's ownership.

Cost of proposals:

The value of the bus shelter services contract resulting from this tender over the initial five year term is set out in confidential appendix A as it reflects the commercial tender of the recommended contractor.

The incumbent supplier has subsequently been contacted by the Council to arrange for removal of their "owned" shelters from the town centre / main highways route to allow for a smooth transition when replacing old shelters with new ones. Details of this transition process can be found in confidential appendix A.

Appendices:

A: Confidential Appendix providing information on tenders received (*Exempt by virtue of Paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.*)

Background papers: File of correspondence

Reference papers:

Report to the Executive – 12 Oct 2015 - Bus shelters – Request for capital funding.

FAREHAM

BOROUGH COUNCIL

Executive Briefing Paper

Date:	11 July 2016
Subject:	Award of Contract - Bus Shelter Services
Briefing by:	Director of Operations
Portfolio:	Streetscene

INTRODUCTION

1. This report considers the tenders received for the supply, installation, maintenance and cleaning of bus shelters in the borough. The report recommends an award of contract for the services.

BACKGROUND

2. On 27 March 2001, a contract was awarded to Primesight Ltd to maintain the bus shelters in Fareham. The contract was for a period of 15 years ending in 26 March 2016. However, as the contract requires 12 month notice by either party to terminate, Officers issued formal notice to Primesight Ltd in June 2015 confirming a contract expiry date of 30th June 2016.
3. Under the contract Primesight agreed to operate bus shelters in the Borough based upon exclusive advertising rights on their own shelters in return for undertaking maintenance of the remaining Fareham owned bus shelters. The Council does not receive any income or incur any costs in relation to this arrangement.

CONTRACT SPECIFICATION & TENDER

4. The tender documentation allowed for two options
 - Option a) the supply and installation of replacement non-advertising shelters (following the removal of Primesight's advertising shelters) together with their maintenance as well as the continued maintenance and cleaning of the existing Council's stock.
 - Option b) the supply and installation of advertising shelters (following the removal of Primesight's advertising shelters) together with their maintenance as well as the continued maintenance and cleaning of the existing Council's stock. The tenderers were asked to identify any income share, generated by advertising, to offset the cost of maintenance.

5. Choosing to obtain fixed prices for both options allowed Officers to see whether installing advertising panels to shelters is actually financially viable.

TENDER PROCESS AND EVALUATION CRITERIA

6. The contract was advertised and tendered electronically via the South East Business Portal and the Official Journal of the European Union (OJEU). Timeline below:

Event	Timeline
Issue of e-ITT by the Council	13 April 2016
Closure date for e-tender responses	27 May 2016
Evaluation period and approval	31 May – 10 June 2016
All Tenderers notified by:	12 July 2016 (tentative)
Award of Contract	22 July 2016
Contract / Agreement start:	1 September 2016

7. As per the tender document, the tenders received were evaluated in accordance with the criteria listed below:

Award Criteria	Weighting
Cost (<i>Fixed price to deliver the outcome specification.</i>)	40%
Service Quality (<i>Covering experience, management and organisation, working procedures, health & safety, continual improvement.</i>)	60%
Total	100%

TENDERS RECEIVED

8. Tenders were received electronically on 27 May 2016 and were opened by the Democratic Services Officer and witnessed by the Procurement Officer. Of the twelve (12) suppliers who expressed initial interest, four (4) submitted a tender by the deadline, three (3) suppliers opted out and five (5) gave no response.

TENDER EVALUATION

9. The tender submissions were evaluated by officers in accordance with the criteria set out in the invitation to tender. The scores and ranking for the tenders received are represented in the confidential appendix A.
10. Of the tenders that were received, only one company fully met the criteria in relation to option b) which related to providing any advertising options, and allowing for an income share to offset maintenance costs.
11. Therefore, the tender evaluation concentrated on option a) only. The supply and installation of non-advertising bus shelters and their maintenance and cleaning.

RISK ASSESSMENT

12. It is important that the continuation of bus shelter provision is maintained and the removal of the shelters owned by Primesight and any installation of new ones are undertaken in a manner that minimises disruption to members of the public. Officers will endeavour to ensure that the transitional period runs as smooth as practically possible.

FINANCIAL IMPLICATIONS

13. The value of the bus shelter services contract resulting from this tender over the initial five year term is set out in confidential appendix A as it reflects the commercial tender of the recommended contractor. The tendered cost will require a capital and revenue budget.
14. An additional capital reserve will also be required to cover replacement of Council owned shelters across the Borough when they come to end of useful life. The recommended contractor has submitted a schedule of rates for these additional costs as required by the Council.

CONCLUSION

15. The tender process resulted in four tender submissions by the deadline date for the bus shelter services specified by the Council
16. It is recommended that the tender submitted by the contractor ranked in 1st position (as set out in confidential appendix A) be awarded the contract for five years beginning on 1 Sept 2016, with an extension option for additional two years. The Maintenance contract would then be re-tendered.