

PORTFOLIO HOLDER DECISION RECORD

Portfolio Holder: Councillor Mrs J French, Deputy Leader & Portfolio Holder for Revenues & Benefits & Civil Parking Enforcement	Service: Assets & Projects
Lead Officer: Garry Edwards, Engineering Manager	Delegated Power Being Exercised: Part 3 - Responsibilities for Functions; Tables 4 and 5, paragraph 10: Table 5 of the Councils Constitution - Functions delegated to Portfolio Holders Paragraph/Clause 10 – To authorise the allocation of external funding awarded to the Council, the approval of the Council's acquisitions of goods, services and works (whether following a procurement exercise or otherwise) and entry in to the associated financial and legal agreements up to the following limits: Between £100,001 and £500,000 for Cabinet Member and Leader of the Council.
Subject of Decision: Streetlight Repairs, Maintenance and Replacement/Upgrade Works (3 +2-year term) Streetlight service contract to facilitate works for FDC and third-party organisations namely seven Parish Councils & Clarion Housing Association under FDC SLA arrangements. Contract estimated to commence 4 th November 2024 for an initial period of 3 years with the option to extend for a further 2 years subject to contractor performance and agreement by both parties. Contract to be managed and administered by the Councils Engineering Team. The contract value is estimated to be circa £300k over the initial three-year period and under £500k over the full five year contract period including a two year extension. The contract value and performance will be monitored closely by the contract administrator (Engineering Manager) throughout the life of the contract including the extension period. In the event that the contract manager identifies that the overall contract value will exceed the estimate of under £500,000 further governance will be undertaken to ensure that Fenland District Council continues to achieve best value.	
Decision to be Taken: FDC require a new streetlight service provider to ensure the continued safe operation and maintenance of the Council's streetlight assets. Following a national tendered exercise and completion of a detailed evaluation and analysis of all tender returns, taking into consideration both price and quality for both routine maintenance and replacement works, it is recommended to award and appoint Woodstock Streetlighting Services Ltd as the Council's new streetlight service provider.	

The appointment shall be for an initial period of 3 years with the option to extended for a further two years subject to satisfactory contractor performance and agreement by both parties.

It is requested that the Portfolio Holder delegates authority to the Engineering Manager to extend the contractual agreement for a further two years pending satisfactory contractor performance and providing the contract value is not estimated to exceed the CMDN threshold. Should the contract value look to exceed the value of the CMDN within the further two-year extension period, further governance will be sought.

Decision Taken:

To approve the contract award and appointment of Woodstock Streetlighting Services Ltd as the Council's new streetlight service provider.

The appointment shall be for an initial period of 3 years with the option to extended for a further two years subject to satisfactory contractor performance and agreement by both parties.

It is requested that the Portfolio Holder delegates authority to the Engineering Manager to extend the contractual agreement for a further two years pending satisfactory contractor performance and providing the contract value is not estimated to exceed the CMDN threshold. Should the contract value look to exceed the value of the CMDN within the further two-year extension period, further governance will be sought.

Reasons for the Decision:

The appointment of a new streetlight service provider is necessary to ensure the continued safe operation and maintenance of the Council's streetlight assets and to mitigate risk of injury or harm to the public. The contract will also be able to facilitate streetlight replacement and upgrade works, informed either by cyclic testing or life cycle planning, or to reduce energy and maintenance costs.

The District Council has a number of streetlight assets that require replacement or upgrade over the next 5 years. In addition, many of the Parish Councils also have lighting assets which are end of life and will require replacement or upgrade works undertaking.

District Councils and many Parish or Town Councils have the power to provide lighting as Local Lighting Authorities. The empowerment is by means of the Public Health Act 1984 or the Parish Councils Act 1957.

The provision of lighting on adopted highway falls under section 97 of the Highways Act 1980, however there is no duty on a local lighting or highway authority to provide lighting.

Where existing adopted streetlight assets are in place it is a legal duty of the Local Authority to suitably maintain them and ensure they are electrically and structurally compliant. Reference can be made to Well Managed Highways Infrastructure Code of Practice 2016, GN22 Asset Management Toolkit – Minor Structures, and IET Electrical Regulations BS 7671:2018+A2:2022.

The Council's constitution references under table 4 paragraph 74 - To manage the Council's property and engineering assets. To undertake the Council's asset management functions.

Alternative Options Considered (if appropriate):

The Council's lighting assets have in the past been managed through a shared service agreement with Cambridgeshire County Council. When the shared service agreement ended with the County Council in around 2006, Fenland took back control of its highway related assets which included lighting.

Between 2006 and 2011 Fenland managed its streetlight assets at arm's length through a service level type agreement with Cambs County Council and their term maintenance/PFI streetlight contractor. This arrangement was based on a set fee per streetlight per year for all routine maintenance works and services, with extra over costs requiring FDC approval for replacement and upgrade works. A similar type of arrangement continued directly with the County Councils PFI contractor for a further 4 years up until 2015.

With an aging lighting portfolio many assets had reached end of life, and the County Council's contractor was deemed to be providing poor service, prioritising CCC work over that of FDC needs. The set fee for each streetlight was also found to be expensive, and some services being paid for under the agreement by FDC were not being routinely undertaken.

The Council's Engineering Team took back responsibility for the management and maintenance of FDC's lighting assets in 2016. With many assets reaching end of life and requiring replacement or upgrade, the Engineering Team tendered a streetlight services contract which came into effect in July 2018. The contract was for a 3-year period with the option to extend for a further 2 years which was agreed up until July 2023. Due to FDC internal resources and ongoing capital funded streetlight replacement works the contract was extended further under an exemption agreement and is scheduled to end on 3rd November 2024.

Prior to writing and tendering a new streetlighting services contract, the Engineering Team undertook a soft market testing exercise in 2023 to gauge service provider interest and to explore other service provision options such as full external management and service provision based on a set fee per lighting asset per year. Both proved to be expensive models with maintenance and management costs being 2-3 times higher than that enjoyed over the last 5 years.

There isn't a 'do nothing' option. Whilst it is not mandatory for a Council to provide streetlighting, it is mandatory to ensure that existing streetlights are maintained in a safe condition. This includes routine electrical and structural integrity testing.

With external service provision having been explored, the status quo approach to tender a new streetlight contract was found to represent best value for money and has proven to be cost effective in recent years. The new tendered contract will ensure FDC receives good value for money at current market rates and will provide a mechanism for FDC to complete any capital funded streetlight replacements and LED upgrade works.

During the course of the existing streetlight contract, global events have resulted in huge increases in energy, labour and material costs. It is therefore inevitable that costs for the new streetlight service contract have increased and an uplift in the region of 15% is to be expected.

With experienced streetlight professionals within the Engineering Team, the Council can ensure they meet any mandatory and regulatory requirements for the maintenance and management of their lighting assets. In addition, streetlight services will continue to be offered to the seven Parish Councils and Clarion Housing Association under SLA agreements. The existing SLA agreements will need to be suitably amended to reflect the new streetlight contract offer and should be proposed on a year on year rolling agreement.

Background/Reports/Information considered and attached:

Code of Procurement Exemption dated 26/10/2023 for existing contract extension.

Parish Streetlight repairs, maintenance and management Cabinet paper CAB9/18 (19 July 2018).
Provision of streetlight services for the Parish Councils.

<https://www.fenland.gov.uk/localgov/documents/s507/Report.pdf>

Legal and Procurement Implications

The new streetlight repairs, maintenance and replacement works contract 2024-2027/2029 has been tendered on the Governments Contracts Finder website via FDC's Proactis Portal.

The first round of tenders were received back on 15th July 2024, however following completion of the tender evaluation and analysis process it was found that the submitted bids were not comparable or deemed acceptable or affordable based on the received offers.

Following some minor amendments to the contract attendance rate requirements, bill items and conditions, the contract was retendered and returned on 2nd September. A further tender evaluation and analysis exercise was carried out along with some further tender inquiries undertaken with the top three bidders.

The existing contractual arrangement with CTL is due to expire on 3rd November 2024 and therefore the need to appoint and award the contract to a new streetlight service provider as soon as possible is of paramount importance to ensure service delivery is maintained.

The minimum lead in time following award of the contract to allow for contractor mobilisation/set-up is 4 weeks and a further 6-week period will be required for material delivery. The contract commencement date shall be 4th November 2024; however, it is likely that only emergency call outs and some fault attendance work will be undertaken up until end of December until materials are in stock. The start of the contractor's mobilisation period cannot commence until the contract has been formally awarded. The contract award shall be carried out immediately following the end of the FDC governance call in period.

The estimated contract value for Repairs and Maintenance works for all lighting assets (FDC and third party works) is estimated to be £50k per year (£250k over a 5-year term). In addition, a number of streetlight replacement and upgrade works will be required throughout the contract period for FDC and on behalf of Parish Councils. The value of the FDC works is estimated at £150k, the third-party works cannot be accurately quantified but could be in the region of £100k but is subject to third party funding availability.

Therefore, the total value of the contract is estimated to be in the region of £300k over an initial three-year period and up to £500k over the five-year term subject to the two year extension being granted.

As the contract provides a platform for the seven Parish Councils and Clarion Housing Association to carry out replacement and upgrade works, it is difficult to quantify the actual value of the contract over any given period.

The contract provides for a schedule of rates for all standard work items with an annual CPI price increase to the rates agreed each year by the contract administrator (Engineering Manager) and the contractor based on an average of the preceding 6 months CPI.

Financial Implications

All repairs, maintenance, replacement and upgrade works are undertaken either using the schedule of rate items or by quotation. All works are undertaken by the contractor and invoiced on completion. Parish Councils and Clarion Housing Association are invoiced annually for all works undertaken.

UKPN connectivity works are required to be paid for in advance. Orders are placed by the contractor on behalf of FDC and the contractor then invoices FDC. FDC recharge any associated

connectivity works for third parties upon completion.

Any Other Implications

The contract will be managed and administered by the Councils Engineering Team. Currently FDC do not have any asset management software, however this is a service aspiration. In the interim existing ways of sharing and accessing lighting data shall be explored with both ICT and the appointed contractor.

Portfolio Holder's Signature:

Councillor Mrs J French, Deputy Leader and
Portfolio Holder for Revenues & Benefits and
Civil Parking Enforcement

Date:

4 October 2024

Please forward to Democratic Services upon completion

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**Date copy passed to
Democratic Services 04/10/24**

**Implementation Date: 11 October 2024
(if not called-in)
(Allow 5 clear working days after publication
of decision)**

Circulation: Democratic Services, Portfolio Holder, Officer and Accountancy.