

Decision Maker: EXECUTIVE

Following Pre-Decision Scrutiny by the E&R PDS (23 November 2016)
and Special Environment PDS (24 November 2016) Committees

Date: 30 November 2016

Decision Type: Non-Urgent Executive Key

Title: COUNCIL INFORMATION DISPLAY UNITS CONTRACT AWARD

Contact Officer: Andrew Rogers, Communications Executive
Tel: 020 8461 7670 E-mail: Andrew.rogers@bromley.gov.uk

Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All Wards

1. Reason for report

This report sets out the Council's requirement for the provision of Council information display units. The detail of the tendering arrangements, evaluation process, and financial detail is set out in the corresponding Part 2 (ES16067) report.

2. RECOMMENDATION(S)

That the Executive:

- 2.1 agrees to appoint a new provider for Council information display units for an initial period of ten years with the option to extend for a further five years.
- 2.2 notes that future income projections will be totally dependent on the new provider successfully installing their display units and gaining the necessary permissions, including planning consent.

Impact on Vulnerable Adults and Children

1. In line with existing arrangements and as part of the new contract, the Council will be using the display units to publicise its services, including those for vulnerable adults and children. It is envisaged that this will include recruitment campaigns, for instance, for fostering and adoption placements, supporting the Council's ability to achieve positive outcomes for these groups.
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Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council Quality Environment
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Financial

1. Cost of proposal: Estimated income set out in Part2 (ES16067) report
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Advertising Income
 4. Total current budget for this head: Cr £101k
 5. Source of funding: Existing revenue budget 2016/17
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Personnel

1. Number of staff (current and additional): 0.2FTE
 2. If from existing staff resources, number of staff hours:
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Applicable
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Procurement

1. Summary of Procurement Implications: The contract was tendered in line with the procurement strategy gate report (ES15081) and in accordance with the Concession Contracts Regulations 2016.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Boroughwide, particularly focussed on those who visit, work or live within Bromley Town Centre.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Background:

- 3.1 A Gateway Report (ES15081) was presented to Executive on 2 December 2015 outlining the current provision for information display units, including the associated income and the contribution the sites make to informing residents and others about the Council's services.

The Executive agreed the following recommendation:

- i) agrees the proposed tender activity in respect of the existing (free-standing) advertising sites, so the new arrangements can commence on expiry of the current contract

The Tender Process:

- 3.2 In accordance with the Council's financial and contractual requirements, and following Executive approval on 2 December 2015, the activity was tendered according to the new Concession Contracts Regulations 2016, using the guidance which was published in June 2016.
- 3.3 The tender process was undertaken using Pro-Contract, the Council's electronic tendering system. A total of 22 suppliers expressed an interest, with two suppliers submitting compliant bids. The tender submissions were evaluated on a 70% price and 30% quality split. The evaluation of the 30% quality scoring was undertaken against the following subject areas that were weighted as shown:

Digital Units: <ul style="list-style-type: none">Specify the percentage time that Council Information will be uniformly displayed on <u>all</u> digital units (10% minimum)Specify any restrictions (e.g. number of messages, times of day messages are displayed, locations, sides, display dates, etc.)	40%
Paper Units: <ul style="list-style-type: none">Tenderers are required to display Council Information on one side of all two-sided sites	20%
Project Overview: How the company intends to deliver this tender (in 500 words) including the proposed solution and any added-value.	15%
Three recent case studies demonstrating the company's capabilities in this field.	5%
Three recent testimonials	5%
Financial Resources and Contract Affordability Explain how your organisation's financial resources and fiscal structure demonstrates adequate financial provision to implement and deliver the service requirements stated in the service specification throughout the life of the contract.	15%

- 3.4 The evaluation was undertaken using the Chartered Institute of Public Finance & Accountancy (CIPFA) Evaluation Model and the scoring was based on the indicative income model over a ten year period.

Justification for Award

- 3.5 The result of the evaluation process is shown in the Part 2 (ES16067) report, with a recommendation to award the Council information display unit contract to the highest scored bid.

4. SERVICE PROFILE / DATA ANALYSIS

- 4.1 The Council has contracted for the provision of display units since 2001. Traditionally, these have been double sided freestanding units housing paper posters. These units have generated income to the Council as well as the opportunity to promote key Council messages.
- 4.2 The responses to the new tender indicate that providers will be using digital technology and tenderers have indicated that they will allocate the Council a share of the total time that messages are displayed. Messages will be displayed on both sides of the unit where double sided units are installed.

5. CUSTOMER PROFILE

- 5.1 The information display units, which are currently located in areas of high footfall or on roads where there is high traffic are easily seen by large numbers of residents and people who work within the Borough and those who are either visiting the Borough or travelling through it.

6. MARKET CONSIDERATIONS

- 6.1 The free standing unit marketplace has changed considerably in the last few years, with new technology meaning that 'paper units' are being replaced with 'digital units'. This has changed the whole method of operation, with messages and advertising able to be updated much more quickly using internet technology.
- 6.2 Initially the digital units were expensive to produce and it was envisaged that paper units would continue for some time to come but the costs of digital units has reduced and are becoming increasingly preferred by the market and consumers.
- 6.3 The market continues to be dominated by two competitor companies, Clear Channel, the Council's existing provider and JCDecaux, who have been appointed by Transport for London (TfL) to manage all of its information units.
- 6.4 Informal discussions with both companies showed a preference for siting units in areas of high pedestrian footfall rather than roadside sites with high traffic volumes. Both companies emphasised that their potential interest at that stage would be in retail town centre locations.

7. STAKEHOLDER CONSULTATION

- 7.1 No prior stakeholder consultation has been undertaken but planning consent will be required for each site providing an opportunity for residents and others to comment on the units.
- 7.2 It should be noted that this proposal actually supports the Council's ability to engage with stakeholders and will be used to encourage responses to the various consultations that the Council undertakes from time to time.

8. SUSTAINABILITY / IMPACT ASSESSMENT

- 8.1 The main impact on local people is the ability for them to see both the advertising and Council information that is published on the display units. The ability to see this information is influenced by where the locations of the units are and the current indications are that the new digital units will be located in a smaller geographical area than was previously the case, with the

potential that residents who do not travel to Bromley, will not see the information. However, the provision of the information units in some areas is better than no provision and these units are not the only method of communication with residents.

8.2 As both tender submissions envisage that there will be no paper units, there is no associated paper (posters) waste and there is the potential for fewer vehicle movements to service the units, albeit that maintenance and cleaning will still be required.

9. OUTLINE PROCUREMENT STRATEGY AND CONTRACTING PROPOSALS

9.1 **Estimated Contract Value** – The indicative value of the contract when tendered was £1.75m. The value of the winning tender is set out in the Part 2 (ES16067) report.

9.2 **Other Associated Costs** – The limited staff costs associated with co-ordinating the Council’s advertising activity shall be met from within existing staff costs and the cost of production of Council digital ads shall be met from the relevant service revenue budget.

9.3 **Proposed Contract Period:** The Contract will commence 1 February 2017 with an envisaged completion date of 31 January 2027. There may be an option to extend for a further period at the sole discretion of the Council.

9.4 **Procurement Project Plan:** A team was created to tender the activity including seeking the advice of the Procurement and Legal teams. The activity was tendered according to the timetable set out below.

Activity	Dates
Invitation to Tender	5 September 2016
Closing Date for Tender Return	17 October 2016
Evaluation of Tender Commences	18 October 2016
(Officer) Decision Date	8 November 2016
E&R Scrutiny	23 November 2016
Environment PDS Scrutiny	24 November 2016
Executive Approval	30 November 2016
Commencement of Standstill Period	1 December 2016
Award Date	15 December 2016
Contract Commencement	1 February 2017

10. POLICY IMPLICATIONS

10.1 The contractual arrangements support the Council’s stated aim to generate sustainable sources of income and improve the quality of the streetscene as set out in Building a Better Bromley. The proposed information units will also help deliver the Environment Portfolio Plan’s aim of communicating strategic messages online and more generally help to enable the Council to communicate service changes to residents and other stakeholders.

11. COMMISSIONING AND PROCUREMENT IMPLICATIONS

11.1 This Contract was commissioned under the Government's new Concession Contracts Regulations 2016 through a two part restricted process. The Council's contract register will be updated to reflect the new total contract value once the Contract has been awarded.

12. FINANCIAL IMPLICATIONS

12.1 The current 2016/17 budget for advertising income is Cr £101k.

12.2 The Part 2 report (ES16067) contains the full details of the evaluation of this Contract and the anticipated range of income projections.

13. LEGAL CONSIDERATIONS

13.1 The Council considers that each site requires planning consent, highway consent and potentially also a licence. It shall be the responsibility of the contractor to seek these consents.

13.2 Advertising on the units must conform with the Advertising Standards Authority's rules.

Non-Applicable Sections:	Personnel implications
Background Documents: (Access via Contact Officer)	[Title of document and date] [Appendices to be included]