

# Procurement Advisory Board (PAB)

## Agenda Item

Brighton & Hove City Council

<b>Subject:</b>	Cycle Hangars – Supply and management/maintenance	
<b>Date of Meeting:</b>	26 <sup>th</sup> July 2021	
<b>Report of:</b>	Nick Hibberd	
<b>Commissioning Officer:</b>	<b>Name</b> James Hammond – Senior Project Manager, Transport	<b>Tel:</b> 01273 294643
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<b>Procurement Officer:</b>	<b>Name:</b> Stephen Wellings	
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<b>Type:</b>	New Buy	
<b>Proposed Route To Market:</b>	Open	

### 1. SUMMARY AND CONTEXT:

The Procurement Advisory Board (PAB) is an advisory board to council committees on procurement matters. The role of PAB is to report to the relevant committee with its recommendations on the proposals put forward in this report.

PAB is being asked to review and advise on the procurement proposals contained within this report as, in the judgment of the relevant Executive Director or the s151 Officer, the procurement should be referred to the Board.

### 2. RECOMMENDATIONS:

The Procurement Advisory Board is requested to provide recommendations to the Policy & Resources committee on the following:

To give delegated authority to the Executive Director of Economy, Environment & Culture to approve the procurement and award a contract of circa £400,000 for 100 cycle hangars, and the management/maintenance of them to be installed across Brighton & Hove.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

It is only recently that council and national policy has required developers to provide cycle parking as a standard for all new residential housing. This means that storage of bicycles in older property's, existing flats or houses of multiple occupancies are a significant challenge to residents in the city who wish to own or store a bicycle. The city also suffers from a high level of bike theft and vandalism due to lack of safe, secured and covered facilities for residents.

In response the transport projects and engineering team have been instructed to set up a programme to install cycle hangers for residents (secure, on-street cycle parking units, see supporting document for a picture) across Brighton & Hove. Funding of £500,000 has been allocated for at least 100 cycle hangars with the aim for them to be installed before the end of March 2022. When the tender is issued, the actual contract for the supply, management and maintenance of the 100 bike hangars would be to the value of circa £400,000 in order for some of the funding to be used on staff/recruitment and contingency costs.

A programme management team has not been set up for this project as yet, and the programme is currently being managed by members of the transport Projects and Engineering team (alongside their other work on major projects), along with the consultants Mott MacDonald to start work on the early stages of the project. A project manager will be recruited in due course but in order to keep the project on track Officers would like to begin the procurement process.

In 2013 BHCC implemented 1 on-street secure cycle storage unit for six cycles in a cycle hangar supplied by Cyclehoop on the corner of Ditchling Rise and Shaftesbury Road. This provided parking for six bikes. This was funded by the Local Sustainable Transport Fund (LSTF) (Department for Transport). The cost to use this is £60 per year with a one-off deposit for a key of approximately £20. Anyone can apply for a space who is a member of Ditchling Rise Area Residents Association; the association manage and maintain the hangar on behalf of residents and have a legal agreement in place with the council for managing the facility due to its location on the public highway. However, community management of such facilities is not a sustainable option for looking at a large-scale rollout of these facilities in the city.

Therefore, a procurement/tender exercise needs to be undertaken as soon as possible to establish a supplier for the bike hangar units, and the management and maintenance of them.

Several requests have already been sent into the transport projects email inbox from residents who have no space to store a bike within their property, as well as some who have had bike theft issues when parking their bike using traditional on-street cycle stands. This shows there is a need for secure residential cycle parking facilities.

#### **4. POSSIBILITY OF PROVIDING THIS CONTRACT IN-HOUSE**

As there is time pressure and no project manager in place, officers do not consider that the management, maintenance and purchasing of the cycle hangars could be done in-house at this stage. This could be considered in future years once the programme is well established and is being rolled out successfully. However, there may be a possibility that the general maintenance of the hangars could be managed in-house perhaps by the street cleaning team. Officers have questioned the residents' group that manage the current hanger regarding cleaning/maintenance, and they stated that their hanger required very little time spent on cleaning it. Therefore, the cleaning of the new hangars could possibly be built into an existing street cleaning contract. This may reduce costs to an external supplier.

#### **5. SUSTAINABILITY CONSIDERATIONS**

The cycle hangars project as a whole would have positive environmental implications, as it would link to encouraging sustainable forms of transport and offer residents a sustainable alternative to the car. Sustainable impacts are not known at present as they would likely vary between suppliers. Early supplier research on the materials used for the cycle hanger units has shown that the supplier Falco use 100% recyclable hot-dip galvanised robust steel for each unit. The tender documents will ask applicants to state their sustainability considerations in relation to (for example) materials used, and transport (e.g electric vehicles/bikes for deliveries/site visits). Local suppliers to Brighton & Hove could be scored more highly in order to address environmental impacts in terms of the delivery of the units to the city.

#### **6. SOCIAL VALUE AND COMMUNITY WEALTH BUILDING CONSIDERATIONS**

This will be included in the tender documents sent to the suppliers to address in their tenders for officers to evaluate. Some potential examples of social value/community wealth building considerations that could be included in the tender documents are as follows:

- Local suppliers to Brighton & Hove would be scored more highly in order to address community wealth building considerations. Other suppliers who partner with local suppliers will also be scored highly
- Employment and training of the local community including apprenticeships for local residents
- Use of the social value portal to manage and monitor their social value inputs and outcomes

#### **7. FINANCIAL CONSIDERATIONS**

Research into the costs of bike hangars for other councils in London shows that suppliers were charging them approximately £4,000 per unit. Maintenance and management costs vary across councils. Residents are generally charged between £30-£60 per year for a space in the bike hangar

and they are asked to pay a deposit of around £20-£30 for the keys to the hangar. Officers will need to consider an appropriate charging model for Brighton & Hove residents, and factor in the amount charged for residential car parking permits. In addition, we may want to consider lower charging models for residents in deprived areas of the city if the budget would allow. This could breakdown a potential barrier for some residents, who may not be able to afford the yearly fee for a space in the hangar. Some local authorities have been able to make a cycle hangar scheme cost neutral after an initial investment, this would be a key objective of this project, as well as being a key consideration in the tender process in terms of value for money.

## **8. EQUALITY CONSIDERATIONS**

Equality will be considered throughout the process of identifying and implementing the cycle hangars through the following aspects:

- As part of the identification of potential locations for cycle hangars an evidence-based prioritisation process was undertaken to assess where there is the greatest need and the greatest benefit to residents. The process used datasets such as Indices of Multiple Deprivation Health and Disability. The subsequent top 20 location recommendations will be referred to when prioritising the bike hangar locations.
- It is likely that some of the cycle hangers will be provided with spaces for non-standard cycles (including those used by families, disabled users and others who need adapted cycles) to enable all users to access this provision – the requirement for this will be stipulated in the tender documents.
- An equality impact assessment will be undertaken for the cycle hangar project as a whole, in due course.

## **9. LEGAL IMPLICATIONS**

Standard legal implications for procurement of a contract using the open procedure.

The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The open procedure requires an OJEU notice to be published and all interested parties may then submit a tender. Following the submission of tenders, no negotiation with tenderers is permitted, just clarification of the tenders submitted and a finalisation of contract terms with the successful tenderer.

The council's Contract Standing Orders (CSOs) will also apply.

Standard legal implications for procurement of a call off contract (over threshold)

The Public Contracts Regulations 2015 apply to the procurement and award of call off contracts from framework agreements above the relevant thresholds for services, supplies and works. PCR 2015 defines a framework

agreement as ‘an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quality envisaged.’ The process to award a call off contract which may include re-opening competition should be run in accordance with the framework agreement, Regulations and the council’s Contract Standing Orders (CSOs).

Additional legal implications where Social Value has been considered in the report (which should be in most cases given it is an Administration priority)

The Social Value Act 2012 defines social value as ‘improvement to economic, social and environmental well-being of the relevant area’ and requires specific consideration by the council prior to starting a procurement process of how to improve these benefits through the procurement and how to undertake a procurement process with a view to securing that improvement. In addition, The Public Contracts Regulations 2015 expressly allow contracting authorities to incorporate social and environmental factors into specifications for a contract, award criteria and contract conditions provided they are linked to the subject matter of the contract, proportionate to what is being procured, do not result in unequal treatment of bidders, are free from discrimination and comply with the principle of transparency.

## 9. COST/QUALITY WEIGHTING CONSIDERATIONS

Suggested cost and quality considerations could be as follows:

<b>Criterion Product:</b>	<b>Percentage weightings</b>
<b>Price</b>	<b>30%</b>
Manufacture and Supply (price component)	60%
Charges per annum for users (price component)	40%
<b>Quality</b>	<b>70%</b>
General Requirements (quality component)	25%
Project Management - data management and reporting, administration systems and management of installation process (quality component)	30%
Management and Staffing (quality Component)	15%
Social Value (quality component)	15%
Sustainability (quality component)	15%

## 10. VALUE and SAVINGS

Officers suggest dividing the supply, management, and maintenance of the cycle hangars potentially between different suppliers. Suppliers could tender for all of it or just one or two parts of it. This may result in better value money and savings for the council. For instance, if a local business

wanted to apply to take on the management of the keys, they could quote for that section only. This would enable the potential for BHCC to invest in the local economy. However, the exact details of how the divide could work are not known at this stage, and if there were 3 different contracts to manage (for example) this would take more council officer resource.

## 11. POTENTIAL RISKS

There could be a risk that no suppliers apply to tender. We are aware that due to a large roll out of cycle hangars in London, some suppliers may not have the capacity to tender to start a new project in Brighton.

The target of 100 cycle hangars being purchased/installed before the end of March 2022 may not be feasible.

## 12. EVALUATION OF ROUTES TO MARKET

Officers have found a 'Cycle Parking and Infrastructure Framework' via the NHS Shared Business Services website. This framework includes bike hangar procurement. We have enquired as to whether local authorities can use this framework.. The advantage of using this is that it would speed up the procurement process, as a mini competition or direct award may be used. The disadvantage may be that there are only 2 suppliers listed on that framework. The disadvantage of the open market route could mean several applications are received, which would use limited officer resource to review. Additionally, a full open market procurement exercise is a longer process than a mini competition for example. The advantage of the open market route is that more choice between suppliers could offer better value for money. It may also alert us to local suppliers that we were previously unaware of.

### **SUPPORTING DOCUMENTATION**

1 – Example of what a bike hanger looks like



Source: Lambeth Council