

**NORTH LINCOLNSHIRE COUNCIL**

**SAFER, GREENER AND CLEANER  
PLACES  
CABINET MEMBER**

**LED STREET LIGHTING PROJECT - PROCUREMENT**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To approve the use of the existing YPO Frameworks for the procurement of materials and installers, for the LED Street Lighting works project 2017/20.
- 1.2 An urgent decision is requested on this matter to allow the earliest possible progress in taking forward this key project.

**2. BACKGROUND INFORMATION**

- 2.1 The council is committed to reducing energy consumption via its various operations. The council operates approximately 24,000 street lights and lit signs which consume, annually, a significant amount of energy. The LED street lighting project aims to make use of LED lighting technology to significantly reduce the energy used for street lighting while maintaining and improving lighting standards.
- 2.2 The council has put in place capital funding to support this initiative. Design and specification work has moved forward. Officers now need to progress the project into construction and site works by considering appropriate procurement methods. This will allow physical replacement works to commence at the earliest possible opportunity.
- 2.3 Contract Procedure Rules require that for procurements over £1m whole life cost relevant Cabinet Member approval to progress the procurement plan should be sought prior to the commencement of the procurement process.

**3. OPTIONS FOR CONSIDERATION**

- 3.1 There are two primary procurement options available for consideration, as follows:

**3.1.1 Option 1:**

To utilise existing Frameworks established within the Yorkshire Purchasing Organisation (YPO) for the supply and installation of light sources. YPO will undertake mini-competitions across their existing registered companies to ensure the achievement of value for money and competitiveness.

### **3.1.2 Option 2:**

To undertake a bespoke procurement for both elements requiring a full OJEU compliant process.

## **4. ANALYSIS OF OPTIONS**

- 4.1 Option 1 provides the quickest procurement route. The framework options available via the YPO include all leading manufacturers and suppliers. They include EU compliant mini competition provisions to achieve and demonstrate best value for money. Initial enquiries via YPO have indicated significant market interest.
- 4.2 Option 2 could take several months to conclude and provide no realistic advantage in terms of tender costs than might prove achievable via the YPO route. As with any EU level procurement there is an enhanced risk of challenge to the process and outcome. The only potential benefit to Option 2 is interest from suppliers not currently on the YPO framework.
- 4.3 In light of the above, Option 1 is recommended as the preferred option.

## **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

### **5.1 Financial**

5.1.1 Capital funding is allocated over the period 2017/20 to support this initiative. Revenue savings of £543,000 over the same period are anticipated and approved as targets in revenue budgets.

5.2 There are no other resource implications to consider.

## **6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

6.1 Not applicable.

## **7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTEREST DECLARED**

7.1 We have consulted with colleagues in the Strategic Procurement team and the Director of Governance and Partnerships. Both support the recommendation in this report.

## **8. RECOMMENDATIONS**

8.1 To approve the use of the Yorkshire Purchasing Organisation (YPO) Framework 711 – Procurement of Street Lighting lanterns and Framework YPO Dynamic Purchasing System 448 - Independent Connection providers – for the supply and installation of light sources associated with the LED Street Lighting project.

DIRECTOR OF OPERATIONS

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**Background papers used in the preparation of this report:**

- Council Capital and Revenue Budgets approved by Full Council on 16 February 2017