

Item No.	Classification: Open	Date: 02 March 2022	Meeting Name: Strategic Director of Environment and Leisure
Report title:		Gateway 1 Procurement Strategy Approval Provision and management of cycle hangars	
Ward(s) or groups affected:		All	
From:		Head of Highways	

RECOMMENDATION

1. That the Strategic Director of Environment & Leisure approves the proposed procurement strategy for the supply and installation of bicycle hangers. This will comprise a tendered contract for supply only with installation, maintenance and management to be in-house. The estimated annual cost is £437,500 for a period of four years, making a total contract value of £1.75m. The initial contract period will be two years with a provision for two one year extensions (2+1+1) at the Councils discretion, based on performance.

BACKGROUND INFORMATION

2. The current contract commenced on 1 March 2019 and ran for an initial two year period, with a further two 12 month extensions being exercised. The current contract will end on 28 February 2023.
3. There continues to be a significant increase in more sustainable forms of transport and a general trend in people actively seeking to follow a much healthier lifestyle, more people are choosing to cycle either for work or for leisure. Unfortunately the increase in cycle usage has led to an increase in bicycle theft throughout Greater London.
4. As of 31 January 2022 there are 8,948 people waiting for a space in a cycle hanger (each hanger can take six bikes). Only 87 of the 2,298 spaces currently provided were free (2.74%) at this time. This is a clear demonstration that there is scope to do much more to encourage cycling in the borough by the provision of safe and secure storage.
5. In acknowledgement of this the revised council plan (2020-2022) includes a commitment to double the number of bicycle hangers in the borough by end of March 2022.
6. Many residents in Southwark lack the space to securely store a bicycle in their home, especially lower income families living in flats. The provision of secure, convenient and available cycle parking is important to increase the popularity of cycling, in line with the objectives of the Movement Plan.

7. The provision of secure cycle parking will help to deliver the missions and objectives of the movement plan, in particular:
 - Mission 3 – For movement to benefit physical wellbeing
 - Action 4: Deliver infrastructure to support active travel
 - Action 5: Enable people to get active
 - Action 6: Enable people to stay active
 - Mission 4 – Reduce Traffic
 - Action 8: Use kerbside efficiently and promote less polluting vehicles

Summary of the business case/justification for the procurement

8. Since the first introduction of cycle hangars on our highway network in 2014/15, the demand has continued to grow. Prior to this point, the only form of cycle parking provision were Sheffield stands which provide relatively secure cycle parking if overlooked and a fair degree of security during the day but do not give the added confidence of a secure facility. The introduction from Holland of the Fietshangar (bike hangar) has proven to be very popular as they provide secure cycle storage for up to six bicycles in each unit. These hangars occupy as much space on the highway as half a car parking bay and so fit into the existing street architecture in a very simple, acceptable and effective way. The council supports the continuation of the programme to deliver secure cycle parking on the highway (and on housing estates) in order to meet the growing demand and encourage active travel amongst its residents.
9. The installation, maintenance and management of cycle hangars to date has been carried out by Cyclehoop. The provision of the units has been broadly welcomed by residents and users. The council continues to receive numerous requests weekly for new sites and Cyclehoop have provided details of in excess of 200 additional requests at sites within the borough. Requests are now being logged through our commonplace web page <https://cyclehangarsinsouthwark.commonplace.is/comments> where they are ranked and shortlisted for future installation.
10. Discussions have been held with other London Boroughs who have recently brought in house the maintenance and management of cycle hangars, whilst sourcing the units from external providers. Following discussions with internal departments the Council believes this is a viable option.
11. As these bike hangars are to be installed on the public highway, the authority will require them to be managed. Therefore the council needs a contractor who will manage the issuing of keys, maintain the hangars and also handle all administration with respect to the rental of these units. The Council would like to bring this service in house so that we have a greater degree of control over the management of our assets, whilst being able to reinvest any surplus revenue from managing the units back into the delivery of new hangars.

12. The provision of secure cycle parking contributes to a number of fairer future commitments, including; the climate emergency, tackling health inequalities and thriving neighbourhoods.

Market considerations

13. There are a growing number of suppliers in the UK providing secure on-street bike-hangars. The number of providers has increased since when the current contract was tendered in 2017.
14. Bringing the maintenance and management of hangars in-house will allow access to a greater number of suppliers as some companies exist that do not provide a management service. This is likely to generate a greater level of competition during procurement.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

15. Due to the increase in interest and demand for cycle hangars in London and the proposed change to a supply only procurement, the market now has additional suppliers confirmed that are supported by the London Cycle Design Standards and have installed units in adjacent boroughs. Therefore a competitive tender is proposed.
16. The tender would be of benefit in advertising for providers due to the market increase and recent development of alternative products that meet the London Cycle Design Standards (LCDS). The contract will also span 4 years which increases the value and should make the contract opportunity attractive to the market.
17. The existing provider is already on the council's approved list, with any additional tenderers requiring assessment against minimum approved list standards.
18. There is currently a framework in place for such services which was set up by London Borough of Waltham Forest, but this framework is due to expire in December 2023. There are no other suitable frameworks in place.

Proposed procurement route

19. Although there has been a recent increase in the number of providers cycle hangars still represent a niche provision, as such it is proposed to carry out a competitive tender process using the single stage Open procedure prescribed by the Public Contracts Regulations (PCR) 2015.
20. A contract notice will be published via the ProContract/London Tenders portal, in line with the PCR.

Identified risks for the procurement

21.

No.	Risk	Risk Level	Mitigating Action
1	Provider unable to deliver the number of bike-hangars required	Likelihood low / impact high	Ensure confirmation of delivery prior to award of contract
2	Bike-hangars are vandalised	Likelihood low / impact high	The contract requires a high level of security features. Attendance in case of emergencies is within 24hrs as the maintenance will be dealt with by internal departments
3	Hangars fail to attract users	Likelihood low / impact high	The selection of locations for new units is demand led and informal consultation is carried out prior to installation. Current data indicates that demand is high across the borough.
4	Hangars receive inadequate maintenance	Likelihood low / impact high	Ensure that necessary training and manuals are provided in order to carry out repairs to expected standards
5	Tenderer provides product that does not meet requirements (aesthetics/ usability etc.).	Likelihood low / impact high	Ensure contract specification is detailed and only complying products are eligible
6	Staff from existing supplier may be eligible for TUPE	Likelihood high / impact low	Existing provider to be contacted for stage 1 ELI prior to tender stage and provision made for any transfer of staff to a new provider.
7	Low level of tender response	Likelihood medium / impact medium	Ensure adequate advertising and notification. Market research has been carried out to

			understand potential suppliers and ensure they are registered on the contract portal.
8	Lack of competition in tender responses/variation in tendered prices	Likelihood low / impact high	Benchmark of rates from previous works with supplier

Key /Non Key decisions

22. This report deals with a non-key decision.

Policy framework implications

23. The recommendations contained within this report are consistent with the missions of the Movement Plan 2019, particularly:

- M3 Action 4 – Deliver infrastructure to support active travel
- M3 Action 5 - Enable people to get active
- M4 Action 8 – Use kerbside efficiently and promote less polluting vehicles
- M4 Action 9 – Manage traffic to reduce the demand on our streets
- M7 Action 15 - Reduce exposure to air pollution
- M7 Action 16 – Zero people killed or injured on our streets by 2041

Procurement project plan (Key decisions)

Activity	Complete by:
DCRB Review Gateway 1:	02/03/2022
Brief relevant cabinet member (over £100k)	27/01/2022
Approval of Gateway 1: Procurement strategy report	02/03/2022
Completion of tender documentation	02/05/2022
Publication of Opportunity on Contracts Finder	21/03/2022
Invitation to tender	03/05/2022
Closing date for return of tenders	31/05/2022
Completion of clarification meetings/presentations/evaluation interviews	30/05/2022
Completion of evaluation of tenders	01/07/2022
DCRB Review Gateway 2: Contract award report	05/10/2022
Approval of Gateway 2: Contract Award Report	24/10/2022

Activity	Complete by:
Debrief Notice and Standstill Period	06/12/2022
Contract award	06/12/2022
Add to Contract Register	06/12/2022
TUPE Consultation period (if applicable)	27/01/2023
Place award notice in Find a Tender Service	06/12/2022
Place award notice on Contracts Finder	07/12/2022
Contract start	01/03/2023
Initial Contract completion date	28/02/2025
Contract completion date – if extension(s) exercised	28/02/2027

TUPE/Pensions implications

24. Some of the existing supplier's staff may be eligible to transfer under the Transfer of Undertakings (Protection of Employment) Regulations. The exiting provider has been contacted to understand which staff may be affected by this and what duties they fulfil.
25. Staff involved in the installation and maintenance of hangars or management of rentals will need to be transferred to the internal team that will be carrying out the appropriate work stream, however currently the council does not have resources trained and assigned to this work so will require these resources to manage the work in an effective manner.

Development of the tender documentation

26. The tender documents are under development by Southwark using Southwark standard forms. These take into account learnings from the previous years of procurement and best practice developed alongside the incumbent contractor. Examples of tenders produced by other London Boroughs recently for cycle hangars are also being reviewed to gather as much additional information as possible before refining for the specific needs of LBS.

Advertising the contract

27. The contract will be advertised on the UK Find-a-Tender service through the ProContract/London Tenders Portal and via Contracts Finder.

Evaluation

28. Tenders will be evaluated on the basis of Quality (30%), Price (60%) and Social Value (10%). A detailed evaluation method will be included in the ITT

and will be subject to possible modification according to clarification queries raised during the tendering period.

Supply of secure cycle parking unit

- Design
- Security
- Safety
- Testing and quality assurance
- Adaptation for different bicycle types
- Proven deployment

Community, equalities (including socio-economic) and health impacts

Community impact statement

29. The implementation of any transport project creates a range of community impacts. All transport schemes aim to improve the safety and security of vulnerable groups and support economic development by improving the overall transport system and access to it.

30. With the exception of those benefits identified above, the implementation of cycle hangars is not considered to have a disproportionate effect on any particular community group.

31. The implementation of cycle hangars support the council's equalities and human rights policies and promote social inclusion by:

- Offering secure cycle parking facilities for residents in line the Councils movement plan.
- A lack of space to store bicycles affects families from lower incomes more, this provision will seek to address this.
- The tender will include an assessment of each product to understand their ability to accommodate cycles adapted for people who have particular needs.

Equalities (including socio-economic) impact statement

32. The implementation of cycle hangars is not considered to have any adverse effect on socio-economic or health equalities.

33. Encouraging wider uptake of cycling is expected to have a positive impact by reducing the use of motor vehicles and their associated air quality impacts which can disproportionately affect certain health conditions.

Health impact statement

34. The proposals support the council's mission to encourage movement to

benefit physical wellbeing and reduce traffic.

Climate change implications

35. The implementation of cycle hangars links into the actions set out under 'Priority 2 – Active and Sustainable Travel' of the Climate Change Strategy, and by nature of building more cycle hangar infrastructure, the scheme is working to reduce carbon emissions by making it easier not to use motor vehicles.
36. A just and inclusive transition is at the heart of the council's emerging climate policy. This proposal priorities the movement of people first and foremost, while retaining vehicle access for those who require it. In delivering safe and secure cycle parking facilities, the measures are in accordance with the council's approach to addressing the climate emergency.

Social Value considerations

37. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.
38. Tender submissions will be assessed against the social value themes, outcomes and measures using the Social Value Portal.
39. Social value will account for 10% of the tender assessment.
40. Bringing the management and maintenance of hangars in-house will provide employment opportunities for local people.

Economic considerations

41. Local organisations are looking at ways to improve transport options for their employees. Changes in how staff travel to and from work, and make journeys during the working day, can save time and money for both the businesses and their employers. These changes can also provide health, social and environmental benefits for the community at large.

Social considerations

42. The successful tenderer will be required to pay the London Living Wage to all their relevant staff engaged in the contract.

Environmental/Sustainability considerations

43. The introduction of secure cycle parking encourages sustainable modes of transport, and is in line with Southwark's Movement Plan which prioritises kerbside space for sustainable modes of transport.

Plans for the monitoring and management of the contract

44. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Highways Division will ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.

45. Monthly reports with details of hangars installed, spaces available and waiting lists will be produced.

Staffing/procurement implications

46. Additional staff will be required to manage this contract as the management and maintenance will now be delivered by internal departments.

47. Additional staff may be taken on through the TUPE process, however the need for any additional staff beyond this will not be clear until stage 2 ELI data has been obtained.

Financial implications

48. Estimated contract cost including and excluding VAT:

	Cost excluding VAT	Cost inclusive of VAT
Annual Cost	£437,500	£525,000
Total Cost	£1,750,000	£2,100,000

49. The above values are indicative only and the contract will not contain any minimum value requirements. Numbers of hangars required will be dictated by the resources made available.

50. The council currently has a capital budget of £800,000 to deliver new hangars. Any targets for new hangars that are introduced going forward will require a bid for additional capital funding.

Investment implications

51. The asset and installation is paid upfront under this contract, with the ongoing maintenance and management costs covered by rental charges collected directly from the user.

52. Any surplus revenue from rental charges will be used to provide new hangars.

Legal implications

Please see concurrent from the Director of Law and Governance.

Other implications or issues

53.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

54.

Director of Law and Governance (draft pending DCRB and further amendments)

55. This report seeks approval of a procurement strategy for the supply and installation of bicycle hangars, for an initial period of two years with an option to extend for two further periods of one year.

56. The nature and estimated value of the proposed contract means that its procurement will be subject to the Public Contracts Regulations (PCR) 2015, and paragraphs 19 and 20 note the procedural steps that are to be taken to ensure PCR compliance, including the publication of a contract notice on the UK Find-a-Tender service as part of a competitive tendering exercise. The proposed procurement strategy is also consistent with the council's Contract Standing Orders (CSOs) and with the relevant corporate policy referenced within the report.

57. The decision to approve the recommended procurement strategy is one which is reserved to the strategic director of environment and leisure under the CSOs.

58. The strategic director's attention is drawn to the Public Sector Equality Duty (PSED) under the Equality Act 2010, and when making decisions to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation, The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. [*The strategic director is specifically referred to the community impact statement at paragraph/s ** setting out the consideration that has been given to equalities issues (including the findings of the*

equality analysis) which should be taken into account when approving this procurement strategy].

59. Paragraphs 24 and 25 note the potential application of the TUPE Regulations in the event of an award to a new contractor and the steps that will be taken to obtain appropriate staffing information from Cyclehoop during the procurement process.

Strategic Director of Finance and Governance (EL21/149)

60. The strategic director of finance and governance notes the recommendation to the Strategic Director of Environment & Leisure to approve the proposed procurement strategy for the supply and installation of bicycle hangars.
61. The strategic director of finance and governance notes the financial implications and that the figures are indicative only and the contract will not contain any minimum value requirements. The strategic director also notes the current capital budget and that targets for new hangars that are introduced going forward will require a bid for additional capital funding.
62. All staffing and other related costs to be contained within existing departmental revenue budgets.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council’s Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature

Date.....

Designation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see ‘FOR DELEGATED DECISIONS’ section of the guidance).

1. DECISION(S)
As set out in the recommendations of the report.

2. REASONS FOR DECISION
As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
As set out in the report.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION *

* Contract standing order 6.4.1 states that for contracts with an Estimated Contract Value of £100,000 or more, the lead contract officer (LCO) must

consult with the relevant cabinet member before a procurement strategy is implemented.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.*

or

I declare that I was informed of the conflicts of interests set out in Part B4.*

(* - Please delete as appropriate)

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I consider that the decision be made available for publication under Regulation 13(4).*

or

I do not consider that the decision be made available for publication under Regulation 13(4).*

(* - Please delete as appropriate)

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in

place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as “Regulation 13(4)”.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Movement Plan 2019	160 Tooley Street SE1 2QH	George Mellish 020 7525 7903
https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/transport-policy/policy-and-guidance-documents/movement-plan		

APPENDICES

No	Title
None	

AUDIT TRAIL

Lead Officer	Dale Foden - Head of Highways	
Report Author	George Mellish – Principal Transport Projects Engineer (Acting)	
Version	Draft v5	
Dated	22.02.2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	
Head of Procurement	Yes	
Director of Law and Governance	Yes	Yes
Director of Exchequer (for housing contracts only)	No	No

Cabinet Member	Yes	
Contract Review Boards		
Departmental Contract Review Board	Yes	
Corporate Contract Review Board	No	No
Cabinet Member	Yes	
Date final report sent to Constitutional /Community Council/Scrutiny Team	Date/Month/Year e.g. 5 July 2020	