



DERBY CITY COUNCIL

WOMEN'S ADVISORY COMMITTEE 1 February 2005

Report of the Director of Development and Cultural Services

Street Lighting provision within Derby –progress report

RECOMMENDATION

1. To support the progression of the PFI bid for Street Lighting.

SUPPORTING INFORMATION

- 2.1 The meeting of this Committee on 23 March 2004, supported the proposal to submit an Outline Business Case for a Street Lighting PFI to DfT.
- 2.2 The DfT announced on 29th November 2004 that the Council's bid for £32.47m of PFI credits has been approved in full.
- 2.3 The bid, as submitted, proposes the replacement of 65% of the current street lighting columns over a 5 year period, improvement to service levels and maintenance of the infrastructure at that level for the period of the contract (25 years).
- 2.4 The Council now needs to move forward to the next stage of the process, the preparation of the Contract Documentation.
- 2.5 The Contract has been advertised in the Official Journal of the European Union, and interest in the scheme has been received from a number of contractors.
- 2.6 These contractors have been issued with Prequalification Questionnaire (PQQ) and Invitation to Submit Outline Proposals (ISOP) documentation.
- 2.7 The PQQ and ISOP are due back on 14th February 2005. Analysis of the responses to these will enable the Council to draw up a shortlist of suitable contractors.
- 2.8 The next stage is the preparation of an Invitation to Negotiate (ITN). The ITN sets out the steps that the Council will take to obtain specific information to enable the Council to select a Preferred Bidder and subsequently award a Contract for the street lighting PFI project. The views of Stakeholders are being sought to ensure that all relevant information is available in the ITN for Bidders to be able to base their submission. Views should be submitted by 1st March 2005.
- 2.9 It is anticipated that the ITN will be sent to the short-listed contractors in April 2005. a full project timetable is enclosed as Appendix 2

Appendix 1

IMPLICATIONS

Financial

1. The next stages of the process will require additional and dedicated staffing support.

It is difficult at this stage to give a precise and definitive costs of such support, since these will be determined by the nature of any internal arrangements the Council is able to secure through specific secondments and/or backfill arrangements, and the outcome of discussions with consultancy organisations.

Legal

2. There are no direct legal implications arising from this report. However specialised legal advice has been secured in order to ensure that the Council is fully and regularly appraised of the legal implications.

Personnel

- 3 The number of Council employees likely to be affected by the PFI will be determined in detail of the ITN and Bidder proposals.

A PFI procurement often means the transfer of most staff to the private sector. However, this is not inevitable and options for retaining an in house maintenance function will be investigated with the Bidders.

Should this not be possible, a PFI procurement could result in the possible transfer under TUPE regulations on some of the 13 current employees and 6 vehicles. However, the Council would then seek to ensure that Government proposals on workforce matters, to ensure that all new staff are offered pay and conditions “no less favourable” than transferred employees, and that new staff are offered reasonable pension arrangements, would be enforced.

Corporate Objectives and Priorities for Change

- 4 The maintenance and improvement of street lighting satisfies the Council's Objectives of **Providing Strong and Positive Neighbourhoods** and **Providing Integrated Cost Effective Services**.

It also satisfies the City Council's priorities for change of – **Increasing Value for Money from Council Services** and **Increasing the Attractiveness and Viability of City and District Centres**.

Proposed Timetable: Project Approval and Procurement**Appendix 2**

Stage	Target Date
Expression of Interest submission	July 03
OBC submission	September 04
OBC approval	November 04
OJEC Notice Publication	December 04
Issue Information Memorandum/PQQ/ISOP	December 04
Return of PQQ/ISOP	February 05
First Stage Short-list	March 05
Issue Invitation to Negotiate	April 05
Submission of Bids	July 05
Short-list for BAFO	October 05
Issue BAFO Invitation	November 05
BAFO Submission	January 06
Appointment of Preferred Bidder	February 06
Award of Contract	May 06
Contract Start Date	July 06