

# Traffic Signal Maintenance Contract Extension

**ITEM 7.1** 03/11/2020  
**The Committee**

Strategic Alignment - Thriving Communities

**Program Contact:**  
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Finance & Performance 8203  
7655

2020/00150

Confidential - s 90(3) (b) commercial advantage/prejudice commercial position of council

**Approving Officer:**  
Clare Mockler, Deputy CEO &  
Director Culture

## EXECUTIVE SUMMARY

Council has an ongoing requirement for preventative and breakdown maintenance for its network of traffic signals at 132 intersections throughout the City of Adelaide. Council has a five-year standing offer contract for these services with Gridlock Electrical which has one further renewal option. In adhering to the procurement policy, due to the total contract value, Council is required to approve the variation and extension option.

Consideration in confidence is sought because pursuant to s 90(3)(b) of the *Local Government Act 1999 (SA)*, disclosure will prejudice Council's ability to achieve competitive pricing through its procurement processes and achieve value for money for its ratepayers.

The following recommendation will be presented to Council on 10 November 2020 for consideration:

### THAT COUNCIL

1. Approves the exercise of the 12-month extension to Council's standing offer Traffic Signal Maintenance Contract with Gridlock Electrical option to 31 January 2022 and approves the increase of the total contract value to \$5,200,000 excluding GST.
2. Authorises the Chief Executive Officer to exercise any further extensions and increases to the total authorised contract spend.
3. In accordance with Section 91(7) & (9) of the *Local Government Act 1999 (SA)* and because Item # [Traffic Signal Maintenance Contract Extension] listed on the Agenda for the meeting of the Council held on 10 November 2020 was received, discussed and considered in confidence pursuant to Section 90(3) (b) of the *Local Government Act 1999 (SA)*, this meeting of the Council do order that:
  - 3.1. The resolution, the report, the discussion and any other associated information submitted to this meeting and the Minutes of this meeting in relation to the matter remain confidential and not available for public inspection until 31 December 2027.
  - 3.2. The confidentiality of the matter be reviewed in December 2021.
  - 3.3. The Chief Executive Officer be delegated the authority to review and revoke all or part of the order herein and directed to present a report containing the Item for which the confidentiality order has been revoked.

## IMPLICATIONS AND FINANCIALS

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|--|---|
| City of Adelaide<br>2020-2024<br>Strategic Plan                        | <b>Strategic Alignment – Thriving Communities</b><br><i>A safe, affordable, accessible, well-connected city for people of all ages and abilities, and all transport modes</i>   |
| Policy   | The exercise of the extension option and increase to total contract sum complies with Council's Procurement Policy. Council approval is required due to it being the relevant delegated financial authority for purchases over \$1m.  |
| Consultation   | Not as a result of this report  |
| Resource   | Not as a result of this report  |
| Risk / Legal /<br>Legislative  | Not as a result of this report  |
| Opportunities  | There is an opportunity to drive value for rate payers through 'long term' partnering for services required on an ongoing basis. As a part of releasing the 20/21 package of works under the 20/21 capital works program, the contractor's quote will undergo a thorough review process to ensure it is competitive and achieves value for money for rate payers. |
| 20/21 Budget<br>Allocation   | \$1,291,000 comprised of:<br>Infrastructure Delivery – \$950,000<br>Public Realm – \$341,000  |
| Proposed 21/22<br>Budget Allocation                                    | \$2,341,000 comprised of:<br>Infrastructure Delivery - \$2,000,000<br>Public Realm – \$341,000  |
| Life of Project,<br>Service, Initiative<br>or (Expectancy of)<br>Asset | Not as a result of this report. While traffic signal maintenance is an ongoing requirement for the city, the procurement of services past the expiry of this contract will be subject to a separate procurement activity.   |
| 20/21 Budget<br>Reconsideration<br>(if applicable)                     | Not as a result of this report  |
| Ongoing Costs (eg<br>maintenance cost)                                 | Not as a result of this report. While traffic signal maintenance is an ongoing requirement for the city, the procurement of services past the expiry of this contract will be subject to a separate procurement activity.   |
| Other Funding<br>Sources   | Not as a result of this report  |

## GROUNDS AND BASIS FOR CONSIDERATION IN CONFIDENCE

### Grounds

Section 90 (3) (b) of the *Local Government Act 1999 (SA)*

- (b) information the disclosure of which –
- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and
  - (ii) would, on balance, be contrary to the public interest

### Basis

The confidential information in this Report contains information that could prejudice the commercial position of the Council in respect of its intended procurement activities.

### Public Interest

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed because it may prejudice Council's ability to undertake a competitive procurement process and achieve value for money for its ratepayers.

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## DISCUSSION

1. The City of Adelaide has an ongoing requirement for preventative and breakdown maintenance for its network of traffic signals at 132 intersections throughout the city.
2. Council has a standing offer contract with Gridlock Electrical which expires on 31 January 2021 and has one further renewal option of 12 months.
3. The exercise of the extension option will allow for 2 financial years (20/21 and 21/22) of routine maintenance works managed by Public Realm to be performed (a routine increase to the total contract value of approximately \$341,000 per annum).
4. Additionally, an efficiency opportunity has been identified to incorporate the capital works maintenance program managed by Infrastructure Delivery for 20/21 and 21/22 years into this contract, for which we receive competitive rates with a highly competent contractor.
5. An internal performance review of Gridlock Electrical has been undertaken, and it has been confirmed that Gridlock should be awarded the contract extension option.
6. In adhering to the procurement policy, due to the total contract value, Council is required to approve the extension option to 31 January 2022.
7. As these services are required on an ongoing basis, planning activities for a subsequent procurement will commence mid next year in order for a new arrangement to align with the new expiry date.

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## ATTACHMENTS

Nil

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- END OF REPORT -

