**Schedule 2 SPECIFICATION**

1. **DESCRIPTION AND SCOPE**

1.1 The London Borough of Southwark is seeking to retender the rights associated with its current Borough-wide 6-sheet advertising concession primarily for the purposes of income generation.

1.2 For the avoidance of doubt the scope of this tender does not include Highway under the jurisdiction/control of TfL; the Transport for London Road Network (TLRN). Those roads forming part of the TLRN in the Borough are currently the A100, A101, A2, A3 (not including Borough High Street and Newington Causeway), A200 (not including Lower Road, Bush Road, Rotherhithe Old Road and Rotherhithe New Road), A201, A202, A205, A2198 (not including Long Lane between Tabbard Street and Bermondsey Street), A300 (not including Southwark Bridge Road), A302, A3200, A3202 (not including Borough Road) and the A3203 (not including Lambeth Road between Kennington Road and St Georges Road).

1.3 The rights available will allow for the installation and operation of free-standing Digital 6-sheet display units for the purposes of commercial advertising on Council controlled land and/or highway within ‘The Territory’ across the Borough for a period of 10 years.

1.4 The current concession comprises 19 double-sided 6-sheet advertising units, of these:

12 comprise a scrolling unit on the main face with a static face to the rear

5 comprise 2 static faces and

2 are double-sided digital units

In total this equates to 4 digital faces, 12 scrolling faces and 17 static faces.

1.5 All of these locations are available for digital display under this tender exercise along with the right to establish alternative and additional digital display units (subject to planning and any other necessary consents). The list of current unit locations can be found at Appendix 1.

1.6 The Council is keen to optimise the potential for income generation offered by this opportunity set and it is expected that for the duration of the new operational period this ethos will be reflected in the Media Owner’s own expectations and ambitions for the establishment and further growth and development of the concession.

1.7 All equipment currently in-situ is the property of the incumbent operator and will be removed by them at the expiry of the current contract. New equipment will be required (in any event) at any locations to be operated under the new arrangements.

1.8 Any incoming operator must make its best endeavours to communicate with and work with the outgoing concessionaire to secure a smooth and trouble-free transition that seeks to minimise any disruption to associated Council income.

1.9 Alternative and/or additional locations will be considered at the Council’s discretion (not to be unreasonably withheld) and ‘subject to planning’ (and any other necessary consent). Guidance regarding the identification of potential new sites can be found at section 9 of this specification.

1.10 The Licensee will be responsible for (and for all costs associated with):

* Identifying any additional locations it requires (subject to client approval and planning)
* Applying for and obtaining any necessary statutory consents (including advertisement consent and/or any consents required by the Licensee or the Council in relation to the placing of advertising units on the highway whether under the Highways Act 1980 or otherwise) for all advertising displays including the payment of all associated costs.
* Providing, installing and maintaining (as per the Council’s maintenance policy see Appendix 2) all advertising units (including the responsibility for associated costs).
* Marketing, selling and ‘posting’ of advertising space.
* Payment of all taxes, Business Rates and other impositions made in connection to the operation of the advertising units.
* Providing a quality Service for the duration of the contract and making its best endeavours to secure maximum income and best value for the Council.
* Compliance with Health and Safety legislation.
* The proper provision and supervision of its staff.
* Attending regular contract meetings as reasonably required.

**2.0 DURATION OF THE CONTRACT**

2.1      The length of the contract will be for a period of ten (10) years unless terminated earlier in accordance with the termination provisions contained within the Contract. The Council anticipates that the contract will commence in October 2022 although bidders should note that this is indicative and may be subject to change.

**3.0 EXCLUSIVITY**

3.1 The Council shall not during the term of this Contract either install or permit to be installed within ‘The Territory’ (other than by the granting of Advertisement Consent in its capacity as Planning Authority) any free standing 6-sheet (or equivalent) digital or internally illuminated advertising display unit upon any land or Highway under its direct jurisdiction and control subject to the following exclusions:

* Advertising upon bus shelters
* Advertising that is the subject of an agreement or arrangement that was established prior to the commencement date of this Contract and any associated retender or renewal of the same.
* Advertising on telecommunications kiosks/boxes

**4.0 COMMERCIAL MODEL**

4.1 Through the operation of this Service, the Licensee shall provide a regular income stream to the Council for the duration of the Contract Period. Each year the Council will receive either a share of Net Revenue generated as a result of this Concession or a Minimum Guaranteed Sum, whichever is the greater.

4.2 Net Revenue share calculations shall be based on a share of all income receivable by the Licensee as a result of this Concession from the sale of all advertising space, brand experience and associated promotional activity less applicable specialist and agency fees and volume over-ride payments as per the working example at Appendix 3. Specialist commissions shall be applied at no more than 5% on relevant sales and agency commissions shall be applied at no more than 15% on relevant sales. Volume over-ride rebates shall be applied at no more than 10% on relevant sales. No other cost deductions will be allowable.

4.3 The ‘Minimum Guaranteed Sum’ shall be subject to adjustment annually on anniversary of the contract commencement date in accordance with the percentage change in the Consumer Price Index (CPI) since the last adjustment date or the Commencement Date in the case of the first adjustment PROVIDED THAT in the event of a negative change in CPI the Minimum Guaranteed Sum shall remain the same and will not be decreased.

**5.0 PAYMENT**

5.1 The sums due from Commencement of the Contract in relation to both the ‘Minimum Guaranteed Sum’ and ‘Share of Net Revenue’ will reflect those specified in the pricing sheet as submitted within the Licensee’s accepted tender.

**Minimum Guaranteed Sum**

5.2 The ‘Minimum Guaranteed Sum’; shall be payable quarterly in advance for each DIGITAL UNIT DISPLAY FACE for the duration of the Contract. The first payment falling due upon commencement. Delays caused by any statutory undertakers or third-party contractor/s outside of the control of the Licensee will be considered material and, in such circumstances, a new date will be mutually agreed between the parties.

5.3 Fees will be payable to the Council in accordance with the provisions of the Conditions of Contract. Fees relating to units which have been installed or removed during a quarter will be calculated pro-rata.

5.4 If for any operational reason beyond the control of the Licensee any of the Digital Advertising Display Screens cannot reasonably be used for advertising purposes and provided the payments and other sums owed to the Council by the Licensee have been paid up to date then the Licensee shall be entitled to reduce the Guaranteed Sum in proportion to the degree of such interference or reduction in revenue receipts during such time as such interference, circumstance or event shall last. This will be without prejudice to any claim by either party against the other in respect of antecedent breach of any stated covenant or condition and after presentation of supporting evidence and consultation with the Council.

5.5 If an advertising unit cannot reasonably be used for advertising and it is agreed by both parties that the interference to the operation of that advertising unit will be permanent or of such duration as to render its operation unviable for the remainder of the term then the advertising unit should be removed and the site reinstated according to the provisions of this Contract. All costs associated with such removal and remediation works will be the responsibility of the Licensee except in such cases where the cause of the interference is the result of an action of the Council in which case the cost of removal and remediation will be the responsibility of the Council.

**Share of Net Revenue**

5.6 ‘Share of Net Revenue’ payments will be due quarterly in arrears.

5.7 The Licensee will for the duration of the Contract keep and maintain such records and documents as are necessary to enable the ‘Net Revenue’ to be calculated and will provide to the Council within thirty (30) days of each quarter day a statement of Gross Revenue, Net Revenue and the ‘Share of Net Revenue’ for that accounting period including a clear indication as to what proportion/value of total sales, eligible deductions have been applied.

5.8 In addition, the Licensee will provide to the Council and/or the Council’s Representative such information as the Council reasonably requests from time to time for the sole purpose of ensuring that the calculation of the ‘Net revenue’ and ‘Share of Net Revenue’ specified by the Licensee is correct. The Council reserve the right to conduct an audit of financial and/or media sales records in order to verify this information.

**6.0 PROVISION OF SERVICE**

6.1 The Licensee will establish a minimum of 30 Digital Display Faces (i.e. equivalent of 15 double-sided advertising units).

6.2 The installation of all advertising units will be subject to the successful acquisition of ‘Advertisement Consent’. The Licensee shall be responsible for applying for and obtaining all necessary statutory consents (including advertisement consent and/or any consents required by the Licensee or the Council in relation to the placing of advertising units on the highway whether under the Highways Act 1980 or otherwise) for all advertising displays including the payment of all associated costs. Prior to the submission of any application/s for advertisement consent, the proposed locations and designs of the advertising units will be agreed with the Council Representative.

6.3 All advertising units shall be provided and installed by the Licensee. In all instances, the advertising units will be tested by the Licensee, at the Licensee’s expense, to ensure that they are adequately strong, safe and in all other respects ‘fit for purpose’ and in working order.

6.4 The advertising units will remain the property of the Licensee.

6.5 Once the advertising units have been installed, the Licensee shall be fully responsible for the maintenance, repair and any replacement in whole or in part (as necessary) of the advertising units and for the marketing and ‘posting’ of advertising space, this includes all costs relating to the same.

6.6 The Licensee must at all times strictly adhere to the relevant Code of Practice of the Advertising Standards Authority or any code of advertising practice that may supersede the same.

6.7 The Licensee must comply with Southwark Council’s advertising policies. The Council currently has an ‘Advertising Policy’ which includes details of advertising content that is prohibited by the Council. This currently includes:

* Party political advertising
* Religious advertising
* Alcohol
* Tobacco or e-cigarette advertising
* Food and non-alcoholic drinks that are high in fat, salt and sugar (HFSS)
* Gambling and betting
* No win, no claim services, payday lenders or pyramid promotional schemes
* Nudity, pornography, prostitution or sexual messaging services
* Weaponry including knives
* Hateful or discriminatory content

Any additional categories for exclusion arising from subsequent changes to policy and that the Council may wish to add during the term of the contract will be subject to mutual agreement with both parties acting reasonably.

6.8 The Licensee shall be required to make space available on the digital screens in times of emergency for such public messaging as required in order to maintain public safety.

6.9 Unsold display space will be made available to the Council for public messaging and non-commercial promotional use subject to availability and mutually appropriate notification/access procedure.

6.10 The Licensee will be responsible for ensuring the security and integrity of all digital input and communication with any digital panels and will safeguard against the unauthorised interference and use of third parties in respect of the same.

**7.0 INSURANCE & INDEMNITY**

7.1 The Licensee shall indemnify and keep indemnified the Council from and against all actions, claims, demands, proceedings, damages, costs, charges, liability and expenses whatsoever caused as a result of the Licensee erecting and operating the advertising units. The Licensee shall insure all equipment to be placed on the land and carry Public Liability Insurance and Employee Liability Insurance of not less than £10 million.

**8.0 COSTS**

8.1 In addition to the price payable to the Council, the Licensee shall also be responsible for all costs incurred in the running of the Contract, which shall include but not be limited to the following:

* materials
* equipment
* works
* labour
* management/administration
* liaison with Council departments and other bodies
* attending meetings
* health and safety provision
* traffic control measures
* the payment of any taxes or business rates imposed in relation to the operation of the advertising units.
* any other relevant overhead costs including but not limited to, connection of the advertising units to a supply of electricity, consumption of electricity, the provision and laying of any data cables, production, marketing and maintenance

8.2 For the avoidance of doubt the Licensee shall note that under no circumstances will the Licensee make any claims for any costs to or from the Council other than those to which it is entitled according to the provisions of this Contract.

**9.0 CRITERIA GOVERNING SUITABILITY OF SITES**

9.1 The following criteria are offered as guidance in relation to the selection of any potential alternative or additional advertising locations:

**Planning**

* There shall be no units located in ‘green belt’ or areas of ‘Metropolitan Open Space’.
* There shall be no units located in areas of ‘special advertisement’ control’.
* Units shall be appropriate to their setting in both scale and nature.
* Units shall be predominately located in areas of a commercial nature.
* Any identified locations falling within designated ‘conservation areas’, or close to nationally listed or locally listed building, even if commercial in nature, will be subject to more rigorous scrutiny and may be subject to additional design constraints and requirements.
* Units shall be sited in a way to avoid harm to trees or important soft landscaping

**Highways**

* No advertising unit shall infringe or overhang private property or in any way run the risk of impeding traffic.
* A minimum clearance of 450 mm is required from the edge of a typical carriageway or a minimum of 600mm on dual carriageways.  More may be needed where the adjacent road is cambered to allow for the lean of vehicles towards the panels to help avoid vehicle strikes.
* A minimum unimpeded pavement width of 1200 mm must be maintained to allow for the passage of pedestrian traffic.
* No advertising unit/display shall be positioned in such a way as to create a distraction to drivers and other road users so as to constitute a road safety hazard or obscure statutory signage on the public highway.

**10.0 INSTALLATION**

10.1 Installation will be subject to the successful acquisition of all necessary statutory permissions or consents, as previously indicated and must be in accordance with the New Roads and Street Works Act 1991, the Traffic Management Act 2004 and the London Permit Scheme (Amended version 1 2015)

10.2 Before commencing the works of installation, the Licensee shall at its own expense take all steps necessary to ascertain whether at each location there will or may likely be any interference with any pipes, cables or drains or any other statutory undertakers’ apparatus within or adjacent to the site of works and if so, take all necessary arrangements to safeguard the same.

10.3 The Licensee shall at its own expense during the works of installation take all steps as may be reasonably necessary to avoid damage or injury as a result of the works to all persons lawfully using the Highway.

10.4 All advertising display units must be structurally sound (taking into account such factors as wind loading), fit for the purposes of advertising display and conform to all relevant BS requirements. All advertising units must additionally be approved for use by Southwark Council Highways Department.

10.5 The Licensee, at its own expense, shall arrange for a structural assessment to be made by a suitably qualified engineer to properly confirm this fact and shall fully indemnify the Council for any actions, claims, demands, proceedings, damages, costs, charges, liability and expenses caused to the Council as a result of the Licensee’s failure to ensure such structural assessment is undertaken.

**11.0 MAINTENANCE**

11.1 The Licensee shall be fully responsible for the maintenance and repair of the advertising units including their replacement in whole or in part (as necessary) howsoever the damage is caused.

11.2 The Licensee shall comply with the Maintenance Schedule as detailed in Appendix 2.

11.3 The Licensee shall be fully responsible for keeping the advertising units in a clean and tidy condition and free from graffiti and fly-posting and shall inspect the units in relation to these duties at least once every 14 days.

11.4 The Licensee must ensure damaged equipment causing a danger to the public (eg broken glass, sharp edges or leaning/unstable infrastructure), is removed or made safe pending repair within 2 hours. Southwark Council's Highway Department reserve the right to take immediate action to make a panel safe and in that event the Licensee will reimburse the Council's reasonable costs associated with doing so.

11.5 Risk assessments in respect of the installation, operation and maintenance of the advertising units shall be provided to the Authorised Officer.

**12.0 PERFORMANCE**

12.1 No later than two (2) calendar months from the Award of Contract, the Licensee shall, at its own expense, submit applications (as necessary) in relation to the replacement of any units to occupy existing locations.

12.2 No later than three (3) calendar months from the award of the Contract, the Licensee shall, at its own expense, have applied for planning consent for the total number of proposed advertising units (including any to occupy additional or amended locations) as contained within the Licensee’s accepted tender (or an alternative number of units agreed by the Council following the site identification/confirmation process).

12.3 The service shall be fully operational (i.e. all advertising units installed and operational), by no later than six (6) calendar months after the grant of the final planning consent.

**13.0 UPON TERMINATION**

13.1 At the end of the Contract Period or upon termination of this agreement for whatever reason the Licensee shall at its own expense be responsible for dismantling and removing all advertising units and will ‘make good’, reinstating each relevant location to its former condition or to a suitable alternative condition that is agreed to be safe and acceptable by the Authorised Officer.

13.2 Upon expiry or termination of this contract the incumbent operator must make its best endeavours to communicate with and work with any incoming concessionaire to secure a smooth and trouble-free transition that seeks to minimise any disruption to associated Council income.

**14.0 LICENSEE/CLIENT LIAISON**

14.1 The Council Representative shall be the point of contact between the Licensee and the Council. It shall be the duty of the Council’s Representative or the Council Representative’s Agent to liaise between the Licensee and other Council Departments who represent users of the Service. The decision of the Council Representative on any matter relating to the Contract service is final and binding on all concerned.

14.2 The Contract Manager or Assistant Contract Manager shall meet the Council Representative or Council Representative’s Agent at regular liaison meetings at intervals, times and locations specified by the Council Representative. The Licensee shall have made allowance in the tendered price for liaison meetings to be held every three (3) months throughout the Contract period, as well as additional meetings as reasonably required during the Contract start-up period between the award of the Contract and the Contract Commencement Date. The Authorised Officer shall give at least fourteen (14) days' notice of the date, time and place of liaison meetings, together with the names of Licensee's staff who will be required to attend.

14.3 The Licensee shall not implement any actions discussed at liaison meetings unless directed in writing to do so by the Council Representative.

**15.0 ASSIGNMENT**

15.1 The Licensee will not be entitled to assign or underlet its interest to any group, company or third party outside of its own group of companies.

APPENDIX 1

EXISTING ADVERTISING SITES

|  |  |  |  |
| --- | --- | --- | --- |
| **Address** | **Postcode** | **Unit Type** | coordinates |
| WATERLOO RD IFO 284-302 (H10 HOTEL),AFT ST GEORGES CIRCUS,WATERLOO STATION | SE1 8JU | SCROLLING | 51.499163, -0.106319 |
| NEWINGTON CAUSEWAY IFO CAR POINT GARAGE,BEF BOROUGH ROAD,DIRECTION CITY | SE1 1FZ | SCROLLING | 51.499058, -0.097076 |
| SOUTHWARK PARK ROAD IFO 16 & 16B,AFT DUNTON ROAD,ROTHERHITHE | SE16 3RT | STATIC | 51.492868, -0.073201 |
| CAMBERWELL ROAD IFO 56,AFT URLWIN STREET,ELEPHANT & CASTLE | SE5 0EW | SCROLLING | 51.482907, -0.094528 |
| SOUTHWARK PARK RD,IFO THE OLD BANK PH,DIRECTION OF ROTHERHITHE | SE16 3RW | SCROLLING | 51.492248, -0.063235 |
| LOWER ROAD,AFT NEPTUNE STREET,DIR SURVEY QUAYS | SE16 2TP | SCROLLING | 51.497536, -0.053901 |
| SOUTHWARK PARK ROAD,BEF GALLERWALL ROAD,DIR CITY | SE16 2HB | SCROLLING | 51.492083, -0.060935 |
| ROTHERHITHE NEWROAD IFO BARRY HOUSE,AFT GALLERY,DIR SURREY QUAYS | SE16 3FB | SCROLLING | 51.489821, -0.055855 |
| ROTHERHITHE NEW RD OPP 399,AFT ST JAMES'S ROAD,DIR SURREY QUAYS | SE16 3JH | SCROLLING | 51.485768, -0.064210 |
| LOWER RD IFO POLICE STATION,OPP GOMM ROAD,DIR SURREY QUAYS | SE16 2XQ | STATIC | 51.495893, -0.051759 |
| CAMBERWELL ROAD,IFO 236 (BISHOPSMEAD),DIR WALWORTH | SE5 7JB | SCROLLING | 51.477397, -0.093968 |
| BOROUGH RD IFO SOUTH BANK UNIVERSITY 103,BEF KELL STREET,DIR ST GEORGES CIRCUS | SE1 0AA | SCROLLING | 51.498797, -0.101329 |
| NEWINGTON CAUSEWAY IFO 57-61 BALPPA HSE,AFT AVONMOUTH ST,DIR ELEPHANT & CASTLE | SE1 6NX | SCROLLING | 51.498239, -0.098100 |
| WALWORTH RD,15M AFT STEEDMAN STREET,ELEPHANT & CASTLE | SE17 1JL | SCROLLING | 51.491856, -0.097994 |
| ROTHEHITHE NEW RD OPP 355,BEF SHERWOOD GARDENS,DIR OF SURREY QUAYS | SE16 3JA | STATIC | 51.486590, -0.062849 |
| NEWINGTON CASEWAY ADJ 64-66,AFT GAWNT STREET,DIR OF BOROUGH | SE1 6DF | STATIC | 51.497537, -0.098823 |
| 91-96 SOUTHAMPTON WAY,IFO 91-96 STANSWOOD GARDENS | SE15 6PN | STATIC | 51.477587, -0.081209 |
| SOUTHWARK BRIDGE RD IFO 2 CROSS COURT,BEF RIVER THAMES,DIRECTION CITY | SE1 9AR | DIGITAL DISPLAY | 51.507194, -0.095022 |
| RYE LANE IFO UNIT 1,AFT PECKHAM HIGH STREET,PECKHAM RYE | SE15 5DW | DIGITAL DISPLAY | 51.473283, -0.069884 |

APPENDIX 2

COUNCIL’S MAINTENANCE POLICY

The London Borough of Southwark’s Highway Policy Plan (HPP) can be found on its website along with its Highway Infrastructure Asset Management Plan, or by clicking on the link below:

[Highway Infrastructure Asset Management Plan (HIAMP) - Southwark Council](https://www.southwark.gov.uk/transport-and-roads/asset-management-and-streetscape-design/highway-infrastructure-asset-management-plan-hiamp)

Maintenance schedules are contained within the Highway Policy Plan.

APPENDIX 3

EXAMPLE CALCULATION OF NET REVENUE SHARE CALCULATION

Gross Revenue £1000.00

Less

Specialist Commission (5%) £ 50.00

Agency Commission (15%) £ 150.00

Subtotal £ 800.00

Less

Volume Over-ride (10%) £ 80.00

NET REVENUE £ 720.00