

Matt Davey, Director of Highways, Transport and Planning	Ref No: OKD13 (20/21)
2 June 2020	Key Decision: Yes
Extension of Contracts for Winter De-icing Salt and Gritter Fleet	Part I
Report by Business Manager, Highways, Transport and Planning	Electoral Division(s): All
<p>Summary</p> <p>The contracts for a winter gritting fleet and winter de-icing salt supply were let on a one-year term, commencing 21 and 23 May 2019 respectively, each with the option for a twelve-month extension.</p> <p>The Director of Highways, Transport and Planning has delegated authority to extend these contracts, and this report seeks his approval to extend the current contracts by twelve months, in accordance with the contract terms and the Council's Standing Orders on Procurement and Contracts.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The proposal supports the prosperous place priority in the West Sussex Plan. Extending the current contracts for de-icing salt and a winter gritter fleet will contribute to ensuring, so far as is reasonably practicable, that safe passage along key routes in West Sussex is not endangered by snow or ice during the winter period. A well-maintained highway network helps to support local businesses and communities by ensuring safe, reliable, and consistent journey times.</p>	
<p>Financial Impact</p> <p>The contract extensions will be designed with sufficient flexibility to contain expenditure within projected budgets. The estimated cost of the de-icing salt and winter gritter fleet is £0.8m which, along with other winter maintenance costs, will be contained within the allocated revenue works budget of £1.4m for winter maintenance.</p>	
<p>Recommendations</p> <p>That the Director of Highways, Transport and Planning approves the extension of the winter gritting fleet and winter de-icing salt supply contracts each for a period of twelve months to expire May 2021 in accordance with the County Council's Standing Orders on Procurement and Contracts.</p>	

Proposal

1. Background and Context

- 1.1 The supply of de-icing salt and the provision of a gritter fleet is critical to ensuring the County Council can meet its statutory duty to maintain the highways and to ensure that, so far as is reasonably practicable, safe passage along a highway is not endangered by snow or ice. The contracts for these services were awarded in 2019 and are due to end. Contract extensions are required for winter 2020/21.
- 1.2 The two framework contracts for the provision of a winter gritter fleet and supply of winter de-icing salt respectively, are based on those managed by the Eastern Shires Purchasing Organisation (ESPO) and are available for use nationally, by any public sector body in the UK. The contracts were procured through a process which is fully compliant with UK procurement legislation and the two suppliers were pre-assessed for financial stability, track record, experience, and technical and professional ability.
- 1.3 The contracts for a winter gritting fleet and winter de-icing salt supply were let on a one-year term, commencing 21 and 23 May 2019 respectively, each with the option for a twelve-month extension.

2. Proposal Details

- 2.1 The County Council entered into contracts for provision of a winter maintenance gritter fleet and winter de-icing salt in 2019 following a tender process which was fully compliant with the Public Contract Regulations 2015.
- 2.2 Both contracts are by their very nature specialist contracts and both used an ESPO Framework as a procurement route. Mini competitions were completed in accordance with Standing Orders and the contracts were awarded based on the most economically advantageous (quality and price) tenders.
- 2.3 The service is still required, and the contracts have a twelve-month extension facility, expressly provided for in the terms of the contracts. It is proposed to activate the extension facility, in accordance with the County Council's Standing Orders on Procurement and Contracts, to allow a twelve-month extension to the contract. The contract extension will extend the contract to its maximum allowable extent.
- 2.4 Activating the twelve-month extension clauses allow the current contracts to run through to 2021. It is then planned to procure two new contracts (which will be subject to a separate key decision) through a framework arrangement for a period of four years.
- 2.5 This will bring the contracts into line with the end of the initial five-year contract periods on the new highway maintenance term contracts and provide as much flexibility as possible at that time.

Factors taken into account

3. Consultation

- 3.1 The Executive Director Place Services, the Director of Finance and Support Services, and the Director of Law and Assurance have been consulted.
- 3.2 The County Council's internal Procurement Board has considered the options and supported the contract extensions, which will be undertaken in accordance with the County Council's Standing Orders on Contracts.

4. Financial (revenue) and Resource Implications

- 4.1. The expenditure through the two contracts is expected to be of a similar value each financial year, which is £0.55m for the gritters, and £0.26m for the salt. The salt stocks are replenished at the start of each winter season and held in the depot salt barns. Whilst the amount of salt actually purchased is dependent on how much salt is used during the winter maintenance season, it is estimated that four thousand tonnes will be required.
- 4.2. The Highways Maintenance Revenue Budget for 2020/21 approved by Full Council in February 2020 is £9.768m and includes an allocation for the value of the 2 contracts which is based on 21 routes and 45 runs per year.

	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Total Revenue Works Budget	9.768	9.268	9.268	28.304
Change From Proposal	0.000	0.000	0.000	0.000
Remaining Budget	9.768	9.268	9.268	28.304

- 4.3. There are no Human Resources, IT or Assets Impact, to this proposal.

5. Legal Implications

Both contracts have been competitively tendered, contain provision for contract extensions, and the County Council is lawfully able to extend both contracts. Exercising the available twelve-month contract extensions, through the mechanism contained in the contracts, will ensure that the County Council complies with its Standing Orders on Procurement and Contracts and the Public Contract Regulations 2015.

6. Risk Implications and Mitigations

The risk of not extending the contracts for de-icing salt and the provision of a gritter fleet, is that the County Council's statutory duty to maintain the highways and to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice will not be met.

7. Other Options Considered (and reasons for not proposing)

Alternative provision was considered at pre-tender stage through an options appraisal which concluded that alternatives will not provide better value.

8. Equality and Human Rights Assessment

The public sector equality duty applies to the delivery of the services which fall within these contracts. The terms of the contracts ensure that the County Council is enabled to fulfil its obligations through the delivery of the contracts and provide sufficient assurance that the duty will be complied with. The proposal has no implications under the Human Rights Act 1998.

9. Social Value and Sustainability Assessment

The proposal has no implications to the Council's duty under the Public Services (Social Value) Act 2012.

10. Crime and Disorder Reduction Assessment

There are no foreseeable crime and disorder implications to this proposal.

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Appendices

None

Background papers

None