

Mr Roger Elkins, Cabinet Member for Highways and Infrastructure	Ref No: HI08 (20/21)
August 2020	Key Decision: Yes
Procurement: Winter De-icing Salt and Gritter Fleet	Part I
Report by Executive Director Place Services and Director of Highways, Transport and Planning	Electoral Divisions: All
<p>Summary</p> <p>The supply of de-icing salt and provision of a gritter fleet is critical to ensuring the County Council can meet its 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. The contracts awarded for these services in 2019, are due to end in 2021, and new contracts are required.</p> <p>It is planned to use two framework contracts managed by the Eastern Shires Purchasing Organisation (ESPO) for the supply of de-icing salt and the provision of a gritter fleet. The frameworks, which are available for use nationally by any public sector body in the UK, are fully compliant with UK procurement legislation. Suppliers listed on the frameworks are pre-assessed for financial stability, track record, experience and technical and professional ability.</p> <p>The procurement route for both contracts will take the form of 'further competitions' which will ensure the County Council obtains the most economically advantageous tenders for these contracts.</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The proposal supports the prosperous place priority in the West Sussex Plan. Procurement of 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 new contracts 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 Cabinet Member for Highways and Infrastructure -</p> <ol style="list-style-type: none"> 1) approves the commencement of the procurement process for a winter de-icing salt contract (two years with a two-year extension available) and a contract for the provision of a leased gritter fleet (four-year contract); and 2) delegates authority to the Director of Highways, Transport and Planning to enter into the contracts, and to extend if appropriate, in accordance with the Council's Standing Orders on Procurement and Contracts. 	

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, have been extended to their maximum permitted extent, and are due to end. New contracts are required for winter 2021 onwards.

2. Proposal Details

- 2.1. It is proposed to use two framework contracts managed by the Eastern Shires Purchasing Organisation (ESPO) for the supply of de-icing salt and the provision of a gritter fleet. The frameworks, which are available for use nationally by any public sector body in the UK, are fully compliant with UK procurement legislation. Suppliers listed on the frameworks are pre-assessed for financial stability, track record, experience and technical and professional ability.
- 2.2. The procurement route for both contracts will take the form of 'further competitions' and the contracts will be awarded based on the most economically advantageous (quality and price) tenders. This will ensure the Council obtains the most economically advantageous tenders for these contracts.
- 2.3. It is further proposed that the winter de-icing salt contract is let for a two-year initial period with a two-year extension available (to take account of uncertainties in the haulage industry), and a contract for the provision of a leased gritter fleet is let as a four-year contract.
- 2.4. Both contracts to commence on 10 May 2021 with a common end date in 2025. This will bring the contracts into line with the end of the initial five-year contract period 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 for 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 this procurement and contract award process, 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 broadly 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 on average 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 current 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

- 5.1. The contracts for procurement of salt and the gritters will each be over the relevant EU threshold (£181,302) for the purpose of the Public Contract Regulations 2015 ("PCR") and so the County Council is required to undertake a competitive procurement process.
- 5.2. Both ESPO frameworks have been competitively tendered and the County Council is lawfully able to call-off from them. Both contracts will involve a further competitive tender process amongst the framework providers. Using this route will ensure that the County Council is in compliance with both its Standing Orders on Procurement and Contracts and the PCR.
- 5.3. The County Council's Legal Services, and Procurement and Contract Management teams have reviewed and assessed the procurement route and contract models and confirm that both framework contracts meet the Council's requirements.

6. Risk Assessment Implications and Mitigations

The risk of not authorising the procurement of 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

An options analysis has been completed, which considered a number of alternatives, and the use of the ESPO framework contracts emerged as the clear winner in terms of the most economically advantageous route to market.

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 County 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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Appendix

None

Background papers

None