

Report to Matt Davey, Assistant Director (Highways, Transport and Planning)

May 2022

Award of Contract for the Provision of a Leased Winter Gritter Fleet

Report by Head of Local Highway Operations

Electoral division: All

Summary

This report concerns the provision of a winter gritter fleet to ensure the County Council can meet its statutory duty to maintain the highways and in as far as is reasonably practicable, ensure safe passage along a highway, is not endangered by snow or ice. The current contract for these services is due to end in April 2022 and a new contract is required.

Recommendations

The Assistant Director (Highways, Transport and Planning) is asked to approve an award to Econ Engineering Ltd. for a three-year contract for the provision of a leased winter gritter fleet at a cost not exceeding £0.570m per annum. Contract to commence 04 June 2022 and to end 04 June 2025, with no option to extend.

Proposal

1 Background and context

The provision of a winter 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 contract awarded for these services in 2021 is due to end in April 2022 and a new contract is required.

2 Proposal details

- 2.1 A competitive procurement for the supply of a leased winter gritter fleet was entered into using a framework (218 – contract/lease hire specialist vehicles) managed by the Eastern Shires Purchasing Organisation (ESPO). The framework, which is available for use nationally by any public sector body in the UK, is fully compliant with The Public Contracts Regulations (2015) and the Council's Standing Orders on Procurement and Contracts.

- 2.2 The procurement route for the contract took the form of a 'further competition' and the contract will be awarded based on the most economically advantageous (quality and price) tender. This ensures the Council obtains best value for money for this contract. Suppliers listed on the framework are pre-assessed for financial stability, track record, experience and technical and professional ability.
- 2.3 The opportunity was released on 1/4/22 through the West Sussex e-Sourcing Portal to the organisations listed on the ESPO 218 Framework. A total of 5 organisations expressed an interest in the opportunity; 1 registered an intention to bid and 1 tender submission was received.
- 2.4 Although unusual, it was not a surprise to receive only one tender for this contract, because of the highly specialised market for these vehicles. Officers undertook compliance checks on the tender submission to ensure all schedules required were duly submitted and that the tender was correct.
- 2.5 Tenders were evaluated on 28 April 2022 and Commercial and Quality sections were evaluated separately. A moderation meeting was not required on this occasion because the panel scores were identical and only 1 tender was received.
- 2.6 The contract is a 'first past the post' contract and is awarded based on the most economically advantageous tender using a combination of Price (100%), Social Value (pass/fail) and Quality (pass/fail) requirements. The successful bidder met the quality and social value thresholds and has been assessed for financial stability, track record, health and safety, experience, and technical and professional ability.
- 2.7 The contract is to commence on 04 June 2022, with an end date of 04 June 2025, with no option to extend. This will bring the contract into line with the end of the initial five-year contract period on the current highway maintenance term contracts and will provide as much flexibility as possible at that time.

3 Other options considered (and reasons for not proposing)

An options analysis was completed before the procurement commenced, which considered a number of alternatives, and the use of the ESPO framework contract emerged as the clear winner in terms of the most economically advantageous route to market.

4 Consultation, engagement and advice

The Cabinet Member for Highways and Transport, the Director of Place Services, the Director of Finance and Support Services, and the Director of Law and Assurance have been consulted.

5 Finance

The three-year contract for the provision of a leased winter gritter fleet will be at a cost not exceeding £0.570m per annum. The cost of the contract is to be met from the revenue works budget. The Highways Maintenance Revenue Budget for 2022/23 approved by Full Council in February 2022 is £12.885m and includes an allocation of £570k for this contract. The expenditure on this contract will be contained within projected budgets.

	Current Year 2022/23 £m	Year 2 2023/24 £m	Year 3 2024/25 £m
Revenue budget	12.885	12.885	12.885
Change from Proposal	0.000	0.000	0.000
Remaining budget	12.885	12.885	12.885

5.1 The effect of the proposal:

(a) **How the cost represents good value**

This competitive procurement was undertaken through a 'further competition' using a framework fully compliant with UK procurement legislation. The successful bid meets all the Technical, Social Value and Commercial sub criteria. A price increase of a little over 1% compared to the previous contract, set against an annual inflation rate of 7% at time of tender, represents good value for money. Expenditure is expected to be broadly within existing levels and will be met with existing budgets.

(b) **Future savings/efficiencies being delivered**

The best available value for money has been achieved using a competitive procurement model.

(c) **Human Resources, IT and Assets Impact**

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

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The risk of not authorising the award of a contract for the provision of a leased winter gritter fleet is that the County Council's statutory duty to maintain the highways, will not be met.	It is planned to award this contract to Econ Engineering Limited which is a well-resourced and well-known company with many similar winter gritter fleet contracts with multiple highway authority clients. They are also our current supplier. The procurement process is fully compliant with the County Council's Standing Orders on Procurement and Contracts and UK procurement legislation.

7 Policy alignment and compliance

- 7.1 The proposal supports the sustainable and prosperous economy priority in our Council Plan. Procurement of 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.

- 7.2 An efficient and effective winter gritter fleet helps protect public health by ensuring, so far as is reasonably practicable, safer roadways. This proposal has no foreseeable climate change implications.
- 7.3 This contract will be regularly monitored by the Head of Local Highway Operations to ensure that the County Council fulfils its obligations under the public sector equality duty. Regular monitoring will provide sufficient assurance that the County Council will comply with the duty. An Equalities Impact Assessment is attached as Appendix A.
- 7.4 The contract has been tendered with consideration as to how the suppliers may be able to provide added social value, by seeking objective and measurable social value benefits, reflecting the County Council's duty under the Public Services (Social Value) Act 2012. These benefits will be monitored by the contract manager.

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Appendices

Appendix A - Equalities Impact Assessment

Background papers

None