

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	27 July 2017
<b>Subject:</b>	Procurement Proposals for Winter Service Contract		
<b>Report of:</b>	Head of Locality Services - Commissioned	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Cabinet Member - Locality Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

To seek approval to complete a tender exercise for the highway winter service contract to begin in July 2018.

### Recommendation(s):

- (1) The procurement of the winter service contract be agreed using the tender process referred to in paragraph 2.5 of the report.
- (2) That the tenders are evaluated using the criteria referred to in paragraph 2.6 of the report.
- (3) That the Head of Service – Locality Services Commissioned be authorised to award the contract to the highest scoring tenderer. Cabinet Member – Locality Services will be advised of the outcome of the exercise.
- (4) Authorise the Head of Regulation and Compliance to enter into Contracts with the successful tenderer

### Reasons for the Recommendation(s):

The existing contract is due to expire in July 2018 with no further options to extend. The anticipated value of the new contract is such that, in accordance with the contract procedure rules, it requires Cabinet approval.

### Alternative Options Considered and Rejected: (including any Risk Implications)

The Council could choose to cease the winter service function, however, this would leave the authority open to litigation for failure to fulfil its statutory duties.

Section 41 (1A) of the Highways Act 1980, as amended by The Railways and Transport Safety Act 2003 (section 111) states that: 'In particular, a Highway Authority is under a

duty to ensure, so far as is reasonably practicable, that safe passage along a highway is not endangered by snow or ice’.

In addition, the Traffic Management Act 2004 placed a network management duty on all local traffic authorities in England. It requires authorities to do all that is reasonably practicable to manage the network effectively to keep traffic moving. In meeting the duty, authorities should establish contingency plans for dealing promptly and effectively with unplanned events, such as unforeseen weather conditions, as far as is reasonably practicable.

### **What will it cost and how will it be financed?**

#### **(A) Revenue Costs**

There is existing provision within the revenue budget for this service and it is anticipated that the new contract arrangements will be contained within this current provision. Any significant financial implications arising from the procurement of a new contractual service will be reported to Cabinet Member – Locality Services and Head of Corporate Resources as part of the procurement process.

#### **(B) Capital Costs**

None

### **Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
<b>Legal Implications:</b>
<b>Equality Implications:</b>  There are no equality implications.

### **Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: This is a universal service for the benefit of all.
Facilitate confident and resilient communities: This is a universal service for the benefit of all.
Commission, broker and provide core services: This tendering approach will seek to support opportunities for local SME’s.
Place – leadership and influencer: Providing sustainable services to support our communities and businesses.
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: Providing sustainable services to support our communities and businesses.

Greater income for social investment: N/A
Cleaner Greener Supports the latest technology to minimise the impact on the carbon economy.

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Head of Corporate Resources (FD.4728/17.) and Head of Regulation and Compliance (LD.4012/17.) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable.

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting.

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<b>Contact Officer:</b>	Gary Jordan
Telephone Number:	0151 934 4731
Email Address:	gary.jordan@sefton.gov.uk

**Appendices:**

There are no appendices to this report.

**Background Papers:**

There are no background papers available for inspection.

## **1. Introduction/Background**

- 1.1 The current Winter Service contract expires on 30<sup>th</sup> June 2018 and there are no further opportunities for this to be extended.
- 1.2 The existing contract made provision for the maintenance of the council owned gritting fleet, provision of suitably qualified drivers and maintenance of the salt storage depot.
- 1.3 In September 2013 the Government significantly revised the guidance on Winter Service through a document entitled 'Well Maintained Highways'. This gave 50 recommendations for the Council to implement and 13 warnings of potential issues to mitigate. There was an allowance for an up to 10 year implementation plan to address the full guidance.
- 1.4 The Council has made a number of enhancements to the winter service as a result of the new guidance. This includes, hiring of compliant gritting vehicles (the previous vehicles failed to meet the new standards), revised testing and frequency of vehicle calibration and increased stock levels (the Council's current storage facility is insufficient to meet the code requirements) and testing of rock salt. The enhancements have resulted in increased costs for the authority which have previously been reported to Cabinet.
- 1.5 In October 2016 a new code of practice was published entitled 'Well managed highway infrastructure.' This supersedes all previous codes and authorities have until October 2018 to adopt the code. The section relating to winter service has yet to be published.

## **2. Proposed Tender Process**

- 2.1 It is proposed that the new tender includes the provision for the contractor to provide the depot facilities and gritting vehicles required to undertake the winter service operation in accordance with current legislation. This includes compliance with any updated guidance as and when this is introduced.
- 2.2 Making it the contractor's responsibility to provide up to date equipment will save the authority any unnecessary costs updating the gritting fleet.
- 2.3 The provision of depot facilities will centralise all operations and cease the current arrangement that we have for renting additional storage space. It will also provide the opportunity to reutilise the existing winter depot which will become surplus to requirements for this operation.
- 2.4 It is proposed to award the contract for an initial period of 6 years with an option to extend by up to 4 years in 1 year segments. The duration will allow prospective tenderers the opportunity to fund the capital requirements of the contract in a manageable way.
- 2.5 Due to the overall value of the proposed contract, the process will be subject to OJEU requirements. The tender exercise will follow OJEU Open procedure. Approval is requested for Chief Officer delegated authority to award the contract

at the end of the tender process. Cabinet Member will be informed of the tender outcome.

2.6 The tender will be assessed on a MEAT basis (Most Economically Advantageous Tender) taking into consideration a balance between quality and cost. All mandatory checks identified as required within the procurement process will be undertaken as part of the evaluation of proposals received.

2.7 Indicative timeline

10 <sup>th</sup> May 2017 – 19 <sup>th</sup> October 2017	Cabinet report, Forward plan. Review specification, T's and C's, Questions, pricing schedule and ITT document.
20 <sup>th</sup> October 2017	Advertise on the chest and in the OJEU
28 <sup>th</sup> November 2017	Tender closing date.
29 <sup>th</sup> November 2017- 24 <sup>th</sup> January 2018	Evaluation of bids including moderation.
25 <sup>th</sup> January 2018	Chief Officer Award authorisation.
26 <sup>th</sup> January 2018 - 9 <sup>th</sup> February 2018	Prepare Feedback letters.
9 <sup>th</sup> – 22 <sup>nd</sup> February 2018	Mandatory Standstill period.
28 <sup>th</sup> February 2018	Award and seal contract.
1 <sup>st</sup> July 2018	Contract Start date.

3.0 **Financial Implications**

3.1 There is existing provision within the revenue budget for this service. Any financial implications arising from the procurement of a new contractual service will be reported to Cabinet Member – Locality Services and the Head of Corporate Resources as part of the procurement process