

Report to Cabinet

27th January 2022

By the Cabinet Member for Recycling and Waste

DECISION REQUIRED



Partially Exempt

Appendix 1 exempt under Paragraph 3 of Part 1 of the Schedule 12A to the Local Government Act 1972

Procurement for Supply & fit of Tyres and Associated Services Contract; and

Procurement for Traffic Management Services Contract

Executive Summary

The purpose of this report is to approve the award of contract for the Supply and Fit of Tyres and to seek delegated authority to approve for the award of contract for Traffic Management Services following comprehensive tender processes:

i) Supply & fit of Tyres and Associated Services Contract:

The Council is acting as the Lead Authority to undertake a procurement process for the supply and fitment of tyres for all Council vehicles, in collaboration with four other Councils. The contract will commence on 1st April 2022 for a three year term, with a two year optional extension period subject to the supplier's satisfactory performance. The Council spends approximately £45k p.a., with an estimated total value of £225k over the 5 year contract period.

ii) Traffic Management Services Contract:

The Council in collaboration with Crawley Borough Council is undertaking a procurement process for the provision of specialist traffic management services (such as blocking vehicles and lane closures) to ensure the Litter & Cleansing Team can safely carry out their statutory duties along the district's high-speed roads. The contract is due to commence on 1st April 2022 subject to the conclusion of the procurement process for a three year term, with a two year optional extension period subject to the supplier's satisfactory performance. The Council has an average spend of £80k p.a., with an estimated total value of £400k over the 5 year contract term.

Recommendations

That the Cabinet is recommended :

- i) To approve the award of the contract for Fit and Supply of Tyres to the highest scoring bidder, on the terms recommended, as detailed in Appendix 1 (exempt);
- ii) To delegate authority to the Director of Community Services in consultation with the Cabinet Member for Recycling and Waste to approve the award the Traffic Management Contract following the conclusion of the tender process; and
- iii) To delegate authority to the Director of Community Services in consultation with the Head of Legal & Democratic Services to finalise terms and conditions and to enter into contract with the highest scoring bidder for the Tyres contract and Traffic Management contract.

Reasons for Recommendations

Under the current Public Contracts Regulations (2015) the Council is legally required to competitively tender if the value of the goods or services exceeds the current threshold of £189,330. Horsham District Council currently spends £45,000 per annum on tyres and associated services, and averages c. £80,000 per annum for traffic management services. Both contracts therefore exceed this threshold over the contract term.

The Council has not competitively procured either of these contracts previously but do have long standing agreements in place with suppliers. Both contracts are therefore to be brought into compliance, and to formalise the relevant contract management arrangements.

Background Papers

None.

Wards affected

All wards.

Contact:

- i) Supply & fit of Tyres and Associated Services Contract:

Mark Neal, Transport Manager
Telephone: 07826 858184

Caroline Clifford, Procurement Officer
Telephone: 01403 215642

- ii) Traffic Management Services Contract:

Sarah Hunter, Resources Manager
Telephone: 07384 242849

Jake Fisher, Procurement Officer
Telephone: 01403 215232

Background Information

1 Introduction and Background

- 1.1 The Council has had long standing arrangements in place with suppliers for the requirements detailed below; however, neither has been competitively procured previously, and there are currently no formal contracts in place. A compliant route to market was therefore needed for each requirement, which also provided the opportunity to formalise and improve contract management arrangements, assess the quality of suppliers' provision of goods/services, and ensure greater control over costs during the contract term.
- 1.2 Supply & fit of Tyres and Associated Services Contract:
- 1.2.1 Currently Horsham District Council spends £45k per annum on Tyres and associated services. It was identified that several other local authorities also had a similar requirement and therefore decided to undertake a collaborative procurement to benefit from aggregation of expenditure with the following Councils:
- Adur and Worthing Councils
 - Chichester District Council
 - Crawley Borough Council
 - Reigate and Banstead Council
- 1.2.2 Across all the authorities participating in the procurement the contract value per annum is estimated at £204k (based on 2020) expenditure.
- 1.2.3 All the Councils manage a fleet of various types of vehicles. Each Council has a very similar Fleet Tyre Policy but have always worked as separate entities. The Councils have decided to work in a more collaborative way. The aim of this collaboration is to help the Councils to achieve savings, to facilitate the sharing of knowledge and best practice and to help to ensure consistency for the Supplier and the Councils. This is in respect of tyre requirements, customer service and the ability to share information and resources. The overall objectives are to ensure that all Council fleets are working as efficiently as possible, keeping vehicle down-time to a minimum, to only use remould tyres where possible to ensure the Council fleets have less impact on the environment and to ensure fleets are as sustainable as possible in order to meet the Council's sustainability targets.
- 1.2.4 The Council decided to conduct a mini competition utilising Crown Commercial Services framework. RM6142 - Supply of tyres, glass and fast fit solutions. The decision was made to utilise a framework rather than conduct an open tender to save time, it also has the advantage of aggregation of expenditure and pre procurement checks of the suppliers on the framework.
- 1.3 Traffic Management Services Contract:
- 1.3.1 Councils are responsible for clearing all publically owned ground of litter, including along highways where traffic management services may be

required in order to ensure operatives can safely carry out their duties. This can require the use of mobile traffic management, lane closures, or stop and go works. The Council has mainly required traffic management on the A24 and A264 high-speed dual carriageways, and the A272 and A264 high-speed single carriageway in the past.

1.3.2 Based on historic data and future requirements, it is anticipated that the Council will spend approx. £80k p.a. (although this is subject to fluctuation based on demand and market conditions). The new contract is due commence on 1st April 2022 subject to the successful conclusion of the procurement process.

1.3.3 The procurement exercise is being undertaken in collaboration with Crawley Borough Council. A joint procurement process was more cost-effective, efficient, and considered to be more attractive to the market. The tender has been put out to the market in two separate Lots.

2 Relevant Council policy

2.1 The approaches are compliant with the Council's Procurement Code and supporting policies such as the Sustainable Procurement Charter and seek to obtain best value supplies/services for the Council.

2.2 As part of the procurement process, the organisations which submitted a tender for each contract are assessed on the basis of their approach to a number of factors including health and safety, social value, and sustainability.

3 Details

3.1 Supply & fit of Tyres and Associated Services Contract:

3.1.1 A mini-competition was conducted utilising Crown Commercial RM6142-Supply of Tyres, Glass and Fast-Fit solutions, Lot 2 Supply, fit and management of tyres and associated products and services. All suppliers on this Lot were invited to submit a bid in response to the Council's requirements. The tender documents were issued on 22nd November 2021 via the Council's e-tendering portal.

3.1.2 The Council received three bids prior to the deadline of 20th December 2021.

3.1.3 Appendix 1 (Exempt) details the outcome of the evaluation process.

3.2 Traffic Management Services Contract:

3.2.1 The Shared Procurement Service undertook an options appraisal which concluded that an open tender process was the only available compliant route to market.

3.2.2 The councils went out to tender for Traffic Management on 5th November 2021. The tender documentation was uploaded onto the Council's e-

tendering procurement portal and advertised on Find a Tender Service and Contracts Finder.

3.2.3 The Council received two bids prior the deadline of 17th December 2021.

3.2.4 The Council is currently undertaking a detailed evaluation process. The conclusion of the evaluation process is not expected until February 2022.

3.3 For both procurements, the tender documentation included a contract in a draft form. This ensures that all contractors understand the nature of the contract that they will be expected to enter into.

3.4 During the tender preparation processes, suppliers raised clarification questions, which were answered. Clarification information was shared with all bidders through the procurement portal.

4 Next Steps

4.1. Bids for each tender process are being evaluated on the basis of the Most Economically Advantageous Tender (MEAT), which combines price and quality. The financial viability of the bids received will be assessed by authorised officers from each authority, and any concerns will be escalated for consideration. The officers will also independently evaluate each bidder's quality submission. These scores will then be moderated via a panel, overseen by a Procurement Officer.

4.2 On completion of this process, an analysis of the total scores will be undertaken and a winning bid identified for each tender process. For the Traffic Management tender, due diligence checks will also be undertaken to ensure that the preferred bidder meets the Council's requirements relating to financial stability, insurances, accreditations, and health and safety. This is not a requirement for the Tyres tender, as due diligence checks have already been undertaken by the framework provider.

4.3 The highest scoring compliant bid for each tender process will be awarded the respective contract.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

5.1 Key managers including the Fleet Manager, Resources Manager and Assistant Resources Manager responsible for overseeing these contracts were part of the project team and were responsible for defining the requirements. Managers from all collaborating authorities were consulted on the approach to each tender and assisted in the development of the Council's tender documents.

5.2 The Director of Community Services and Cabinet Member for Environment, Waste, Recycling and Cleansing were consulted on and approved the approach for each tender.

- 5.3 The Head of Legal and Democratic Services (Monitoring Officer), Director of Corporate Resources and Head of Finance have been consulted, and any recommendations have been incorporated into the report.

6 Other Courses of Action Considered but Rejected

- 6.1 In respect of Tyres, an open tender was considered; however, a new Crown Commercial Services tyres framework was available. Therefore, this offered a quicker compliant route to market. A decision was made to run a mini-competition instead of a direct award to ensure the Council was receiving best value for money.
- 6.2 Regarding the Traffic Management service, the Shared Procurement Service investigated other potential compliant routes to market such as Framework Agreements but did not find any available which could be utilised. Due to the estimated contract value being 'above threshold', the only compliant route to market was therefore by open tender.

7 Resource Consequences

- 7.1 Supply & fit of Tyres and Associated Services Contract:
- 7.1.1 Collaborating and using the Crown Commercial Service Framework has the benefit of reduced pricing through aggregation of expenditure. This will help keep costs for each individual Council to a minimum and reduce costs.
 - 7.1.2 The Council anticipates the price per tyre will be slightly higher than current prices. However the tyres and the initiatives for extending tyre usage that the winning bidder proposes should mean that any increase in price will be off-set by increased tyre life spans as the Council should be able to get more wear out of the tyres. Therefore, no impact is expected on the revenue budget overall.
 - 7.1.3 The Council is not expecting any significant cost increases in the future but external market factors may lead to an increase in the cost of raw materials. Any request for a price increase due to inflationary increases or increases in the pricing of raw materials outside of the supplier's control will be on an annual basis and any increase will be at the Council's discretion.
- 7.2 Traffic Management Services Contract:
- 7.2.1 There are pressures on the budget for traffic management services, and due to market conditions (including rising fuel and labour costs), it is anticipated that the cost of traffic management services is likely to increase and therefore the budget may also need to increase to accommodate this. As part of the budget setting process, the 2022/23 budget includes an additional 15% increase (£12k) to reflect this anticipated rising cost, but we may have to return to full Council to request more, should this initial estimated amount be insufficient.
 - 7.2.2 The Government's national code of conduct (practice) for litter control places a duty upon Councils to clear litter on a highway following receipt of a justified complaint. The Council's expenditure is therefore subject to

fluctuation based on demand, as indicated by the previous data from previous years below:

Year	HDC Spend
2017/18	£80,688.00
2018/19	£111,324.00
2019/20	£75,228.00
2020/21	£77,724.00

8 Legal Considerations and Implications

- 8.1 The approaches are compliant with the council's Procurement Code and the Public Contract Regulations and are being undertaken by the council's Shared Procurement Service.

9 Risk Assessment

- 9.1 Supply & fit of Tyres and Associated Services Contract:

9.1.1 It is considered that there is a low risk of suppliers being unable to supply tyres; however, there is a risk that suppliers may struggle to meet required response times due to Covid-19 and potentially a shortage of technicians who have left the industry.

- 9.2 Traffic Management Services Contract:

9.2.1 There are risks with the implementation of a new contract, and the nature of the service means that health and safety and adherence to industry best practice is of the utmost importance. However, each bidder's approach to health and safety will be assessed as part of the quality evaluation process, and it is considered that there are adequate controls in place within the contract to manage any risks relating to poor supplier performance and risks posed to the health and safety of the Council's staff and the public.

9.2.2 Any staff shortages as a result of the Covid-19 pandemic could potentially have an impact on a supplier's ability to meet the Council's required response times.

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes have been overseen by the Council's Procurement Manager and supported by a Procurement Officer, ensuring compliance.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 The tender documentation and contract ensure that the resulting contractor has a duty to comply with all equalities legislation and pays due regard to any possible future impacts on human rights.

12 Environmental Implications

- 12.1 Suppliers are assessed on their approach to sustainability (for example carbon reduction and neutrality, waste, etc.) and social value (local economy and community benefits etc.) as part of the quality evaluation process for each tender. For the Tyres tender, suppliers have also been assessed on their provision for Tyre Disposal and any recycling or re-use of the components of your tyres.
- 12.2 The Tyres tender has been designed to reduce the impact on the climate by specifying the use of remoulded tyres where possible. Remoulded tyres save roughly 80% of the materials required to manufacture a new tyre, equating to approximately 68 litres of oil, 44kg of rubber, and 63kg of CO2 on every casing.

13 Other Considerations

- 13.1 In respect of the Tyres tender, prospective suppliers will have to demonstrate robust Safe Working Method Statements and demonstrate how they will manage sub-contractor relationships.
- 13.2 Prospective suppliers for the traffic management tender are required to ensure that:
- All staff undertaking traffic management services are LANTRA trained; Vehicles are properly maintained and regularly inspected;
 - An NHSS 12c Mobile traffic management accreditation with a UKAS-approved certification body is maintained for the duration of the contract; and
 - The Council's KPIs and monitoring and reporting requirements are met, including but not limited to accidents and dangerous occurrences, staff training, and delivery of sustainability and social value outcomes.

