

Decision Maker: ENVIRONMENT PORTFOLIO HOLDER

**For Pre-Decision Scrutiny by the Environment & Community Services
PDS Committee on:**

Date: 28th August 2019

Decision Type: Non-Urgent Executive Non-Key

Title: OPTIONS FOR FUTURE OPERATION OF THE WINTER
SERVICE VEHICLE FLEET

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Chief Officer: Colin Brand , Director of Environment and Public Protection

Ward: Borough wide

1. REASON FOR REPORT

- 1.1 The Council's winter service fleet, includes dedicated gritters and associated winter service equipment, which was previously maintained through a contract with Kent County Council. The contract ended on 5th April 2019 and during the past 12 months, a review of how the operation of the fleet could be improved has been ongoing. This report considers options that would best support the winter service activity in respect of management and maintenance going forward.

2. RECOMMENDATION(S)

The Environment Portfolio Holder approves:-

- 2.1 That the maintenance and management of the Council's winter service fleet is incorporated into the Highway Minor Works Contract provided by JB Riney, via a variation to the contract at an estimated cost of £86,000 p.a. for the next two years.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None

Corporate Policy

1. Policy Status: Existing policy
 2. BBB Priority: Safer Bromley
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Financial

1. Cost of proposal: £172k
 2. Ongoing costs: Recurring costs - £86k pa
 3. Budget head/performance centre; Highways
 4. Total current budget for this head: £434,230 (Winter Service)
 5. Source of funding: Existing revenue budget for 2019/20
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Staff

1. Number of staff (current and additional): 7
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory requirement – Highways Act 1980
 2. Call-in: Call-in is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 The winter service fleet consists of 10 dedicated gritting vehicles and 14 associated items of equipment, all of which are owned by the Council. The 10 dedicated gritters are between 6 – 11 years old, and while the chassis are based on standard commercial vehicles, the gritting equipment requires specialist maintenance. The fleet was previously maintained through a contract with Kent County Council Commercial Trading Services along-side the County Council's own fleet, and these arrangements ended in April 2019. The organisation has re-located to smaller premises away from central motorway links further in the County and having reduced its activity in supporting gritter fleets, is now limited in the support it could provide to the winter service. .
- 3.2 The London Low Emission Zone (LEZ) was introduced in 2008 and covers most of Greater London. Since 2008, various phases have introduced tighter emission limits for goods vehicles and further changes are planned for heavy vehicles from 26 October 2020 when the emission standards will be revised in an effort to reduce emissions of nitrogen oxides across the capital. As none of the Council's gritter fleet will be compliant with the revised LEZ, this will impact on the cost of providing the service.
- 3.3 While the future provision, management and maintenance of the gritter fleet will be the subject of a further report, management and maintenance arrangements for the fleet needs to be in place for the next two winters to ensure reliability of the service. During this period a programme of replacement for the gritters will commence to establish an LEZ compliant fleet.
- 3.4 The Minor Highways Contract was awarded to JB Riney in July 2018, which includes provision of the winter service; precautionary gritting and snow clearance, using the Councils winter service fleet.
- 3.5 Various options for maintenance of the fleet have been explored, including discussions with JB Riney, as an area where efficiencies in the operation could be realised by the contractor having direct control over the winter service fleet that they insure and utilise.
- 3.6 Costs have been obtained from the contractor and benchmarked with other authorities operating similar equipment. The costs submitted by J.B.Riney were competitive and the proposal offered the satisfaction that reputable companies known to the Council were included in their supply chain to be used for the maintenance tasks. The proposal included a package which covers both scheduled and non-scheduled maintenance for the gritting equipment. This would bring additional benefits to the service, with breakdown cover and spare part availability provided on a direct basis, and thereby reducing vehicle down time and improving service performance.
- 3.7 The Transport Operations Manager would regularly monitor the condition of the assets whilst in the care of the contractor to ensure that standards of care and repair are being upheld and that appropriate records are being kept. Replacement of the assets will be dealt with by the Transport Operations Manager over the duration of the contract.
- 3.8 To fully engage the contractor in the day to day control of the gritters, it will be necessary to register the gritters with the DVLA with J.B.Riney as the registered keeper. This will ensure that all correspondence and enquiries relating to the use of the vehicles and compliance matters will be sent directly to the operator.

4. DESCRIPTION OF SERVICE AND SUMMARY OF THE BUSINESS CASE

- 4.1 JB Riney currently takes operational control of the winter service fleet from November to March each year in order to fulfil the seasonal requirements of its contract with the Council.
- 4.2 JB Riney is responsible for insuring the gritter fleet during the winter season, training its drivers accordingly prior to the start of the season and liaising with the Council over the upkeep of the gritters. The contract already requires the contractor to complete minor repairs to the fleet to minimise disruption to the service. These proposals expand on this

arrangement to include all scheduled maintenance (servicing etc.) along with unscheduled maintenance and defect rectification.

- 4.3 JB Riney operates a large fleet of various commercial vehicles and plant and is well placed to undertake and control maintenance and fleet management activities with the winter service fleet. The contractor does similar with other boroughs with which it holds winter service contracts.
- 4.4 Through various meetings and discussions, the contractor has satisfied the Transport Operations Manager that it can provide the necessary management, maintenance and care for the Council's winter service fleet that will properly support the winter service contractual requirements.
- 4.5 Benchmarking of maintenance costs for operating similar fleets have been compared to the maintenance support offered by the contractor, as detailed in the Part 2 appendix.
- 4.6 The proposals from JB Riney are comparable with the market, and service benefits will also arise through a more streamlined method of managing gritter maintenance and responding to un-planned defects, particularly outside of normal working hours.

5 PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 5.1 It is proposed to vary the existing contract with JB Riney to include this requirement for operation of the winter service fleet.
- 5.2 **Estimated Contract Value (variation annual and whole life)** – £86,000 p.a., whole life £172,000
- 5.2 **Other Associated Costs** – Nil
- 5.3 **Proposed Variation Period** – 1st November 2019 – 31st October 2021

6 MARKET CONSIDERATIONS

- 6.1 Gritters are specialist vehicles that require expertise, normally supported by the gritter manufacturer or specialist agents who undertake calibration and software upgrades.
- 6.2 Ordinary commercial vehicle dealerships only normally provide chassis maintenance and not the requirements for the specialist gritting equipment which has to be sourced separately.
- 6.3 As the gritting activity largely operates outside of normal working hours, 24/7 call out arrangements are required to deal with unplanned breakdowns.
- 6.4 The Highways contractor would have direct control over the maintenance and flexibility within the available fleet without requiring the consent or involvement of Council officers. This would reduce gritter down-time and will improve reaction time when defects occur.
- 6.5 A similar approach has proved to be an efficient way of operating specialist commercial vehicles in the Council's previous waste collection contract whereby certain Council assets were utilised and managed by the contractor.

7. STAKEHOLDER ENGAGEMENT

- 7.1 The Environment Portfolio Holder has been consulted regarding these proposals.
- 7.2 Meetings and consultations have taken place with the gritter manufacturer about maintenance support, and the company has confirmed that they currently work with the Highways contractor in other London Boroughs under similar arrangements.

- 7.3 Through the Highways contract meetings, regular discussions have taken place about how best the winter service fleet would be operated in the future. This has also covered other types of delivery methods involving the contractor's own vehicles and the Council's demountable equipment.
- 7.4 The Transport Operations Manager has been introduced to the engineers that the contractor intends to use for maintenance and is satisfied that they are best placed and properly qualified to maintain the Council's assets.
- 7.5 The engineers are familiar with the Council's depot and the fleet through their connections as a regular supplier to the current waste contractor.

8. POLICY CONSIDERATIONS

- 8.1 The Council have a statutory duty under the Highways Act 1980 to maintain the public highway in a safe condition.

9. PROCUREMENT RULES

- 9.1 The report seeks a variation to incorporate the future operation of the Winter Service Vehicle Fleet within the contract with JB Riney for a two year period, the value of the proposed variation being an estimated £86,000 p.a., whole life £172,000.
- 9.2 The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations.
- 9.3 Subject to compliance with Regulation 72 of the Public Contract Regulations (which allows change to a contract without re-advertisement in OJEU where the proposed change, irrespective of monetary value, is provided for in the initial procurement documents in a clear, precise and unequivocal option clause which specifies the conditions of use and the scope and nature of the change), the Council's requirements for authorising an extension are covered in CPR 23.7 and 13.1. For a variation of this cumulative value, the Approval of the Portfolio Holder with agreement with Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained.
- 9.4 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.
- 9.5 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

10. FINANCIAL CONSIDERATIONS

- 10.1 The Highways budget for 2019/20 currently has a sum of £434,230 for Winter Services, £86k of which is set aside for the maintenance of the winter service vehicles.
- 10.2 This report is seeking approval to incorporate the management and maintenance of the winter service vehicle fleet into the Highway Minor Works contract provided by JB Riney, at an estimated cost of £86k per annum and a whole life value of £172k over the next two years.
- 10.3 Following approval, the variation will be applied via a Change Control Notice and the Contract Register updated to reflect the increased contract value.

11. LEGAL CONSIDERATIONS

- 11.1 It has been established with procurement that the variation to the existing J B Riney contract is permitted within Regulation 72 of the Public Contracts Regulations 2015. If approved, the contract can be varied in writing to include this additional service.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	