

**Decision Maker:** ENVIRONMENT PORTFOLIO HOLDER

**FOR PRE-DECISION BY ENVIRONMENT POLICY DEVELOPMENT AND SCRUTINY COMMITTEE**

**Date:** 1<sup>st</sup> September 2021

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** FUTURE MAINTENANCE OF THE WINTER SERVICE VEHICLE FLEET

**Contact Officer:** Garry Warner, Assistant Director (Highways)  
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**Chief Officer:** Colin Brand , Director of Environment and Public Protection

**Ward:** Borough wide

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## 1. REASON FOR REPORT

- 1.1 The Councils winter service fleet, includes dedicated gritters and associated winter service equipment, has been maintained by the Councils highways contractor, Riney, during the last two years. This report considers options that would best support the winter service activity in respect of management and maintenance of the fleet going forward.

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## 2. RECOMMENDATION(S)

### The Environment Portfolio Holder approves:-

- 2.1 That the maintenance and management of the Councils winter service fleet continues to be incorporated into the Highway Minor Works Contract provided by Riney via a variation to the contract at an estimated cost of £83,000 p.a. for the remaining 5 years of the Contract.

## 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: £83,000 pa
  2. Ongoing costs: Recurring costs - £83,000 pa
  3. Budget head/performance centre; Highways Maintenance
  4. Total current budget for this head: £262k (winter maintenance)
  5. Source of funding: Existing revenue budget 2021/22
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## Staff

1. Number of staff (current and additional): 7
  2. If from existing staff resources, number of staff hours:
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## 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. While the chassis of the dedicated gritters are based on standard commercial vehicles, the gritting equipment requires specialist maintenance.
- 3.2 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.
- 3.3 The winter fleet was previously been maintained through a contract with Kent County Council Commercial Trading Services, and in August 2019 the maintenance and management of the Council's winter service fleet was incorporated into the Highway Minor Works Contract provided by JB Riney, via a variation to the contract for a period of two years.
- 3.4 The London Low Emission Zone (LEZ) has recently been revised in an effort to reduce emissions of nitrogen oxides across the capital. Four of the dedicated gritters have recently been replaced with LEZ compliant vehicles which will reduce the ongoing maintenance costs compared to the older vehicles. The decision on any further gritter replacements will be considered as part of future capital programmes.
- 3.5 Riney have direct control over the winter service fleet that they insure and utilise in the provision of this service, and the maintenance arrangements have operated well during the last two years. This has included both scheduled and non-scheduled maintenance for the gritting equipment, and resulted in 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.
- 3.6 As part of the current arrangements the gritters were registered with the DVLA by Riney as the registered keeper. This has ensured 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 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 Riney has been 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 as part of their Contract. The contract also required Riney to complete minor repairs to the fleet to minimise disruption to the service.
- 4.3 These responsibilities were expanded in August 2019 following approval by the Environment Portfolio Holder, to include all scheduled maintenance (servicing etc.) along with unscheduled maintenance and defect rectification. The business case for these changes was considered as part of this previous report.
- 4.4 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.
- 4.5 The Transport Operations Manager is satisfied that Riney has provided the necessary management, maintenance and care for the Council's winter service fleet to properly support the winter service contractual requirements during the last two years.

- 4.6 Riney has proposed that the current costs, agreed in August 2019, are retained for future maintenance tasks.

## **5 CONTRACT AWARD RECOMMENDATION**

- 5.1 **Recommended Provider** – Riney

- 5.2 **Estimated Contract Value (annual and whole life)** – £83,000 p.a., whole life £415,000 during the next five years, £587,000 since the start of the Contract.

- 5.3 **Other Associated Costs** – Nil

- 5.4 **Proposed Contract Period** – 1<sup>st</sup> November 2021 – 30<sup>th</sup> June 2026

## **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 has direct control over the maintenance and flexibility within the available fleet without requiring the consent or involvement of Council officers. This has reduced gritter down-time during the last two years and improved reaction time when defects occurred.
- 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 have 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 the 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 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 continue to incorporate the maintenance and management of the council's winter service fleet into the Highways Minor Works contract provided by JB Riney, with the proposed value of the variation being an estimated £83k p.a with an whole life cost of £415k for the remaining 5 years left on the existing contract.
- 9.2 This was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations. Subject to compliance with Regulation 72 of the Public Contract Regulations (which allows change to a contract without re-advertisement on Find A Tender 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).
- 9.3 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Assistant Director Governance & Contracts, the Director of Corporate Services, the Director of Finance, the Chief Officer and the Budget Holder must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 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 cost of this contract is provided for within the existing revenue budget for Winter Maintenance of £262k.

## **11. LEGAL CONSIDERATIONS**

11.1 The Council has various legal powers to maintain and improve highways in connection with its highways functions under the Highways Act 1980. In addition, the council has the power to receive and spend the Government Grant as outlined in this report. In furtherance of these powers, the Council has the legal power to enter into a Contract with JB Riney and the Council may provide and commission through a contract the works outlined in this report.

11.2 This report seeks to approve a variation of the maintenance/management of the Council's Winter Service Fleet to be continued to be incorporated into the Highways Minor Works Contract provided by JB Riney. Approval is sought to vary the Contract by an additional £83k p/a for the remaining five years. The proposed Contract period commences from 01.11.21 and expires on 30.06.26. The total cumulative spend over the next five years is £415k and £587k since the start of the Contract, (although the contract's overall whole life cost over the whole life is provided for within the existing revenue budget for winter maintenance of £262k).

11.3 Under the Council's Contract Procedure Rules (CPR), the Councils requirement for authorisation of a variation/modification to a Contract, is in accordance with CPR 23.7 and 13.1 and where applicable the Public Procurement Regulations 2015 (the Regulations). The recommended approach to make this modification would in any event fall and comply with Regulation 72 (1) which allows Contracts to be modified without a new procurement procedure where the requirement for modification has been brought about by circumstances which a Council could not have foreseen and that the modification does not alter the overall nature of the Contract and that any increase in price does not exceed 50% of the value of the original Contract.

11.4. As the value of the variation is £83k, CPR 13.1 and Guidance gives authority to the Portfolio Holder to approve the variation with the agreement of the Budget Holder, Chief Officer, Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance, by using this Portfolio Holder Report. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.

11.5 Following Approval, the modification/variation of the Contract must be applied via the appropriate Change of Control Notice, or similar method signed by both parties, as specified in the contract.

11.6 The Contract can be awarded in accordance with the Council's Contract Procedure Rules and the Public Procurement Regulations 2015. Officers should ensure they comply with all Grant conditions

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	Report No. ES19046a – Options for future operation of the winter service fleet -