



Gritting and Snow Clearing Services – award of contract

Date of meeting 15 December 2023

Date of report 29 November 2023

Report by Director of Transport Operations

1. Object of report

To recommend the Partnership approve the award of a contract for gritting and snow clearing services to Cardwell Nurseries.

2. Background to report

SPT manage 6 bus stations/interchanges, 15 Subway stations and multiple depot and office buildings. To ensure safe operating conditions at these locations during periods of inclement weather, it is necessary to ensure adequate gritting and snow clearing provisions are in place. SPT has a responsibility to clear any obstructions arising from the accumulation of snow and prevent the formation of ice to ensure safe working conditions and mitigate disruption to bus and Subway operation.

Key areas across SPT locations include pavements, walkways, roads, car parks, operational areas and bus stances. SPT operational employees are provided with grit salt and equipment for each location, however a contract with an external supplier is required for locations with large external footprints as SPT does not possess the plant and equipment resources to satisfy this service.

The expenditure on the previous contract was £1,119,024 (£948,304 for the five-year contract plus £170,720 for a further extension covering the remainder of the 2022/2023 winter season).

3. Outline of proposals

SPT requires to appoint a contractor for a five-year period for the provision of works detailed in the tender specification, namely:

- (i) execute a gritting and snow clearing service, dependent on adverse weather conditions, utilising a professional weather forecasting system;
- (ii) possess the appropriate spreading equipment and vehicles, qualified and trained personnel, sufficient levels of grit salt supplies for the duration of the contract; and
- (iii) provide detailed management information which will allow SPT to report on.

SPT opted for an open procurement procedure to maximise continued competition and selected a technical/commercial weighting of 30%/70%. Two pricing options were included in this tender, one for a fully inclusive reactive service (total price/annum regardless of the volume of gritting

and snow clearing visits carried out) and another for a reactive service only (price per site visit, per location for the actual number of gritting and snow clearing visits carried out) – with the intention of opting for whichever delivered best value to SPT.

22 companies were invited/self-invited to tender and four bids were received: Cardwell Nurseries, Mitie Landscapes Ltd, Nurture Landscapes Ltd and Ice Watch Ltd (Idverde Group).

Technical submissions were evaluated and upon assessment, only one company, Cardwell Nurseries, was evaluated commercially.

The two pricing options are specified in the table below. To compare both options, *Option 2's Reactive Service* annual cost was calculated using previous annual average site visit totals for each applicable location.

Option		Cost (per annum)	Cost (5 years) *
1	Fully Inclusive Reactive Service (total price)	£263,295	£1,397,870
2	Reactive Service (price per visit by site)	£208,060	£1,104,619
Difference		£55,235	£293,251

The below table demonstrates a comparison of the expenditure on the previous contract, versus the predicted expenditure of the proposed contract, using the two pricing options.

Year	Previous Contract Expenditure (exc. VAT)	Option 1		Option 2	
		Fully Inclusive Service (total cost)	Difference (to Existing Contract)	Reactive Service (per visit)	Difference (to Existing Contract)
Total	£1,119,024	£1,397,869	£278,845	£1,104,619	-£14,405

**Note: Tender prices are fixed for the first year only and subject to a possible inflationary increase thereafter, therefore a 3% rate of inflation has been estimated per annum. Option 2 was calculated using past annual average service visits and subject to fluctuation.*

Consideration was given to *Option 1*, which represents a confirmed price per annum, regardless of the volume of service visits required. Whilst an average number of annual visits was applied to obtain an annual cost for *Option 2*, it is acknowledged that the annual number of visits used for the purpose of the tender exercise may not be reached; in turn allowing for the possibility of a reduced cost to SPT. Equally however, there could be more inclement weather which would ultimately result in an increased expenditure to SPT. To offer best value, it is proposed that SPT opt for *Option 2, reactive service (price per visit per site)*.

4. Partnership action

The Partnership is recommended to approve the contract award for the provision of gritting and snow clearing services to Cardwell Nurseries for a five-year period at the forecasted value of £1,104,619.

5. Consequences

Policy consequences

Community benefits are confirmed as part of the contract. The proposed contractor employs staff on a full-time basis and pays the real living wage. Gritting and snow clearing supports provided continued access for

	<i>all, including people with reduced mobility, in periods of extreme winter weather.</i>
Legal consequences	<i>Any contract will be awarded subject to the terms and conditions contained within the invitation to tender.</i>
Financial consequences	<i>Contracts costs can be contained within SPT's annual revenue budgets.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>The equality impact of the proposed contract award has been assessed and the contract supports SPT in meeting equality duties by reducing barriers to access during inclement weather.</i>
Risk consequences	<i>This is a critical service provision to ensure business continuity across the SPT estate.</i>
Climate Change, Adaptation & Carbon consequences	<i>The proposed contractor is externally audited by a Safety Schemes In Procurement approved external auditor who check their environmental policy, planning, implementation and operation. The contractor has declared at present there are no suitable zero emission vehicles in production to deliver this contract successfully, due to the capacity or range (re-charge time). However, they will keep up to date with new developments for the industry. The contractor currently uses GTL/HVO fuel which can off-set carbon for Diesel Engine Road Vehicle (DERV) fuelled vehicles.</i>

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