

## Record of officer decision

<b>Decision title:</b>	<b>To procure salt from the preferred supplier from the regional Eastern Shires Purchasing Organisation (ESPO) framework contract</b>
<b>Date of decision:</b>	11 August 2020
<b>Decision maker:</b>	Director for Economy and Place
<b>Authority for delegated decision:</b>	<p>Directorate scheme of delegation updated 29/07/2020  Economy &amp; Place  Highways and Transport  75 To act on behalf of the council in respect of the legislation specified in the Highways Act 1980.</p> <p>The authorisation limit is within the council's financial procedure rules and use of the framework complies with the contract procedure rules.</p>
<b>Ward:</b>	County Wide
<b>Consultation:</b>	Commercial Services Manager, Democratic Services Manager, Finance and Legal Services
<b>Decision made:</b>	Award a contract to Compass Minerals Limited for the provision of untreated salt, for the period 1 July 2020 to 30 April 2024. The cost for salt provision is estimated at £300,000.00 per annum
<b>Reasons for decision:</b>	<p>As set out in the council's Winter Service Plan, salt supplies are obtained through the ESPO framework contract. Suppliers listed on the framework have been assessed during the procurement process for their financial stability, track record, experience and technical and professional ability. The framework provides the pricing schedule, identifies the best option for the provision of salt and also identifies other suppliers that can be used if required.</p> <p>Herefordshire Council's Winter Service Plan 2018 – 2023:  <a href="http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50027880&amp;Opt=0">http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50027880&amp;Opt=0</a></p> <p>Section 41 of the Highways Act 1980, the council has a duty to maintain the highway:</p> <p>The Railways and Transport Safety Act 2003 amended the Highways Act 1980 by adding a Statutory Duty section 41(1A) concerning dealing with snow and ice. This states 'in particular a Highway Authority are under a duty to ensure, as far as reasonably practicable, that safe passage along a highway is not endangered by snow or ice.'</p> <p>The council's Winter service Plan builds upon tried and tested operational standards and is developed to meet the needs of Herefordshire.</p> <p>ESPO is the trading name of the joint committee of local authorities who procures services and goods for supply to member authorities. A formal notice inviting expressions of interest was published in the Official Journal of the European Union. The procurement process adopted by ESPO was based upon</p>

	<p>the open tendering procedure as detailed in the Public Contracts Regulations 2015. There are 3 providers for the service the council enquires, the tendering process identified the preferred supplier. The evaluation process grouped the suppliers to the provision which were then scored against the award criteria, 70% price and 30% non-price accounting.</p> <p>The framework commenced on 1 July 2020 and will be in place until 30 July 2024.</p> <p>Using the framework the will enter into a contract for the supply of de-icing salt, the conditions for which are as set out in the terms of framework.</p> <p>The provision of salt is integral to the winter service the council provides, there is significant cost associated with the provision, using the framework enables the best available cost for the provision and the procurement process undertaken by ESPO, The ESPO price schedule identifies Compass Minerals UK Ltd as the primary contractor with an alternative supplier provided if the need arises</p> <p>The Winter Service is undertaken by the council’s partners, Balfour Beatty Living Places (BBLP) as set out in the Annual Plan, the responsibility for the procurement of salt sits with the council.</p> <p>In times of severe winter weather, the demand for salt provision is high, the framework contract allows for alternative suppliers at set rates, the suppliers include overseas providers, this provides resilience for the service.</p> <p>The salt procurement and deliveries are phased over the year, the stocks are topped up to 6,000tonnes during the summer when prices are lower and topped up as necessary throughout the winter. Towards the end of the season the stocks are reduced as the forecasts allow to then be restocked in the summer.</p> <p>The budget for the service is allocated within the council’s highway service and identified as the ‘winter service budget.’ The council’s revenue budget for 2020/21 was approved at the 14 February 2020 full council meeting.</p> <p>The financial commitment is circa £300k per annum over 4 years which equates to £1.2m contract value over the four year period</p>
<p><b>Highlight any associated risks/finance/legal/equality considerations:</b></p>	<p>Salt provision is a critical service, the procurement is by the council, and the management of use and stocks is undertaken by BBLP. Accurate recording of use, treatments and stocks is monitored to ensure the appropriate level of salt is available for the winter service period.</p> <p>The council have a 2 stage approach to salt stocks:</p> <p>Stage 1 – Preseason target of 6,500t  Stage 2 - Salt levels measured at the end of December, reviewed as to the severity of the winter and with the accurate forecasting and capacity in the supply chain, salt levels will be increased or monitored.</p> <p>There is an allocated budget within the highway service, in extreme winter, prolonged ice and heavy snow, the council will draw on the ‘severe weather fund.’</p>

<b>Details of any alternative options considered and rejected:</b>	Open tender is a possibility but this would duplicate the work that EPO have undertaken to determine the best supplier for the salt required to support the council's winter service provision. The ESPO Framework provides value for money, identifies the best provider for the county based on location and price. The ESPO Framework also sets out secondary supplier and alternatives which provides resilience to the service
<b>Details of any declarations of interest made:</b>	None

Signed

Date: 11 August 2020

Richard Ball  
Director for Economy & Place