

REPORT OF

The Interim Strategic Director for Place

TO

Procurement Board

ON

28th July 2021

TITLE: Approval to Award the Contract for the service, maintenance and data management of the GM Combined Air Quality Monitoring Network

RECOMMENDATION:

That Procurement Board approve the award of the contracts for service, maintenance and data management of the GM Combined Air Quality Monitoring Network as detailed in the table below:

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Lot 1: Equipment Servicing & Maintenance of the Greater Manchester Air Quality Monitoring Network
Name of Successful Contractor	Enviro Technology Services Ltd
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	1726773
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	SME
Contract Value	£60,000 Per Annum (estimated average)
Contract Duration	24 months
Contract Start Date	01/09/2021
Contract End Date	31/08/2023
Optional Extension Period 1	12 months
Optional Extension Period 2	12 months
Who will approve each Extension Period?	Strategic Director (extension < £150k)
Contact Officer (Name & number)	Ben Rose Tel: 0161 607 6964

Lead Service Group How the contract was procured? <i>(to be supplied by procurement)</i> Framework Details (where applicable) (procurement body, framework reference & title, start/ end date) Funding Source Ethical Contractor	Place
	Open Tender
	N/A
	External Funding Source (please identify below)
	Revenue Budget. The cost of the service is split between the other 9 GM authorities and TfGM, therefore there will be no contribution from Salford.
	Mayor's Employment Charter Committed to sign up to charter <input type="checkbox"/>
	Accredited Living Wage Employer <input type="checkbox"/>

Detail required	Answers
Title/Description of Contracted Service/Supply/Project	Lot 2: Data Management & Ratification of the Greater Manchester Air Quality Monitoring Network
Name of Successful Contractor	Ricardo AEA Ltd
Supplier Registration Number <i>(to be supplied by Corporate Procurement)</i>	8229264
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	SME
Contract Value	£42,000 Per Annum (estimated average)
Contract Duration	24 months
Contract Start Date	01/09/2021
Contract End Date	31/08/2023
Optional Extension Period 1	12 months
Optional Extension Period 2	12 months
Who will approve each Extension Period?	Strategic Director (extension < £150k)
Contact Officer (Name & number)	Ben Rose Tel: 0161 607 6964
Lead Service Group	Place
How the contract was procured? <i>(to be supplied by procurement)</i>	Open Tender
Framework Details (where applicable) (procurement body, framework reference & title, start/ end date)	N/A

Funding Source Ethical Contractor	External Funding Source (please identify below) Revenue Budget. The cost of the service is split between the other 9 GM authorities and TfGM, therefore there will be no contribution from Salford.	
	Mayor's Employment Charter Committed to sign up to charter	<input type="checkbox"/> <input type="checkbox"/>
	Accredited Living Wage Employer	<input type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to seek approval for the award of the above mentioned contract.

BACKGROUND DOCUMENTS:

A report was submitted to Procurement Board for approval to go out to the market and approved on 25th March 2021.

BACKGROUND DOCUMENTS (NOT OPEN TO THE PUBLIC)

Exempt under Paragraph 3 of Schedule 12 A of the Local Government Act 1972.

Tender Submissions and Evaluation documents.

KEY DECISION:

Yes

DETAILS:

1. Background

The GM Combined Air Quality Monitoring Network (GMAQN) has been operating successfully since 2013, with Salford producing the original technical specification needed to go to tender and managing the operational budget on behalf of the other 9 GM local authorities. This is the third time that the contract has been tendered since 2013 and there have been no issues with this combined approach.

The current agreement of a joint monitoring network arrangement will continue as all 10 Greater Manchester local authorities have agreed to continue participating.

Salford has been selected as the lead for the GM authorities in managing the contracts as per the previous eight years.

The cost of these contracts will be shared by the other 9 GM authorities. In recognition of the officer time spent on leading on the procurement of these services and managing the contracts and associated budget, Salford will no longer contribute.

This will result in an annual saving to Salford of approximately £10K. This is a change from the previous arrangement where the cost was shared equally by all 10 GM authorities.

A financial contribution from Transport for Greater Manchester (TfGM) will also be obtained for the necessary running costs of: A) 4 x new monitoring sites added into the network during 2020, and B) a further 2 x additional monitoring stations (in Bury and Manchester) that are expected to become operational during this contract period that are being installed as part of the Greater Manchester Clean Air Plan Monitoring & Evaluation. The capital cost of these sites was funded by TfGM.

The intention is to award the suppliers an initial 2 year contract, with the option to extend for a further two 12 month periods. The reason for this is to secure a competitive price over 4 years, to ensure that it is appropriate to renew after 2 years and that there is financial commitment from the other 9 authorities and TfGM for the additional years.

2. The Procurement Process

The opportunity was advertised in the Northwest Portal (the chest) and the FTS, which is the replacement portal for the OJEU. This project was an open procedure inviting companies to submit a tender.

There were 52 expressions of interest of which 36 did not respond, 9 opted out and 7 companies submitted bids for Lots 1 & 2. Out of the 7 bids received there were 5 bids received for Lot 1 and 2 bids received for Lot 2.

The bid evaluation weightings for the project were split into 50% quality and 50% price.

Lot 1 – Equipment Servicing & Maintenance of the GMAQN

Bidder	% Price score Max 50%	% Quality score Max 50%	% Overall Score 100%
A	23.46%	34.50%	57.96%
B	33.63%	47.50%	81.13%
C	50.00%	30.00%	80.00%
D	36.40%	30.50%	66.90%
E	35.21%	33.00%	68.21%

Lot 2 – Data Management & Ratification of the GMAQN

Bidder	% Price score Max 50%	% Quality score Max 50%	% Overall Score 100%
A	50.00%	24.10%	74.10%
B	25.99%	50.00%	75.99%

The awards of contract for both lots were based on the Most Economically Advantageous Tender. Lot 1 is awarded to bidder B (Enviro Technology Services Ltd). Lot 2 is awarded to bidder B (Ricardo AEA Ltd). Both awards are not lowest in price

but better in terms of the quality of service delivery and social/ added value. This should result in:

- better quality air quality monitoring data capture rates (there is a minimum data capture level of 90% over the year set by Defra in order for the monitoring data to be deemed representative);
- lower environmental impact when delivering the service; and
- increased level of contribution to the local economy when delivering the service.

The contract will be for a period of two years commencing on 1st September 2021 to 31st August 2023, with an option to extend for a further two years on an annual basis to 31st August 2025.

Prices for these new contracts are similar to current contract prices. For the first year for Lot 1, there is an approximate 3.6% increase in price. For Lot 2 there is an approximate 0.6% increase in price for the first year.

As noted in the background section of this report, Salford will no longer contribute to the cost of these contracts in recognition of the officer time spent on leading on the procurement of these services and managing the contracts and associated budget.

3. Social Value

A social value question was included in the tender as part of the quality assessment process for both Lot 1 and Lot 2. The highest scoring bidders demonstrated good social value outcomes, as shown in the following examples:

Lot 1 – Enviro Technology Services Ltd

Social:

- Service engineers used for the contract are locally based. Employees receive a range of benefits e.g. health benefits.
- A corporate social responsibility policy is in place setting out ethical business policies that are supported in day-to-day business activities and administrative matters.
- Externally accredited quality (ISO 9001) and health & safety (ISO 45001) management systems are in place to continually improve business performance in these areas.

Environmental:

- An externally accredited ISO 14001 environmental management system is in place to continually improve environmental business performance. The company have offered to share their environmental KPI's with the Council.
- One of the largest environmental impacts of this contract is from transportation activities – the company operate a fleet of hybrid vehicles for day to day activities and use locally based service engineers to minimise travelling distance and associated vehicle emissions and environmental impact.
- An electronic waste recycling WEEE compliance certificate has been supplied, as well as air conditioning engineers F-gas certification (to minimise greenhouse gas emissions from air conditioning systems used in the network).

- The company annually supports different climate/ environment charities.

Economic:

- Service engineers for air quality monitoring equipment servicing are locally based and will contribute to the local economy.
- A locally based electrical contractor will be used to carry out electrical safety testing on the air quality monitoring sites as a commitment to use contractors and resources from within Greater Manchester.

Innovation and added value:

- The company have identified a potential enhancement of the air quality monitoring network that could save officer time and operating costs.

Lot 2 – Ricardo AEA Ltd

Social:

- Staff involved in delivering the contract will predominantly be Manchester based. The company is a member of the '30% club' – a commitment to reducing the Gender Pay Gap across the business, and pay the National Living Wage.
- Inclusion and diversity policies are in place.
- Externally accredited quality (ISO 9001) and health & safety (ISO 45001) management systems are in place to continually improve business performance in these areas.
- The company recruitment teams regularly reach out to inform young people at local schools and universities about career opportunities.

Environmental:

- An externally accredited ISO 14001 environmental management system is in place to continually improve environmental business performance. The company have offered to share their environmental KPI's with the Council.
- Committed to achieve Net Zero carbon emissions from its operations by the end of calendar year 2030.
- The use of locally based staff to deliver the contract will minimise travelling distance and associated vehicle emissions and environmental impact.

Economic:

- Staff involved in delivering the contract will predominantly be Manchester based and will contribute to the local economy
- The company provide an additional air quality reporting service within their price that the competitor bidder would charge separately for.

Innovation and added value:

- Have offered to assist GM councils in promoting air quality campaigns e.g. Clean Air Day with the support of their local team and training/ events materials.
- The company are willing to share the results of their study assessing air quality concentrations around schools using new sensor technologies.
- The Greater Manchester Air Quality Monitoring Network would be able to access wider air quality expertise within the company where relevant to the contract e.g.

advice on air quality modelling, emissions inventory experts, industrial pollution experts, mobile monitoring experts etc.

- During the COVID-19 pandemic, the company provided GM with detailed and very useful reports about the impact of social distancing measures and associated travel restrictions on local air quality at no additional cost.

KEY COUNCIL POLICIES:

- Greater Manchester Low-Emission Strategy and Air Quality Action Plan
- Greater Manchester Clean Air Plan
- Salford City Council Great Eight priorities number 7 - Tackling the climate emergency: Encourage active travel and improvements in air quality.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: N/A

ASSESSMENT OF RISK:

Medium to high – This will be the third contract for the service and maintenance of the GM Combined Air Quality Monitoring Network, the first two having run successfully since 2013.

The integrity of the network benefits all 10 GM authorities and is essential for:

- demonstrating progress in meeting statutory air quality standards;
- evaluating the impact of air quality action plan and Greater Manchester Clean Air Plan/ Clean Air Zone measures;
- determining air quality trends and highest pollutant concentrations;
- evaluating the effects of air pollution on public health;
- improving the accuracy of air quality modelling and forecasting; and
- providing information for the public to engage with local air quality issues and measures taken to improve it.

Data produced by automatic air quality networks has been considered by DEFRA and the Environment Agency as being extremely important to the ongoing evaluation of risk during the COVID-19 pandemic due to the potential impact of air pollution on respiratory illnesses.

If a Greater Manchester combined air quality monitoring network is not in place, individual local authorities may no longer contribute to funding air quality monitoring in their areas resulting in statutory duties not being adequately fulfilled and diminished quality and quantity of real time air quality monitoring data.

SOURCE OF FUNDING:

The cost of these services will be shared by the other 9 GM authorities. In recognition of the officer time spent on leading on the procurement of these services and managing the contracts and associated budget, Salford will no longer make a contribution. This is a change from the previous arrangement where the cost was shared equally by all 10 GM authorities.

A financial contribution from Transport for Greater Manchester (TfGM) will also be obtained for the necessary running costs of: A) 4 x new monitoring sites added into the network during 2020, and B) a further 2 x additional monitoring stations (in Bury and Manchester) that are expected to become operational during this contract period that are being installed as part of the Greater Manchester Clean Air Plan Monitoring & Evaluation. The capital cost of these sites was funded by TfGM.

Salford will manage the funds using an existing revenue budget.

LEGAL IMPLICATIONS: Supplied by: Tony Hatton, Principal Solicitor, Tel: 0161 219 6323

Local Authorities have a statutory duty under the Environment Act 1995 to monitor and report on air quality within their area and report the findings to DEFRA. Section 82 of the Environment Act 1995 provides that every local authority shall review the air quality within its area, both at the present time and the likely future air quality.

Guidance on the air quality issues is provided by the Secretary of State under section 88(1) of the Environment Act 1995, and local authorities must have regard to it when carrying out their local air quality management duties (at Policy Guidance PG16).

The proposals to award the contracts follow a tender exercise in accordance with the Public Contracts Regulations 2015 (advertising in the Northwest Portal and the FTS, which is the replacement portal for the OJEU), and the Council's Contractual Standing Orders. In following the procedures, any potential challenge to the award of a contract to a provider from an aggrieved provider will be significantly reduced, assuming always that the tender exercise is an open and fair one.

The award of the contracts will commit the Council to two year contracts with the providers, with the option to extend for two further periods of twelve months each.

FINANCIAL IMPLICATIONS: Supplied by: David Rhodes, Tel: 0161 925 1262

This co-ordinated approach will result in overall cost benefits to GM because of economies of scale, a relatively long contract length and costs are shared more equitably across the region. The successful contractor for Lot 1 has fixed the annual price for the first 2 years of the contract with only minor increases in optional extension years. For Lot 2, there are minor increases in prices for each successive year of the contract.

The Finance Team – Alison Smith:

The scheme is fully funded by the contributions made by the other Local Authorities and TfGM who have signed up to the GMAQN project.

Salford previously had core budget to support their own apportionment. However, following discussions with the other LA's the requirement for SCC to submit a contribution was agreed to be lifted. This will result in annual savings to Salford of approximately £10K.

There is no financial risk anticipated.

PROCUREMENT IMPLICATIONS: Supplied by: Deborah Derbyshire, Tel: 0161 686 6244

The procurement process undertaken is set out in the report above. This complies with the Procurement Contract Regulations and the Council's Contractual Standing Orders.

HR IMPLICATIONS: N/A

CLIMATE CHANGE IMPLICATIONS: Supplied by: Ben Rose, Tel: 0161 607 6964

The GM Combined Air Quality Monitoring Network will measure key air pollutant concentration trends across the conurbation that are of a consequence of emissions from various sources e.g. road transport and energy consumption. The continuation of the network will therefore be complimentary to the Salford City Council Carbon Reduction & Climate Change Action Plan.

OTHER DIRECTORATES CONSULTED: N/A

CONTACT OFFICER: Ben Rose
TELEPHONE NUMBER: 0161 607 6964

WARD(S) TO WHICH REPORT RELATE(S): All wards.
