

Cabinet

DATE	14 th February 2024
REPORT OF	Councillor S Swinburn, Portfolio holder Environment and Transport
RESPONSIBLE OFFICER	Carolina Borgstrom Director Economy, Environment and Infrastructure
SUBJECT	Contract for Vehicle Parts and Associated Services
STATUS	Open

**Appendix: NOT FOR PUBLICATION
Exempt information within paragraph 3 of
Schedule 12A to the Local Government
Act 1972 (as amended)**

FORWARD PLAN REF NO. CB 02/24/05

CONTRIBUTION TO OUR AIMS

The supply of vehicle parts is essential in ensuring our fleet remains legal, roadworthy and complies with our statutory obligations under our Operator Licence. By ensuring vehicles are kept on the road and in a roadworthy condition it aligns with the Environment priorities under the Council Plan, ensuring we have the capacity to keep our streets clean and maintain our parks and open spaces for everyone to enjoy.

EXECUTIVE SUMMARY

To consider the acceptance of the most economically advantageous tender to specification for the supply of Vehicle Parts and associated services to North East Lincolnshire Council from 01 April 2024 to 31 March 2028 with option of three 24 month extension periods to 31 March 2034. This contract is part of a collaboration between North East Lincolnshire Council and other neighbouring local authorities including North Lincolnshire Council, East Riding of Yorkshire Council and City of York Council. East Riding of Yorkshire Council were the procurement lead on this project.

RECOMMENDATIONS

It is recommended that Cabinet:

1. Delegates authority to the Director of Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Environment and Transport, to award the contract for the supply of vehicle parts to the successful tenderer as set out in the closed appendix 1.

2. Authorises the Director of Economy, Environment, and Infrastructure to oversee the implementation and performance of the arrangement.
3. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute documentation arising.

REASONS FOR DECISION

To award will ensure there is a continuation of parts supply and will have no impact on current vehicle repairs and essential and statutory services. Not to award will impact vehicle maintenance and repairs and may impact on essential and statutory services.

1. BACKGROUND AND ISSUES

- 1.1 This contract is for the supply of vehicle parts and other associated services to North East Lincolnshire Council and is part of the "Vehicle Management" category of Council requirements.
- 1.2 This contract is a collaboration between four neighbouring local authorities including North East Lincolnshire Council, East Riding of Yorkshire Council, North Lincolnshire Council, and City of York Council. East Riding of Yorkshire Council were the procurement lead on the project, continuing a collaboration that exists under the current contract which has been in place since 2016.
- 1.3 A Project Team was established comprising of Officers from the Fleet Management Unit at East Riding of Yorkshire Council, supported by ERYC Procurement Services as well as officers representing each of the participating local authorities. The Project Team worked together to develop a suitable specification, tender documentation, and award criteria.
- 1.4 Due to the value of the contract it was advertised on the Find a Tender service (FTS), Contracts Finder and YORtender (e-procurement portals), under the 'Open Procedure' in accordance with the Public Contracts Regulations 2015.
- 1.5 Two tender submissions were received from companies who provided self-certification against the published selection criteria, which included criteria such as minimum insurance levels and health and safety accreditation. Both companies met the minimum standards and proceeded to the next stage of the tender evaluation.
- 1.6 Tenders were then evaluated against published award criteria over three stages. At Award Stage 1: Gateways both companies declared they met relevant criteria of being able to provide the minimum service specified within the tender pack and progressed to Award Stage 2: Bid Evaluation.

- 1.7 Both tenders were then evaluated in accordance with the published award criteria of price (50%). One of the companies, was disqualified at the price evaluation stage due to an incomplete bid being submitted.
- 1.8 The remaining tender by the preferred tenderer was evaluated against non-price criteria (50%), which included the assessment of method statements, social value, and a presentation. Method Statements included questions on their ability to meet the contract requirement, stock management methodology, service delivery and contract and relationship management. The non-price weighting reflects the importance of the service delivery which includes a fully managed on-site stores provision.
- 1.9 A summary of the tender evaluation is shown in appendix 1.
- 1.10 Social Value formed part of the evaluation and was designed to incorporate the geographical areas of all four local authorities. Tenderers were asked how they contributed social value environmentally, economically, and socially through their business activity. The successful supplier scored well on this question and offered benefits to the local area including the direct employment of approximately 50 employees living within the geographical boundaries of the contract and do operate a number of hubs within the area supporting local supply chains. They are also involved and encourage participation in a number of fund raising events and community projects including food donations to local organisations.
- 1.11 A pre-estimated budget cost was calculated using recent spend data and allowing for some inflationary increases over the course of the contract value. As the successful supplier is the incumbent supplier and has based submitted pricing on current rates there is no expected potential increase when compared to the pre-estimated budget. However, exact levels of expenditure will be determined by volumes purchased over the contract time period and future levels of inflation.
- 1.12 The preferred tenderer is the incumbent supplier to the Council and the service provided has been found to be satisfactory.
- 1.13 Officers from the Fleet Management Unit and the wider project team have been consulted throughout the tender process and are in full agreement with the above recommendation.
- 1.14 Officers from Fleet Management and each individual authority will be responsible for contract management including order and invoicing arrangements and will undertake regular and ongoing reviews with the supplier representatives to ensure compliant delivery of services.

Procurement Services will provide the overarching contract management functions including any necessary escalation of contractual issues.

2. RISKS AND OPPORTUNITIES

If there was no award then we would not be under contract with a parts supplier and would be at risk of not being able to purchase parts. The parts would be dearer and may have a longer lead time. This would result in vehicles being off the road longer and we would be at risk of not being able to carry out some of our statutory services such as waste, street cleansing, winter maintenance and Children's services.

3. OTHER OPTIONS CONSIDERED

Do nothing. We would be out of contract and would therefore have to source our own parts. This would be too time consuming, and we would not have the same buying power of being in a joint partnership. This is not a viable option.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential positive/negative reputational implications for the Council resulting from the decision. To award the contract would maintain continuation of vehicle parts supply and will maintain essential services. Not to award would have negative reputational issues as there would be downtime on vehicles which will impact essential services and may lead to complaints from the public. If Children's Services vehicles were affected this may have serious consequences on these services and any Ofsted inspections.

5. FINANCIAL CONSIDERATIONS

- 5.1 The vehicle parts are already included in the garage revenue budget.
- 5.2 All repairs, maintenance and parts are recharged to individual services. External work, such as for the Care Plus Group, Humberside Police and Equans, brings extra income generation into the service.
- 5.3 The tender submission has been evaluated on best value for money and quality of service. Being part of a joint agreement with other authorities will add buying power to the supplier and keep prices competitive.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

No significant impact.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

- 7.1 The reduction of waste and consumption of resources through use of greener, more efficient vehicles and energy generation within Fleet Factors business. Fleet Factors reduced the number of vehicles on its fleet from 206 to 190

between 2019 and 2021 saving approximately 32.4 tonnes of carbon in that period.

- 7.2 They do not operate any vehicles in Euro classifications 3 and 4. Between 2019 and 2021 they reduced the percentage of Euro 5 vehicles on its fleet from 29.85% to 17.3% increasing the percentage of Euro 6 vehicles by 12.5% during this period.
- 7.3 They operate electrical vehicles (both hybrid/fully electric) within their fleet. They are actively increasing the proportion of these within each cycle of their fleet renewal program.
- 7.4 Fleet's mileage reduction strategies utilise their depot network (four located within the boundaries of the contracting authorities) to allow items to be delivered by the closest depot reducing not only carbon emissions generated but also delivery lead times.

8. CONSULTATION WITH SCRUTINY

There has been no consultation with scrutiny.

9. FINANCIAL IMPLICATIONS

- 9.1. The annual cost of the contract will be met from within existing service budget envelopes.
- 9.2. The procurement process will help ensure the Council achieves best value for money from the contract.

10. LEGAL IMPLICATIONS

- 10.1. The procurement exercise has been conducted so as to comply with the Council's policy and legal obligations. It is not uncommon for public sector partners to jointly procure goods and services, recognising the efficiencies of scale and likely savings achieved through volume.
- 10.2. The delegations sought are consistent with an exercise of this nature.

11. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications.

12. WARD IMPLICATIONS

All wards in North East Lincolnshire are affected by this report.

13. BACKGROUND PAPERS

None

14. CONTACT OFFICER(S)

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**Cllr Stewart Swinburn
Portfolio Holder
Environment and Transport**