

REPORT TO: Executive Board

DATE: 15 June 2017

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

SUBJECT: Tender for the Provision of Commercial Vehicle and Plant Spares & Components and Request to Waive Standing Orders

PORTFOLIO Transportation

WARDS: Borough-Wide

1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is twofold:

1. In order to comply with Procurement Standing Order 2.1, the Board must be informed that the aggregate value of the proposed contract for the provision of commercial vehicle and plant spares and components, is projected to be in excess of £1 million.
2. To request a Waiver of Standing Orders, to comply with Standing Orders 1.14.3 and 1.14.4, due to the aggregate value of the requested waiver being in excess of £50,000.

2.0 RECOMMENDATION: That

- 1) Members note that a procurement process will be entered into with the purpose of securing the supply and management of Commercial Vehicle and Plant Spares & Components for use in the maintenance and repair of the Council's operational vehicle fleet, plant and equipment; and**
- 2) Members approve a Waiver to the value of £147,000 to cover a six month period from 1st August 2017 to 31st January 2018 under the existing agreement with Carberry Park Bootle Brake & Clutch Ltd., as an interim measure whilst a procurement process referred to in 1) above be entered into.**

3.0 SUPPORTING INFORMATION

- 3.1 The Fleet Management and Maintenance department is responsible for the servicing, repairing and safe operation of a large and diverse range of vehicles, plant, machinery and equipment that is provided to support Refuse Collection, Street Scene, Open Spaces, Environmental Services, Social Care and Education.
- 3.2 The existing contract for the supply of Commercial Vehicle Spares and Components will come to an end on the 31st July 2017. It is proposed

that the new contract arrangements provide for a greater level of flexibility, as it will not commit the Council to a monopoly arrangement and the Council will, at any time, be able to choose to place orders with other suppliers of such works.

- 3.3 It is proposed that the new arrangements be for a 3 year period with the potential for up to a 2 year extension subject to satisfactory performance and pricing agreement. The anticipated contract start date is 1st February 2018.
- 3.4 Because of the time period between the end date of the current contract and the anticipated start date of a new contract, and in order to allow a robust procurement process to take place (thereby avoiding the Council being in breach of its own procurement rules and mitigating the risk of challenge to the procurement process), it is necessary to seek a waiver to Financial Standing Orders. Based on previous rates of expenditure for this contract, it is anticipated that a waiver to the value of £147,000 will be necessary for the six month period. Members are recommended to approve this request for a waiver under the existing agreement with Carberry Park Bootle & Clutch Ltd. to enable spares and components to continue to be supplied for the Council's fleet and plant.
- 3.5 The new contract will be awarded to the Most Economically Advantageous Tender based on an assessment of weighted scores.
- 3.6 Based on previous expenditure it is anticipated that the annual value of the contract, in total, is likely to be in the region of £294,000, therefore making the aggregate value of a 5 year contract (including potential extensions) in the order of £1,470,000. This figure exceeds the EU Threshold and hence the contract will be tendered in compliance with the EU Public Contract Regulations 2015.
- 3.7 The cost of the works will be met from available budgets, this mainly being Fleet Management and Maintenance supplies and services budget; however, other revenue budgets may be used as necessary.

4.0 POLICY IMPLICATIONS

- 4.1 The method of procurement complies with the Council's Procurement Standing Orders Part 2 with the tender process being carried out in conjunction with the Council's Procurement Centre of Excellence, using 'The Chest' electronic Procurement system.

5.0 OTHER IMPLICATIONS

- 5.1 The above contract will contribute to the continued efficient, safe and reliable vehicle fleet operational requirements by minimising vehicle downtime and aid compliance with the Council's Operators Licence obligations.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 Children and Young People in Halton
None
- 6.2 Employment, Learning and Skills in Halton
None
- 6.3 A Healthy Halton
None
- 6.4 A Safer Halton
None
- 6.5 Halton's Urban Renewal
None

7.0 RISK ANALYSIS

- 7.1 Since investments in spare parts can be substantial, it is considered good practice to keep stock levels minimised whilst balancing this against the unavailability of components that can cause unnecessary vehicle downtime.
- 7.2 The above tender will provide "an impress parts stock", which alleviates the financial risks associated with large component stockholdings and at the same time contributes towards vehicle fleet availability and reliability.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 None

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

- 9.1 None for the purposes of the Act.