

**REPORT TO:** Executive Board

**DATE:** 15 June 2023

**REPORTING OFFICER:** Executive Director Environment & Regeneration

**PORTFOLIO:** Environment and Urban Renewal

**SUBJECT:** Preliminary Estimates for the Provision of Commercial Vehicle and Plant Components

**WARD(S)** Borough – Wide

## 1.0 **PURPOSE OF THE REPORT**

- 1.1 To comply with Procurement Standing Order 1.3.5, the Executive Board must be informed that the aggregate value of the proposed contract for the provision of commercial vehicle and plant components, is projected to be in excess of £1 million.
- 1.2 A procurement process will be followed with the purpose of securing the supply and management of commercial vehicle and plant components for use in the maintenance and repair of the Council's operational vehicle fleet, plant, machinery and equipment.

## 2.0 **RECOMMENDATION: That**

- 1) the procurement of a new contract for commercial vehicle and plant components is approved; and**
- 2) the Operational Director - Planning, Policy and Transportation, in consultation with the Portfolio Holder Environment and Urban Renewal, be delegated to deal with any matters relating to the procurement and operation of this contract.**

## 3.0 **SUPPORTING INFORMATION**

- 3.1 The Council is responsible for the servicing, repairing and safe operation of a large and diverse range of vehicles, plant, machinery and equipment supports 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 08<sup>th</sup> August 2023. It is proposed that any new contract arrangements provide for a greater

level of flexibility, and not commit the Council to a monopoly arrangement. Allowing the Council at any time, be able to choose to place orders with other suppliers.

- 3.3 The anticipated contract start date is 8<sup>th</sup> August 2023. It is proposed that the new arrangements are for a 5 year period with the potential for up to 5 one year extensions (10 years in total), subject to satisfactory performance and pricing agreement.
- 3.4 The new contract will be awarded to the most economically advantageous tender based on an assessment of weighted scores.
- 3.5 Based on previous expenditure, it is anticipated that the annual value of the contract, is likely to be in the region of £300,000, therefore making the aggregate value of a 10 year contract (including potential extensions) in the order of £3 million. This figure exceeds the EU Threshold and hence the contract will be tendered in compliance with the EU Public Contract Regulations 2015.
- 3.6 The cost of the works will be met from existing budgets.

#### 4.0 **POLICY IMPLICATIONS**

- 4.1 The procurement process will comply with the Council's Procurement Standing Orders Part 2 with the tender process being carried out using 'The Chest' electronic Procurement system.

#### 5.0 **FINANCIAL 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 & Young People in Halton**

The operation and maintenance of the Council's fleet indirectly contributes to this priority by allowing the delivery of relevant services.

##### 6.2 **Employment, Learning & Skills in Halton**

The operation and maintenance of the Council's fleet indirectly contributes to this priority by allowing the delivery of relevant services.

##### 6.3 **A Healthy Halton**

The operation and maintenance of the Council's fleet indirectly

contributes to this priority by allowing the delivery of relevant services.

**6.4 A Safer Halton**

The operation and maintenance of the Council's fleet indirectly contributes to this priority by allowing the delivery of relevant services.

**6.5 Halton's Urban Renewal**

The operation and maintenance of the Council's fleet indirectly contributes to this priority by allowing the delivery of relevant services.

**7.0 RISK ANALYSIS**

7.1 Investment 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" (stock held by HBC, but HBC only pay for what is used), 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 CLIMATE CHANGE IMPLICATIONS**

9.1 Regular maintenance/servicing and keeping the Council's vehicle fleet in a good state of repair with approved components provides benefits in terms of reduced use of resources. The component supply strategy provides the ability to recondition/recycle end of useful life components and reduces the requirement for constant use of delivery vehicles to our vehicle workshop. Reconditioned parts are beneficial financially and also provide savings in the production process. Components such as Diesel Particulate Filters and Catalytic Converters that can be reconditioned provide additional savings in the use of precious metals used during production.

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

None under the meaning of the Act.