



**Report of:** General Manager, Fleet Services

**Report to:** Chief Officer, Civic Enterprise Leeds

**Date:** 19<sup>th</sup> March 2014

**Subject:** LCC 19305R Authority to Tender Supply and Maintenance of Tyres

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3) Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. In January 2014 Fleet Services extended the contract LCC19305R supply and maintenance of tyres to 31<sup>st</sup> July 2014.
2. The contract extension was the result of changing market conditions, possibly resulting in the reduction of costs for rubber.
3. The historical contract was for a fixed price per vehicle/equipment for tyre supply fitment and maintenance.
4. The new contract for 2 years with the option to extend for a further 2 x 12 months will commence 1<sup>st</sup> August 2014 until the 31<sup>st</sup> July 2016 with the options of fixed price or PAYG services.

## Recommendations

5. The Chief Officer CEL is recommended to approve the new tender process for supply and maintenance of tyres for a period of 2 years with the option to extend a further 2 x 12 month periods from August 2014 to 31<sup>st</sup> July 2016.
6. The Chief Officer CEL is recommended to approve the tender evaluation on 80% price and 20% quality split.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek approval to re-tender the existing LCC 19305R supply and maintenance of tyres contract due to end July 2014.

## **2 Background information**

- 2.1 In January 2014 Fleet Services extended the contract LCC 19305R supply and maintenance of tyres until 31<sup>st</sup> July 2014.
- 2.2 The contract extension was to enable Fleet Services to test the current market for anticipated cost reductions around the contract.
- 2.3 In addition the contract tender offers to LCC the opportunity to analyse costs for both fixed price and pay as you go services.

## **3 Main issues**

- 3.4 The decision has been made to retender for the supply and maintenance of tyres split between HGV and light commercial under either fixed or pay as you go options to get the best value achievable.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The decision to re-tender the contract has been discussed with both Procurement, Parks and Countryside and the current contract provider.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An equality, diversity and cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific group or individuals.

### **4.3 Council policies and City Priorities**

- 4.3.1 The services provided under this report will contribute to the Councils business plan through spending money wisely.

### **4.3.2 Resources and value for money**

- 4.3.1 The contract is to be re-tendered to enable market testing to take place and ensure best value is achieved.

### **4.4 Legal Implications, Access to Information and Call In**

- 4.4.1 Contract Procedures allows the contract to be re-tendered before its expiry date July 31<sup>st</sup> 2014.

### **4.5 Risk Management**

- 4.5.1 Not carrying out a contract renewal would exclude LCC from testing the current market.

## **5 Conclusions**

- 5.1 A full re-tender exercise to be undertaken for the supply and maintenance of tyres.

## **6 Recommendations**

- 6.1 The Chief Officer CEL is recommended to approve the new tender process for supply and maintenance of tyres for a period of 2 years with the option to extend a further 2 x 12 month periods from August 2014 to 31<sup>st</sup> July 2016
- 6.2 The Chief Officer CEL is recommended to approve the tender evaluation on 80% price and 20% quality split.

## **7 Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.