

**Report of Construction Services Manager**

**Report to Director of Environment & Housing**

**Date: 10 February 2015**

**Subject: Award of Contract for Replacement Vehicles**

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| Are specific electoral Wards affected?<br>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 type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information?<br>If relevant, Access to Information Procedure Rule number: 10.4 (3)  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            |
| <p>Appendices C2-C6 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.</p> |   |  |

**Summary of main issues**

1. The purpose of this report is to request that the Director of Environment and Housing takes a decision to award a contract to the winning bidder, who is set out in the confidential appendices to this report, for the supply of 47 vehicles to Construction Services (Internal Service Provider). Notification of this decision has been published on the Councils Forward Plan.
2. This report follows the completion of a competitive tender exercise for replacing existing vehicles which are at the end of their lease. The tender exercise has been managed by the Construction Services Manager, who has lead an evaluation panel which included the General Manager from the Councils Fleet Services. The panel have identified the winning bidder based on an evaluation model of 40% Quality and 60% Price, which is set out in the Councils, Vehicle Purchase Master Framework Agreement. The details of the evaluation are set out in the set out in the confidential appendices to this report. The evaluation

3. The details of the specific vehicles procured are set out in the main body of this report. A summary of the winning bid for the vehicles is set out in Confidential Appendix C6 to this report which includes winning bidder and contract sum.

## **Recommendations**

That the Director of Environment and Housing takes a decision to award a contract for the replacement of 47 new vehicles for Construction Services to the winning bidder who is set out in the confidential Appendix C6 to this report.

### **1 Purpose of this report**

1.1 The purpose of this report is to request that the Director of Environment and Neighbourhoods takes a key decision to award a contract to the winning bidder, who is set out in the confidential appendices to this report, for the supply of 47 vehicles to Construction Services (Internal Service Provider).

1.2 The details of the tender evaluation are set out in the confidential appendices to this report.

### **2 Background information**

2.1 A delegated decision to replace 65 front line vehicles in the Construction Services function of the Environment and Housing Directorate was taken by the Director of Environment & Housing on 3 November 2014. The total cost of this decision was estimated at around £1.147m. Following this decision being taken, the actual number of vehicles required by Construction Services has reduced from 65 to 57. However, following further review of this position, a separate project has commenced to replace the existing small vans, which were originally included in this tender, with low carbon electric vehicles. The 10 replacement small vans therefore, have been removed from this tender. The total number of vehicles being sourced therefore is 47.

2.2 The tender was advertised on the Council's electronic tendering portal – [www.yortender.co.uk](http://www.yortender.co.uk), and companies responded with a tender. All tenderers had to meet a desired specification to be eligible to have their price submission evaluated. The successful tenderer will then be awarded the contract.

2.3 Construction Services have undertaken a competitive procurement on behalf of the Directorate and this report specifically relates to contract award for 47 vehicles.

### **3 Main issues**

3.1 The tender exercise has been based on the procurement of the following vehicles:

- 21nr Medium vans with raised floor
- 21nr Medium vans with pipe tube

- 3nr 3.5tne Tippers
- 1nr 3.5tne Dropside

3.2A full competitive tender evaluation exercise has been completed with each of the suppliers required to meet the requirements of the specification. The evaluation has been based on 40% Quality and 60% Price. The details of the evaluation are set out in the set out in the confidential appendices to this report.

3.3The evaluation criteria of 40% Quality and 60% Price is set out in the Councils, Vehicle Purchase Master Framework Agreement. This agreement incorporates lessons learnt from previous vehicle procurements and ensures that reliable and fit for use vehicles are sourced.

3.4The quality evaluation has consisted of evaluating method and quality statements submitted by each bidder.

3.5The evaluation model has been based on a separate evaluation for each of the 4 vehicle categories as set out in 3.1 to this report. Therefore, there was potential through this evaluation model for different winning bidders against each category of vehicle. The details of the successful tenderer (winning bidder) against each of these categories are set out in the confidential appendices C2-C5 to this report. Confidential Appendix C6 sets out a summary of the full exercise and the total sum of the winning bid. It should be noted that the same bidder has been successful in each of the 5 separate categories.

3.6 Subject to a delegated decision being taken to award the contract to this bidder, an order will be placed for the replacement vehicles with the successful tenderer.

3.7The successful tenderer who will be awarded the contract have been vetted by procurement, e.g. company details, accounts, insurance etc. and references sought. They have passed the vetting process.

3.8It should be noted that due to the minimum delivery lead time of 12 weeks for the vehicles as well as award and voluntary standstill periods, the vehicles will not be delivered prior to the end of the financial year 2014/15. Therefore, the funding has been slipped in the capital programme until 2015/16.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 Construction Services have consulted with service managers within the Directorate on the vehicle replacement schedule and the specifications of all the vehicles being replaced. The new vehicles will meet the specification required by the service to operate.

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

4.2.1 An Equality, Diversity, Cohesion and Integration screening report was considered as part of the original delegated decision. This concluded a full Equality Impact Assessment was not required. The completed screening document is included as Appendix B to this report.

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

4.3.1 The replacement vehicles have been procured in accordance with the Council's Corporate Procurement Rules.

### **4.4 Resources and value for money**

4.4.1 The expenditure for this procurement exercise is funded through the capital programme. The winning bid represents a saving against the original contract sum which is set out in Appendix A to this report however, it should be noted that the number of vehicles required has now reduced based on the number that the original contract sum was based on.

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

4.5.1 Appendices C2-C6 (Tender prices) to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that they contain information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.

### **4.6 Risk Management**

4.6.1 There remains the risk that unsuccessful tenderers may present a legal challenge to the results of this procurement exercise. However this risk has been mitigated as the evaluation clearly stated which information or lack of information would constitute a 'fail' through the extensive evaluation programme developed for this tender. They will be given feedback as to why their bid was unsuccessful.

## **5 Conclusions**

5.1 All of the vehicles being replaced are beyond their normal operating life. A competitive procurement exercise has been completed and the costs of the replacements are within the approved budget.

## **6 Recommendations**

6.1 That the Director of Environment and Housing agrees a decision to award a contract for the replacement of 47 new vehicles for Construction Services to the winning bidder who is set out in the confidential Appendix C6 to this report.

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

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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.

- 7.1 Confidential Appendices C2-C5 – Vehicle Category Evaluation Reports
- 7.2 Confidential Appendices C6 – Summary report (Winning Bidder and Contract Sum)