



Report of **Head of Fleet Services**

Report to **Julie Meakin, Chief Officer Civic Enterprise Leeds**

Date: **5th September 2016**

Subject: **Approval to extend the contract 9K5F- 4ROKX2 for the provision of
tyres from the 1st October 2016 to 30th September 2018.**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. Fleet Services tendered for a two year contract in July 2014 for the provision of tyres split into three lots.
2. The terms and conditions of the contract allowed for two twelve month extensions.
3. This report seeks approval to allow the contract to be extended again to 30th September 2018.
4. The current contracts are with Direct Tyre Management for tyre sizes up to 17.5" on a pay as you go basis, GW Tyres for all tyres 17.5" and over on a pay as you go basis and with GW Tyres for all grounds maintenance equipment on a fixed price basis.
5. The current contract annual spends are around £160k per year for up to 17.5", £281k per year for over 17.5" and £44.5k fixed per year for the grounds maintenance equipment.
6. In 2014/15 there were over 2300 tyres fitted on the contract up to 17.5" (Light Fleet + Passenger Carrying Vehicles) and in 2015/16 there have been the same amount fitted to present with still over a month left of the contract.
7. In 2014/15 there were over a 1000 tyres fitted on the contract over 17.5" (Heavy Fleet) and in 2015/16 there also have been the same amount fitted to present date with over a month left of the contract.

8. Based on the previous fixed price contract the first year combined annual savings for the contract for up to 17.5" and over 17.5" was over £93k. The second year savings at present are over £35k but forecast to be greater before the primary contract ends. The savings are lower in year two due to having an increase in fleet size which includes taking on external work from Leeds University and the fleet profile has changed with larger vehicles being used by Passenger Services as well as Refuse Collection introducing more 8 x 4 vehicles.
9. The contracts are required to ensure the fleet of vehicles remain compliant with Construction and Use Regulations in relation to tyre tread depth and condition.
10. The tyre contracts includes depot checks to ensure fleet compliant in regard to tyre condition and includes tyre twinning and turning on the heavy fleet so the tyres last as long as possible before replacement.

Recommendations

The Chief Officer Civic Enterprise Leeds is recommended to approve the extension of the contract 9K5F- 4ROKX2 for the provision of tyres for the full two x one year extensions from 1st October 2016 to 30th September 2018.

1 Purpose of this report

- 1.1 This report seeks approval from the Chief Officer Civic Enterprise Leeds to extend the existing contract for the provision of tyres, in accordance with the contract terms and conditions, from 1st October 2016 to 30th September 2018.

2 Background information

- 2.1.1 In September 2014 a contract was let for two years to 30th September 2016 for the provision of tyres.
- 2.2 The contractors currently are Direct Tyre Management and G W Tyres.
- 2.3 The terms and conditions of the contract allow the contract to be extended by two twelve month periods.
- 2.4 The contracts are required to ensure the fleet of vehicles remain compliant with Construction and Use Regulations in relation to tyre tread depth and condition.
- 2.5 Due to Health and Safety requirements drivers do not change tyres unless in the case of extreme emergencies and all tyres fitting is dealt with by the contractors utilised under this contract.
- 2.6 The current contractors are able to provide a reliable, cost effective service within the contract terms and conditions that are providing yearly savings; therefore it is the intention of the service to invoke the two twelve month extensions.
- 2.7 The savings realised on this contracted based on the previous fixed price contract showed that in the first year combined annual savings for tyres was over

£93k. The second year savings at present are over £35k but forecast to be greater before the primary contract ends.

- 2.8 The savings on contract spend are lower in year two due to having an increase in fleet size which includes taking on external work from Leeds University and the fleet profile has changed with larger vehicles being used by Passenger Services as well as Refuse Collection introducing more 8 x 4 vehicles.

3 Main issues

- 3.1 The existing contract allows for an extension, in compliance with best practice the service intends to continue with the existing contractor to ensure continuity of service and to continue to deliver the cost effective service.
- 3.2 The current contractors are providing a good service in line with the tender specification and providing required KPI information.
- 3.3 Feedback from operational departments is positive with no major complaints or issues.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.2 Consultation has taken place with the Procurement Unit and Neighbourhoods and Housing on the contract extension.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality Diversity and Community Cohesion impact assessment was completed with respect to the contract. There is no adverse impact to service users or the wider community.

4.3 Council policies and City Priorities

- 4.3.1 The provision of the tyre contract is crucial to all departments and especially Neighbourhoods & Housing to ensure the refuse vehicles are fully legal and compliant and ready for use on a daily basis. This is achieved by depot audits and immediate action on items requiring attention.
- 4.3.1 The existing framework has demonstrated savings from the previous supply contract thus if the contract were extended then further savings will be realised.

4.4 Legal Implications, Access to Information and Call In

- 4.4.1 This report has no legal implications or any exempt or confidential information.

4.5 Risk Management

- 4.5.1 The extension is required to allow Fleet Services and Parks and Countryside to continue supplying a full legal and compliant tyre service to all operational departments.

5 Conclusions

- 5.1 The report seeks approval for the Chief Officer Civic Enterprise Leeds to extend the contract 9K5F- 4ROKX2 for the provision of tyres for the full two x one year extensions from 1st October 2016 to 30th September 2018.

6 Recommendations

- 6.1 The Chief Officer Civic Enterprise Leeds is recommended to approve the extension of the contract 9K5F- 4ROKX2 for the provision of tyres for the full two x one year extensions from 1st October 2016 to 30th September 2018.

7 Background documents

- 7.2 Contract Award Report and signed DDN.