

**Report of:** Head of Service, Fleet Services

**Report to:** Director of Resources and Housing

**Date:** 6<sup>th</sup> December 2017

**Subject:** Authority to procure a specialist and associated vehicle repairs supplier contract.

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 checked="" type="checkbox"/> Yes	<input 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: 10.4 (3)		
Appendix number:		

### Summary of Main Issues

1. Fleet Services are responsible for ensuring that Leeds City Council's (LCC) Fleet of 1100 vehicles are fully maintained, serviced and repaired in full compliance with the Road Vehicles (Construction and Use) Regulations 1986 and Road Traffic Act 1988. In order to deliver on this Fleet Service has a team of fully qualified engineers to service and maintain their vehicles but also rely on specialist and associated vehicle repair suppliers to compliment the in-house resource and supplement any gaps in specialisms.
2. Leeds City Councils fleet of vehicle are gradually being replaced with more diverse fuel options such as Electrical, Compressed Natural Gas (CNG), gas hybrid and petrol hybrid and also more technically advance vehicles which require more specialist repair services in Auto Electrical, CCTV and Hydraulic amongst others.
3. To meet the challenge of the technical changes and in the process of maintaining LCCs fleet of vehicles the Service has upskilled it workforce and built up a network of specialist and associated vehicle repair suppliers who can replicate and supplement the skills of the in-house resource and provide those extra skills needed for specialist repairs such as the Auto Electrical and CCTV.

4. The provision and use of these suppliers has been through the use of a series of waivers and low value procurement exercises which the Service are now finding very time consuming as the demand for these services has grown.
5. It is now the intention of the Service to put in place a framework contract to secure the services of these specialist and associated vehicle repair suppliers to ensure the skills and service are available to maintain LCC Fleet and to introduce efficiencies into commissioning of these services.
6. The framework contract will be split into eight Lots which will cover key specialist skills as well as those skills that will supplement the in-house resource. It is estimated the annual value of all eight Lots will be £295k.
7. This report is to seek Authority from the Chief Officer, Civic Enterprise Leeds for Fleet Services to commence a procurement exercise to develop a framework contract for the supply of specialist and associated vehicle repair suppliers which is detailed in this report. The new framework contract will be for two years with the option to extend for a further two x 12 months.
8. The expected annual spend will be in the region of £295k per annum, which makes this procurement subject to OJEU procedures.

## **Recommendations**

The Director of Resources and Housing, is recommended to approve the request for Fleet Services to commence a procurement exercise to put in place a framework contract for specialist and associated vehicle repairs suppliers which will be split into eight different lots with an aggregated annual value of £295k. The new framework contract will be for two years with the option to extend for a further two x 12 months.

## **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to seek authority from the Director of Resources and Housing to commence a procurement exercise to develop a framework contract for specialist and associated vehicle repair suppliers which is detailed in this report. The new framework contract will be for two years with the option to extend for a further two x 12 months.

## **2. BACKGROUND INFORMATION**

- 2.1 Fleet Service Vehicle maintenance section carry out repairs to the Councils fleet vehicles from small vans up to 32 tonne refuse vehicles, over 7 days per week, many repairs require additional specialist and associated vehicle repair support either through the through peaks of work or shortage of specialist skills sets.
- 2.2 The municipal fleet vehicles are complex in nature and there are often requirements to call in addition support from specialist suppliers to ensure optimum “up time” of the fleet and reduce “down time”.
- 2.3 In order to meet the operational requirements and legislative compliance the vehicles require regular services and inspections. Many of the municipal fleet are complex with Euro 6 chassis, hydraulic and pneumatic systems and more recently EV electrical and hybrid vehicles.
- 2.4 Vehicles with their individual complexities often require specialist repairs currently covered through appropriate governance procedures.
- 2.5 In order to find efficiencies and secure the commitment from service providers Fleet Services requires a specialist and associated vehicle repair framework contract to provide this additional support and ensure that the authorities fleet can be service and maintained in a timely manner.

## **3. Main Issues**

- 3.1 Fleet Services are responsible for ensuring that Leeds City Council’s (LCC) Fleet of 1100 vehicles are fully maintained, serviced and repaired in full compliance with the Road Vehicles (Construction and Use) Regulations 1986 and Road Traffic Act 1988. In order to deliver on this Fleet Service has a team of fully qualified engineers to service and maintain their vehicles but also rely on specialist and ancillary vehicle repair suppliers to compliment the in-house resource and supplement any gaps in specialisms.
- 3.2 Leeds City Councils fleet of vehicle are gradually being replaced with more diverse fuel options such as Electrical, Compressed Natural Gas (CNG), gas hybrid and petrol hybrid and also more technically advance vehicles which require more specialist repair services in Auto Electrical, CCTV and Hydraulic amongst others.

- 3.3 To meet the challenge of the technical changes and in the process of maintaining LCCs fleet of vehicles the Service has upskilled its workforce and built up a network of specialist and associated vehicle repair suppliers who can replicate and supplement the skills of the in-house resource and provide those extra skills needed for specialist repairs such as the Auto Electrical and CCTV.
- 3.4 The provision and use of these suppliers has been through the use of a series of waivers and low value procurement exercises which the Service are now finding very time consuming as the demand for these services has grown.
- 3.5 It is now the intention of the Service to put in place a framework contract to secure the services of these specialist and associated vehicle repair suppliers to ensure the skills and service are available to maintain LCC Fleet and to introduce efficiencies into commissioning of these services.
- 3.6 The Framework Contract will be split into eight Lots which will cover key specialist skills as well as those skills that will supplement the in-house resource which will consist of the following :-

**Lot 1. Light Vehicle Repairs** – This Lot has an estimated annual value of £35k. The service will consist of repairs to light vehicle fleet up to and including 3.5t. Repairs on and off site will range from MOT's, standard services and inspections, all mechanical related repairs to the vehicle or ancillary's and will include the relevant technologies for engine management and relevant diagnosis of defects.

**Lot 2. Large Goods Vehicle Repairs** – This Lot has an estimated annual value of £100k. The service consists of repairs to large goods vehicle fleet over 3.5t. Repairs on and off site will range from MOT preparation, standard services and inspections, all mechanical related repairs to the vehicle or ancillary's and will include the relevant technologies for engine management and relevant diagnosis of defects.

**Lot 3. Refuse Vehicle Bodywork Repairs** – This Lot has an estimated annual value of £40k. The service consists of mechanical and electrical repairs on and off site to the refuse bodies, compaction mechanisms, relevant control units/switches, including repairs to the vehicle hydraulics, pneumatic systems and associated power take off (PTO) units.

**Lot 4. Bin Lift Repairs** – This Lot has an estimated annual value of £30k – The service consists of repairs both on and off site to the bin lift assembly's across the refuse fleet, the associated hydraulics, controls and electrical systems including LOLER testing as and when required. Repairs can also include specialist repairs to the lighting equipment to meet the lighting regulations and the rectification and re-certification of damaged bin lift assemblies.

**Lot 5. Tail Lift Repairs** – This Lot has an estimated annual value of £15k – The service consists of repairs both on and off site to the tail lift assembly range including electrical and hydraulic repairs to the equipment, LOLER testing of lift assembly's and repairs/refurbishment after damage.

**Lot 6. Vehicle Heater Repairs** - This Lot has an estimated annual value of £10k – The service consists of repairs to vehicle auxiliary heating system, predominantly 'Eberspacher' systems, to diagnose service and repair units both on and off site.

**Lot 7. Vehicle CCTV Repairs** – This Lot has an estimated annual value of £40k – The service consist of completing on-site inspections, repairs to systems on and off site including replacement of cameras, controls, and wiring, renewal of the hard drive and re-programming systems and new installations as replacements where required.

**Lot 8. Window screen Replacement and Repairs** – This Lot has an estimated value of £25k – The service consists of the replacement of glass to the fleet of vehicles as and when required both on and off site, including door glass, windscreens and passenger minibus windows. A requirement could be called upon for plant equipment however this is minimal. While the majority of glass replacement is standard, additional requests for bespoke repairs may be required.

- 3.7 Pricing schedules will be developed for each of the Lots that will provided set prices for tasks and services for each repair category. This will allow the contract to be effectively measured for costs, value for money and efficiency.
- 3.8 The new contract will be for two years with the option to extend for a further two x 12 months and will commence in May 2018.
- 3.9 The expected annual spend will be £295k

#### **4. Corporate Considerations**

##### **4.1 Consultation and Engagement**

- 4.1.1 Fleet Service have consulted with Procurement Unit regarding options for securing these services through similar framework agreements that may have been available through other authorities or government sponsored arrangements but none could be found.
- 4.1.2 No further consultation is required as Fleet Services are responsible for the delivery of the services and maintenance of LCC Fleet.

##### **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 There is no contract currently in place to secure the services of these specialist and ancillary vehicle repair suppliers and these services are currently being provided through 'non contract spend'. Once this contract is in place it will ensure that these services are secured and all spends will be 'on contract'.
- 4.3.2 It is paramount that procurement within Leeds City Council is undertaken with a view to ensure openness, transparency and fairness. As such the contract for the specialist and ancillary vehicle repair suppliers will be procured in line with Leeds City Councils Procurement Units policy and procedures.

4.3.3 The services provided under this report will contribute to the Council' business plan through spending money wisely.

#### **4.4 Resources and Value for Money**

4.4.1 The contract is to be tendered to ensure best value is achieved for the authority and that these services are secured for Fleet Services to ensure resources are available to maintain the authorities fleet of vehicles so that they roadworthy and fully comply with the relevant legislation.

4.4.2 Based on current usage and costs for these services, it is estimated that this procurement exercise will benchmark costs and deliver savings on the existing expenditures.

4.4.3 The contract will mitigate the need for waivers and low value procurement exercises which the Service found very time consuming as the demand for these services grew and therefore this will free up valuable resources.

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

4.5.1 The Director of Resources and Housing is authorised to make this decision to commence the procurement process.

4.5.2 Advice regarding any procurement exercise, including terms and conditions of contract, will be obtained from the Procurement Unit to ensure council governance is met.

4.5.2 Due to the value of this contract it will be a Key Decision and therefore subject to call in.

#### **4.6 Risk Management**

4.6.1 Not approving this procurement exercise would mean that there would be a continuation of 'non-contract' spend for these services.

4.6.2 It would also mean that these resources which are vital to ensure Fleet Service can be secured which will ensure that Fleet Services can effectively deliver their services and comply with the relevant legislation. .

#### **5.0 Conclusions**

5.1 There is no current contract for the for specialist and associated vehicle repairs suppliers and a procurement exercise will secure these services and also provide the opportunity to bench mark costs and save time on carry out low value procurement exercises.

5.2 Not to commence a procurement exercise to award a contract for the specialist and associated vehicle repair suppliers will mean either the service cannot be provided, or expenditure to provide the service will be non-contract.

## **6 Recommendations**

- 6.1 The Director of Resources and Housing, is recommended to approve the request for Fleet Services to commence a procurement exercise to put in place a framework contract for specialist and associated vehicle repairs suppliers which will be split into eight different lots with an aggregated annual value of £295k. The new framework contract will be for two years with the option to extend for a further two x 12 months.

## **7 Background documents**