

Report of Chief Officer Civic Enterprise Leeds

Report to Director of Resources and Housing

Date: 07 May 2019

Subject: Supply of Vehicles Framework – Approval to use an external framework

Are specific electoral wards affected? If yes, 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? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to seek approval to use the The Procurement Partnership Limited (TPPL) frameworks for the supply of vehicles and the supply of grounds vehicles.
2. The current vehicle framework expires on 4th April 2019 and there is no current framework in place for grounds vehicles.

Recommendations

1. The Director of Resources and Housing is recommended to approve the use of TPPL frameworks for the supply of vehicles and the supply of grounds vehicles from 20th May 2019 to 30th April 2023.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Resources and Housing to use the TPPL frameworks for the supply of vehicles and the supply of grounds vehicles.

2. Background information

- 2.1 Leeds City Council (LCC) has a requirement to procure vehicles to carry out its service delivery.
- 2.2 Vehicles are replaced in line with the fleet replacement programme and purchased where a new requirement arises.
- 2.3 The current framework was procured by LCC and expires on 04 April 2019.
- 2.4 There is no current framework for the supply of grounds vehicles.
- 2.5 No purchases of vehicles will be required until mid-May 2019.
- 2.6 The TPPL framework was put in place by TPPL and Hertfordshire County Council. It has been advertised in the Official Journal of the European Union (OJEU), reference 2019/S 031-069041 and the award was published in OJEU, reference 2019/S 072-170293.
- 2.7 A further framework was put in place by TPPL and NEPO (North East Purchasing Organisation) for Grounds Vehicles. This was advertised in the OJEU reference 2018/S 091-206350 and award was published in OJEU reference 2018/S 168-382442.
- 2.8 The framework agreements are therefore subject to European Procurement Regulations and must comply with the full requirement of the Regulations. The relevant clause was inserted to ensure that authorities could access the frameworks.
- 2.9 The supplies are available under the frameworks for all the variety of vehicle types required by LCC.

3. Main issues

- 3.1 The estimated spend of replacement or new vehicles by LCC is as follows;
 - 3.1.1 2019/2020 - £4,103,000
 - 3.1.2 2020/2021 - £7,508,500
 - 3.1.3 2021/2022 - £5,226,000
- 3.2 The use of the frameworks would negate LCC having to carry out a full EU procurement exercise.
- 3.3 Other frameworks were considered, namely, Yorkshire Purchasing Organisation (YPO), East Shires Purchasing Organisation (ESPO) and Crown Commercial Services (CCS).
- 3.4 TPPL provided better value for money in terms of charges for suppliers for accessing the frameworks, which would reflect in lower costs to LCC.

- 3.5 The number of suppliers on the TPPL frameworks is vastly greater than LCC would be able to attract if it procured its own framework, and will therefore give added value for money through increased competition at mini-competition stage.
- 3.6 The frameworks also allow for direct award, should this option be required.
- 3.7 The frameworks cover all types of vehicles LCC would require to fulfil requirements of its replacement programme, and estimated future needs.
- 3.8 The frameworks include alternative fuel options across all available ranges.
- 3.9 Accessing existing frameworks allows LCC faster access to the marketplace.
- 3.10 The TPPL framework is supported by a team well experienced in the vehicle trade marketplace.
- 3.11 It is anticipated that access to the frameworks will not be required until May 2019 onwards.
- 3.12 The frameworks operate by manufacturers gaining access to the frameworks and when a call off is made, this is passed onto one of their franchised dealerships. This practice is industry standard across frameworks of this type.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The decision to tender the contract has been discussed with both procurement and service area representatives from council directorates.

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 individuals or groups.

4.3 Council policies and best council plan

- 4.3.1 The procurement reflects the Council's priority for spending money wisely.

4.4 Resources and value for money

- 4.4.1 By reducing the tendering process there would be a cost and resource saving to LCC.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This a significant operational decision (SOD) as a consequence of a previous key decision, and is not eligible for call in.
- 4.5.2 The framework agreement has been established in accordance with the Public Contract Regulations
- 4.5.3 The term of the framework is current and the terms and conditions of the framework allow both for direct appointment and mini-competition.

- 4.5.4 Use of an approved framework is fully in accordance with Contract Procedure Rules (CPR's) which define an Approved Framework as an agreement set up by an external organisation which has been authorised by Procurement and Commercial Services (PACS).
- 4.5.5 Following consultation with Legal colleagues the Council could face a challenge from franchised dealerships who do not get work passed down from the manufacturer. This has been identified as a very low risk as it is unlikely that franchised dealerships would challenge their manufacturers.

4.6 Risk management

- 4.6.1 A risk register has been completed for this procurement. The contract will be managed and monitored by Civic Enterprise Leeds, Fleet services, to ensure it is providing benefits to LCC.
- 4.6.2 There is a very low risk of challenge from franchised dealerships, see paragraph 4.5.5 above.

5. Conclusions

- 5.1 Approval of these frameworks would potentially offer efficiency savings. It would also enable LCC to deliver on its various statutory requirements through access to appropriate vehicles.

6. Recommendations

- 6.1 The Director of Resources and Housing is recommended to approve the use of TPPL frameworks for the supply of vehicles and for the supply of grounds vehicles from 20th May 2019 to 30th April 2023.

7. Background documents¹

- 7.1 Framework documents.

¹ 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.