

Report of Chief Officer Civic Enterprise Leeds

Director of Resources and Housing

Date: 21st May 2020

Subject: Supply of Hire Vehicles Framework – Approval to award a contract for hire of vehicles via an external framework

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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

1. Main issues

- Leeds City Council’s Vehicle Hire Framework expired in February 2020 and all possible extensions had been used. Therefore a new procurement exercise was required.
- A new Contract provider offering digital options was sought but was proven costly to the Authority and the procurement exercise was abandoned.
- YPO’s Vehicle Hire, Lease and Purchase Portal – 799 has been utilised as an interim measure for 4 months to provide all vehicle hire requirements whilst an options appraisal was undertaken.
- The aim of the options appraisal was to clarify the most effective, efficient and flexible offering available to LCC.
- The options appraisal has been completed and the decision to further utilise YPO’s Vehicle Hire, Lease and Purchase Portal – 799 framework has been reached with Fulcrum Automotive Solutions being the provider.

- The purpose of this report is to seek approval to continue and use the Yorkshire Purchasing Organisation's (YPO) framework Vehicle Hire Lease and Purchase Portal 799 for the supply of hire vehicles for the needs of Fleet services.
- The current interim contract for vehicle hire provision expires on 6th June 2020 and there are no extensions available. The contract does not require a minimum level of expenditure which will enable the Council to reduce transport requirements.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Supports "Sustainable Infrastructure"
 - Improving the city's infrastructure and natural environment, including flood protection
 - Reducing consumption, increasing recycling and promoting low carbon energy
 - Improving air quality, reducing noise and emissions

3. Resource Implications

- Resources are available from Civic Enterprise Leeds (CEL) to meet the requirements of using the YPO hire framework. The annual expenditure is estimated to be approximately £1.7m.

Recommendations

The Director of Resources and Housing is recommended to approve the use of the supplier Fulcrum Automotive Solutions via the YPO Framework 799 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for LCC Fleet services from 7th June 2020 to 6th February 2024 at an estimated value of £1,700,000 per annum £6,800,000 in total.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Director of Resources and Housing to award a contract to Fulcrum Automotive Solutions via the YPO framework 799 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for Leeds City Council Fleet services.

2. Background information

- 2.1 Leeds City Council (LCC) has a requirement to procure hire vehicles to carry out its service delivery across the organisation with a mixed resource of municipal fleet vehicles.
- 2.2 Vehicles are replaced in line with the fleet replacement programme and purchased where a new requirement arises, however additional ad hoc hire is required to provide flexibility to services already and new pilot arrangements as engineered.
- 2.3 The current framework agreement with YPO expires on 6th June 2020. The YPO framework was utilised over a number of weeks from February 2020 as an interim option, while the provision was option appraised. During the period the system has

proven to work well for Fleet Services, provided efficient vehicle hires at a reduced cost while also proving to be flexible meeting Covid-19 requirements in recent days.

2.4 The system also offers all the functionality required to allow improved data management across all areas of the Authority.

3. Main issues

3.1 The Authority currently spends approximately £1,700,000 per annum on fleet through various hire providers. These vehicles complement the existing owned fleet.

3.2 A digital portal procurement was originally published on YORtender as an open tender. Upon the return of tender submissions the only fully compliant bid proved to be £500,000 over anticipated budget. With the additional costs the tender process was abandoned while other options were investigated to ensure the council receives value for money. The YPO framework was accessed for an interim period of 4 months, to allow time to review further all options.

3.3 Throughout this interim period, the YPO framework has proven to provide value for money in terms of associated costs and charges for accessing Fulcrum Automotive Solutions network. In turn this has resulted in improved staffing efficiencies in comparison to Fleet staff managing the process.

3.4 The number of suppliers on the YPO 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, and flexibility and resilience of supply.

3.5 The framework covers all types of municipal vehicles that LCC would require to fulfil its hire requirements and estimated future needs. The Framework also provides the necessary contract management and back office functions. The frameworks include alternative fuel options across all available ranges to support the Council's drive to reduce fleet emissions.

3.6 Accessing existing frameworks allows LCC faster access to the greater marketplace, a more efficient service at reduced costs. The YPO framework is supported by Fulcrum Automotive Solutions a company experienced in the vehicle hire marketplace.

3.7 The YPO Framework also offers additional turn key functions for the Authority's insurance department supporting third party hire. The YPO framework offers a value for money, compliant option for the supply of vehicle hire for all LCC needs.

3.8 The YPO framework will allow for an approvals hierarchy where other options of supply will be challenged prior to any hire being authorised, to ensure that hire is the most suitable option and solution. In addition, there is no requirement for a

minimum level of expenditure under the contract which will enable transport requirements to be reviewed and reduced accordingly.

4. Corporate considerations

4.1 Consultation and engagement

4.1.1 The decision to award the contract has been discussed with both Procurement and Commercial Services 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 the Best Council Plan

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

Climate Emergency

4.3.2 The procurement encourages the provision of alternative fuelled vehicles in line with the Clean Air Zone Requirements

4.4 Resources, procurement 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 (D50198).

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).

4.6 Risk management

4.6.1 A risk register has been completed for this procurement. The contract will be managed and monitored by Fleet services, to ensure it is providing benefits to LCC

5. Conclusions

- 5.1 Approval of this framework would potentially offer efficiency savings. It would also enable LCC to deliver on its various statutory requirements through access to appropriate vehicles.
- 5.2 The framework is compliant within the 2015 Public Regulations, and is offering value for money.

6. Recommendations

The Director of Resources and Housing is recommended to approve the use of the supplier Fulcrum Automotive Solutions via the YPO Framework 790 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for LCC Fleet services from 7th June 2020 to 6th February 2024 at an estimated value of £1,700,000 per annum and £6,800,000 in total.

7. Background documents¹

- 7.1 None.

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.