

Report of Trading and Operational Support Manager

Report to Chief Officer Parks & Countryside

Date: 28th April 2021

Subject: Request to use a third party external framework for the Supply of Machinery, Plant and Ancillary Equipment from The Procurement Partnership Limited and North Eastern Purchasing Organisation

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to seek approval under Contract Procedure Rule (CPR) 3.1.7 for the Parks and Countryside service to use a third party framework agreement procured by The Procurement Partnership Limited (TPPL) and North East Purchasing Organisation (NEPO) for the purchase of grounds maintenance and plant equipment, including handheld tools (new & used) which is specialist to horticulture, agriculture and arboriculture.
2. CPRs permit the use of existing third party framework agreements which have been approved by the Commercial Team within Procurement and Commercial Services (PACS). The proposed third party framework agreement has been approved for use by PACS should officers choose to do so.
3. The current contract expires on the 21st May 2021 with no provisions to extend and therefore a replacement contract is required.
4. The service has looked at other existing frameworks, namely Yorkshire Purchasing Organisation (YPO) and East Shires Procurement Organisation (ESPO) frameworks and have undertaken an extensive Market Sounding Exercise (MSE) to gain information from the market regarding a number of issues related to the potential

procurement exercise and the development of electric, hybrid and low emission grounds vehicles and machinery. The TPPL and NEPO framework agreement was deemed to be the most comprehensive for the procurement of specialist, technical machinery and ancillary equipment.

5. The estimated annual spend is £650,000 per annum. Utilising a third party framework agreement to procure equipment is deemed the most appropriate and best value for money.
6. The Council's Fleet Services have previously obtained approval for the use of the external TPPL and NEPO framework for the procurement of vehicles including grounds vehicles however, this did not specify the procurement of non-grounds maintenance vehicles such as machinery, plant and ancillary equipment which is specialist to horticulture, agriculture and arboriculture. Therefore this request to use a third party framework agreement has been produced.

Recommendations

- a) The Chief Officer Parks and Countryside is recommended in line with Contract Procedure Rule 3.1.7 to approve the use of the TPPL and NEPO framework for grounds maintenance and plant equipment, including handheld tools (new & used) in order for the Parks and Countryside Service to procure machinery, plant and ancillary equipment through secondary calls for competition or direct ordering where deemed appropriate.
- b) The contract will be awarded for 12 months commencing on the 22nd May 2021 with an option to extend up to 36 months, this includes the use of the replacement framework that NEPO put in place once the current framework expires. The annual spend has been estimated at £650,000 with a total potential value of £2.6 million pounds.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to use a third party framework agreement procured by TPPL and NEPO to purchase Grounds Maintenance and plant equipment, including handheld tools (new & used) which is specialist to horticulture, agriculture and arboriculture.

2. Background information

- 2.1 The Parks & Countryside service procures various equipment including spare parts throughout the financial year which is specialist to horticulture, agriculture and arboriculture including ancillary equipment.
- 2.2 Our current contract expires 21 May 2021. In preparation for a new contract, the service has looked extensively at numerous third party framework agreements (TPPL, NEPO, YPO and ESPO) and undertaken an extensive MSE to gain information from the market regarding a number of issues related to the potential procurement exercise and the development of electric, hybrid and low emission vehicles and machinery.
- 2.3 The proposed third party framework agreement has been approved for use by PACS should officers choose to do so. Previously, the TPPL and NEPO framework agreement has been used for the procurement of vehicles including grounds vehicles, however this approval did not specify the procurement of none grounds vehicles such as machinery, plant and ancillary equipment which is specialist to horticulture, agriculture and arboriculture.
- 2.4 The TPPL and NEPO framework agreement covers a vast range of specialist horticultural, aboricultural and agricultural machines and equipment which will be procured to meet the requirements of the Parks and Countryside replacement programme and estimated future needs. The TPPL and NEPO framework agreement also allows for both mini-competition and direct award.
- 2.5 The machinery is used to deliver the service's core requirements, service level agreements with external organisations and ensure business continuity in achieving the Council's budgeted income of £14.7 million.

3. Main issues

- 3.1 The estimated spend for the replacement of the machinery and ancillary equipment is £2.6 million over the next four years. The use of the TPPL and NEPO framework agreement would negate Parks & Countryside having to carry out a full tender exercise as the framework agreement has already been through a compliant competitive procurement exercise. It is one of the most comprehensive framework agreements within such a bespoke specialist and technical industry.
- 3.2 The framework agreement includes alternative fuel options across a range of specialist machines and being able to access this framework agreement allows quicker access to an open market for competition.
- 3.3 If the service is unable to procure this specialist equipment there would be a detrimental impact on the quality of the service provided, the service's ability to deliver the income targets and the cost of maintaining the equipment to a useable standard.

- 3.4 The proposed procurement strategy is to utilise the call-off mechanism within the TPPL and NEPO framework agreement to place orders through secondary calls for competition or direct ordering.
- 3.5 There may also be scope within this current framework agreement to establish an impressed stock for the supply of spare parts from some of these specialist suppliers.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The Executive Member for Environment & Active Lifestyles has been consulted on these proposals together with PACS.
- 4.1.2 Other framework agreements were considered namely, YPO and ESPO however, the TPPL and NEPO framework was deemed to be the most comprehensive for the procurement of specialist and technical machinery and ancillary equipment.
- 4.1.3 Officers from PACS Commercial team have been consulted to provide approval for the use of the framework agreement in line with CPR 12.2.
- 4.1.4 A soft market exercise was also undertaken to gage the market in relation to the procurement of electrical machines and equipment.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 Due regard has been given throughout the decision making process. A screening document has been prepared and is attached to this report. An independent impact assessment is not required for the approvals requested.

4.3 Council policies and best council plan

- 4.3.1 This report draws attention to co-ordinated working that demonstrates a contribution towards the following priorities contained in the City Priority Plan:
- Best city for communities:
 - Best city to live:
 - Best Council Plan 2020 to 2025
 - Vision for Leeds 2011 – 2030
- 4.3.2 The procurement of machines ensures that the parks and greenspaces are well maintained for the health and wellbeing of people.
- 4.3.3 The procurement of new machines will ensure lower emissions than older or worn out machines and the replacement of some with electric or alternative fuels, will help to lower air pollution levels across the City's local greenspaces.
- 4.3.4 The procurement reflects the Council's priority for spending money wisely.

4.4 Resources and value for money

- 4.4.1 The vast number of suppliers on the TPPL and NEPO framework agreement will give added value for money through increased competition at mini-competition stage.

4.4.2 Having well serviced machines and replacing those that have reached their end of economical useful life, is more efficient, reduces running costs over all and ensures Health & Safety compliance.

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

4.5.1 This a key decision which is subject to call in. The annual value of the decision has been estimated at £650,000 with a total value of £2.6 million.

4.5.2 The framework agreement has been established in accordance with the Public Contract Regulations 2015.

4.5.3 The term of the framework agreement is current and the terms and conditions allow both for direct appointment and mini-competition exercises. The terms and conditions have been checked and approved by the PACS.

4.5.4 Use of a third party approved framework agreement is fully compliant with CPRs.

4.5.5 The Chief Officer Parks & Countryside should note the contents of this report and be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

4.6.1 The risk is considered to be low as the TPPL and NEPO framework agreement was deemed to be the most comprehensive for the procurement of specialist, technical machinery and ancillary equipment.

5. Conclusions

5.1 It would not be cost effective or an efficient use of resources for the City Council to prepare its own framework given that the TPPL and NEPO framework is so comprehensive and is able to meet the needs of the Parks and Countryside service in relation to the procurement of grounds maintenance and plant equipment, including handheld tools (new & used) which is specialist to horticulture, agriculture and arboriculture.

6. Recommendations

6.1 The Director of Communities and Environment is recommended in line with Contract Procedure Rule 3.1.7 to approve the use of the TPPL and NEPO framework for grounds maintenance and plant equipment, including handheld tools (new & used) in order for the Parks and Countryside Service to procure machinery, plant and ancillary equipment through secondary calls for competition or direct ordering where deemed appropriate.

6.2 The contract will be awarded for 12 months commencing on the 22nd May 2021 with an option to extend up to 36 months, this includes the use of the replacement framework that NEPO put in place once the current framework expires. The annual spend has been estimated at £650,000 with a total potential value of £2.6 million pounds.

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.