

Report to award a new contract by accessing ESPO framework 106_19 for the supply of vehicle lubricating oils, greases and anti-freeze

Date: 23 October 2022

Report of: Head of Catering and Fleet Services

Report to: Chief Officer Civic Enterprise Leeds

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

- vehicle lubricating oils, greases and anti-freeze are an essential element in ensuring that council vehicles are maintained to an optimum level which in turn maximises efficiency and helps to reduce harmful emissions, which in turn reduces the impact the environment.
- Having a compliant contract/framework will demonstrate the market has been tested and any new contract/framework offers very good value for money
- Supply of vehicle lubricating oils, greases and anti-freeze maintains council vehicles allowing front line services to continue to deliver their essential services.
- Fuchs Lubricants (UK) Plc, the only provider for the Yorkshire & Humber area on the ESPO agreement framework

Recommendations

- a) The Chief Officer, Civic Enterprise Leeds, is recommended to award Fuchs Lubricating (UK) Plc by accessing ESPO framework 106_19 for the supply of vehicle lubricating oils, greases and anti-freeze. The new contract is due to commence on 1 December 2022 for a period of 4 years with an estimated annual value of £45,000 (£180,000 for full term)

What is this report about?

- 1 The current contract/framework DN496464 for the supply of vehicle lubricating oils, greases and anti-freeze ended on 31 January 2022, with no option to extend
- 2 A CPR 7.2 were approved by the Chief Officer Civic Enterprise Leeds, which allowed fleet services to continue to use the current supplier. This was to allow for Social Value issues to be resolved in accessing the ESPO framework 106_19.
- 3 ESPO framework 106_19 is due to end in January 2023. A compliant contract can be directly awarded utilising ESPO framework, provided the contract is awarded before the framework ends.
- 4 Fleet services require a compliant contract to ensure the supply of vehicle lubricating oils, greases and anti-freeze is available as required, and vehicles are returned to front line service as soon as possible.
- 5 Not to approve this request to award a new contract risks non-compliant spend, higher prices, and potentially affect the ability to return vehicles to front line services as quickly as possible.
- 6 Fleet services, in conjunction with PACS (Procurement and Commercial Services) have reviewed the ESPO framework and determined the award to Fuchs Lubricants (UK) Plc offers the best value for money,
- 7 There are three suppliers on the framework. Fuchs Lubricants (UK) Plc, Morris Lubricants, Rock Oil. Fuchs Lubricants (UK) Plc, the only provider for the Yorkshire & Humber area on the ESPO agreement framework.
- 8 For comparison, Fuchs Lubricants (UK) Plc provided the best overall pricing.
- 9 Appendix A (confidential) provides the prices of the lubricants, greases and anti-freeze which are used by fleet services.
- 10 Appendix A is confidential under Access to Information Procedure Rule number: 10.4(3)

What impact will this proposal have?

- 11 Approving the contract will ensure that fleet services will be able to service vehicles by having a supply of lubricating oils, greases and anti-freeze, allowing the vehicles to be serviced as quickly as possible and returned to front line services.
- 12 Fleet services are unable to provide this type of supply in-house.
- 13 If the new contract is not in place, the Council will be subject to non-compliant spend and potentially significantly higher prices.
- 14 Fleet services are currently maintaining over 1300 vehicles. Fleet services are currently maintaining an extra 200 vehicles, from when the previous contract was procured. For the previous 12 months, the cost of the supply of these materials is approximately £45k, so the award is in line with the current pricing.
- 15 The fleet is also ageing, with some vehicles now over 10 years old, and the initial batch of electric vehicles now 4 years old. The age of the fleet does mean servicing costs are higher than those of new vehicles.
- 16 The preferred bidder has provided a social value proposal, in line with the ESPO framework. times.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 17 By having a compliant contract, vehicles will be maintained to higher standards which will reduce their impact on the environment.
- 18 The health and wellbeing of users of these vehicles, will benefit from having well maintained vehicles.
- 19 Well maintained vehicles will allow the council to better service their communities, which in turn allows for more communities to benefit.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted? Yes No

- 20 Fleet services have confirmed they require this compliant contract for the supply of lubricating oils, greases and anti-freeze, which cannot be provided by in-house services
- 21 PACS advised to the best commercial approach to the tender, by accessing ESPO framework 106_19 to ensure a compliant contract can be awarded.

What are the resource implications?

- 22 No additional resources are required from Fleet services, as this is a replacement contract for the supply of lubricating oils, greases and anti-freeze by an external provider.

What are the key risks and how are they being managed?

- 23 Not to award this contract risks the council having to incur non-compliant spend with higher costs.

What are the legal implications?

- 24 PACS have advised there are no legal implications preventing the award of this new contract for the supply of lubricating oils, greases and anti-freeze. The ESPO framework 106_19 and subsequent award is compliant with current regulations.

Options, timescales and measuring success

What other options were considered?

- 25 PACS looked for suitable compliant frameworks, but it was deemed appropriate for the council to award utilising ESPO framework 106_19.

How will success be measured?

- 26 Success will be measured by awarding this compliant contract as it meets the requirements of fleet services for the supply of lubricating oils, greases and anti-freeze to council vehicles offering excellent value for money

What is the timetable and who will be responsible for implementation?

- 27 The contract needs to be awarded by 1 December 2022

Appendices

- Appendix A (Confidential)

Background papers

- None