

Report seeking Authority to Procure a contract for the Provision of Vehicle Bodywork Repairs to Leeds City Council

Date: 18th January 2024

Report of: Deputy Chief Officer, 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

Leeds City Council (the Council) require a contract for the provision of vehicle bodywork repairs to provide specialist accident damage repairs to both light and heavy vehicles which support key council services including transport of people, refuse collection and highways services.

The Council's current contract was for a total of four years including extensions from 1st February 2020 to 31st January 2024. This was extended in line with Regulation 72 (1)(e) of The Public Contracts Regulations (PCR) 2015 for an additional four months until 31st May 2024.

This report is to seek approval of the proposed procurement strategy in line with CPR 3.1.7 to put in place a new arrangement to be effective from 1st June 2024 to 31st May 2026. The proposed contract would have an estimated value of circa £225,000 per annum (£450,000) over the proposed 2 year total period.

It is proposed that one external supplier is appointed to deliver the service contract using a competitive tendering exercise.

Recommendations

The Chief Officer Civic Enterprise Leeds is requested to approve a procurement strategy in line with CPR 3.1.7 to Procure a contract for the provision of vehicle bodywork repairs for a period of two years following a competitive procedure, 1st June 2024 to 31st May 2026. Estimated annual value £225,000 total value of £450,000 for the 2 years.

What is this report about?

- 1 A contract for the provision of vehicle bodywork repairs is required to provide specialist accident damage repairs to both light and heavy Leeds City Council vehicles which support key Council services including transport of people, refuse collection and highways services.
- 2 Fleet Services as the Council's internal vehicle maintenance provider does not have the necessary equipment or skills to provide this type of specialist repair service and thus the Council rely on external organisation to deliver the service.
- 3 The Council's existing arrangement for this provision with a single external organisation (Garforth Panel Beaters Ltd) was awarded in January 2020 for an initial period of two years with a further two years (2 x 12 months) available by way of extensions, both Twelve month extensions available were utilised. The expiry date was then extended in line with Regulation 72 with the current contract expiring on 31st May 2024 as noted within the brief summary section.
- 4 The purpose of this report is to obtain the authority to procure in line with CPR 3.1.7, to the approval of the proposed procurement strategy for the provision of vehicle bodywork repairs to the Council.
- 5 The Fleet Service have undertaken a Procurement Options Appraisal, and as a result have proposed that the most efficient route to market is to undertake a competitive procurement using Open tender procedure and advertising the opportunity via Find a Tender Service (FTS) and Contracts Finder. This will allow the targeting of organisations who have the experience and knowledge and accreditation to deliver the service requirement. An Expression of interest that was concluded in January 2024, has shown that 4 local specialist vehicle bodywork repair organisations are interested in bidding in competition for these works.
- 6 It is proposed that the evaluation of tenders will be done using the price / quality separated approach in line with CPR 15.2. Quality will be evaluated first on a 100% basis, with a 60% threshold to achieve. Bids achieving or exceeding the 60% threshold will then be evaluated based on 100% price. The contract will be awarded to the lowest feasible price.

What impact will this proposal have?

- 7 Approving the authority to procure a new contract for the provision of vehicle bodywork repairs will ensure the council will continue to have a compliant contract, providing a value for money service.
- 8 Not to have a contract in place will mean either reduced vehicle availability for key services, or significant expenditure will be incurred off contract with higher costs.
- 9 The proposed contract will ensure Fleet Services can continue to provide repairs to specialist vehicles to frontline services across the Council.
- 10 An Equality, Diversity, Cohesion and Integration (EDCI) impact assessment has been undertaken for this service and is attached as Appendix 1. There are not expected to be any negative impacts in relation to the service provision

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 11 The contract will ensure Fleet Services can continue to provide repairs to specialist vehicles to frontline services such as Passenger Services to enable them to transport the elderly and vulnerable to activity centres across the city. Additionally, the provision will ensure that refuse collection vehicles are returned to full operational use as soon as possible so the team are able to remove waste from communities. These contribute to a healthy and pleasant environment and inclusive growth.

- 12 Social Value will be addressed throughout the full life of the supply contract. Bidders will be required, as part of their tender submission to provide a social value response and which will contain commitments against the selected national Themes, Outcomes & Measures (TOMs). These will be evaluated by using a Social Value Engine (SVE). The Social value responses will be monitored throughout the contract to ensure social value outcomes are achieved

What consultation and engagement has taken place?

Wards affected: All Leeds City Council wards

Have ward members been consulted? Yes No

- 13 Consultation and engagement have taken place with the Fleet Services Team and Procurement and Commercial Services (PACS) when determining the procurement strategy, as well as assessing the tendering options.
- 14 The external incumbent supplier is aware of the existing contract expiry date and the planned procurement activity. Any TUPE implications were considered, and the incumbent supplier confirmed in writing in January 2024 that TUPE will not apply to current staff on the existing contract
- 15 Engagement with all internal stakeholders will continue at every stage of the process including the formation of tender documentations, evaluation of bids and contract drafting.

What are the resource implications?

- 16 The pre-tender estimate of the proposed contract is £225,000 per annum. This is based on expenditure in the financial year 2022/23 and year to date expenditure.
- 17 There are no additional resource implications once a contract for the provision of vehicle bodywork repairs is in place.

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

- 18 At present the council has only one active contracted supplier, and the contract expires on 31st May 2024. If the Authority to Procure is not given, then the Council will not have a formal compliant mechanism in place to utilise for the delivery of these important services. A further consequence would be a significant increase in non / off contract spend.
- 19 Low number of tender returns – Historically, due to the specialist nature of the service requirement the Council has experienced low number of tender returns for this provision. To mitigate this, thorough engagement with the current contracted organisation and other local specialist vehicle bodywork repair organisations have taken place as part of pre-procurement activities as noted in point 5 above. Further during the tender process, supplier engagement in the form of clarifications as required and continuous communication throughout the tender process will be undertaken to maximise engagement, interest and the number of bids.
- 20 A risk register for the project will be in place and will continue to be managed to monitor, mitigate, and identify any new risks as they arise. Once a supplier is in place, the Council will work with them to review risks regularly.

What are the legal implications?

- 21 There are no specific legal implications arising from this report. All activities relating to the proposed contract will be conducted strictly in accordance with the Council's Contract Procedure Rules and PCR (2015).

- 22 This report to seek authority to procure a new contract, is a Significant Operational Decision and is therefore not subject to call-in. There are no grounds for keeping the contents of this report confidential under the Access to Information rules
- 23 The tender evaluation process and recommendation for contract award will be the subject of a further report, prior to the award of any contract.
- 24 A 10 day standstill period will be carried out in accordance with the regulations to allow unsuccessful tenderers to request further feedback if required.

Options, timescales and measuring success

What other options were considered?

- 25 There are no further options available to extend the existing contract beyond 31st May 2024.
- 26 Other procurement options have been considered and these are set out below:

Option 1 – Do nothing - The Council does not have the option to do nothing as it would result in a significant off contract spend.

Option 2 – ISP - Delivery by the Council's Internal Service Provider, Fleet Services. This option was discounted as currently Fleet Services does not have the necessary equipment or skills to provide this type of specialist repair service.

Option 3 – External Framework – The use of a third-party framework to source potential providers. The Procurement Partnership Ltd (TPPL), ESPO Trading Limited and Yorkshire Purchasing Organisation (YPO) frameworks have been considered but discounted on the basis that they do not provide the quantity of local vehicle bodywork repair organisations required to fulfil the requirements.

How will success be measured?

- 27 A Contract Management Plan will be used throughout the duration of the framework contract to provide structure and opportunity for feedback.
- 28 SMART based KPI tools to be used to monitor the performance of the framework contract and ensure service is being delivered in line with Council expectations in respect of value for money (VfM), sustainability and service delivery improvement.
- 29 The Social Value Engine (SVE) will be used by the Council and the supplier to measure and monitor the impact of the additional Social Value measures implemented on this contract.

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

- 30 It is critical that the contract is in place to ensure continuation of the service provision. The detailed programme is covered below but the aim is to award the contract by April 2024, enabling mobilisation through May 2024 so that the new contract can commence from 1st June 2024

Tender Published	Mid-February 2024
Tender Return	Mid-March 2024
Tender Evaluation Period	Mid/End March 2024
Award governance approval process	By April 2024
Contract Award	Early May 2024
Contract mobilisation	May 2024
Contract Commencement	1 st June 2024
Contract Completion	31 st May 2026

Appendices

- Appendix 1 - Equality, Diversity, Cohesion and Integration (EDCI) impact assessment

Background papers

- N/A