

# Contract extension of 57231 for the Supply, Fitting, Repair, Maintenance and Management of Tyres by 12 months

Date: 6<sup>th</sup> August 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

This report is to seek the approval of the Chief Officer Civic Enterprise Leeds to extend the current Supply, Fitting, Repair, Maintenance and Management of Tyres contract (57231) for a further 12 months valued at circa £725,000 per annum under the same terms and conditions and schedule of rates.

This contract is essential for the maintenance and management of tyres for the Council's fleet of approximately 1300 vehicles, which in turn allows critical frontline services such as Passenger Transport to carry out their statutory duties.

The contract was originally procured and awarded in 2022 for a two-year period commencing 1<sup>st</sup> December 2022 and ending 30<sup>th</sup> November 2024 with an option to extend for a further 2 x 12 months under the same terms and conditions.

The proposed contract extension is the first of two extension options, and will start on 1<sup>st</sup> December 2024 for 12 months, concluding 30<sup>th</sup> November 2025, with the current incumbent supplier Soltyre Limited.

## Recommendations

The Chief Officer Civic Enterprise Leeds is requested to:

- a) Approve the recommendation to extend the current (57231) contract in line with the available provision for an additional 12 months, for the period 1<sup>st</sup> December 2024 to 30<sup>th</sup> November 2025 with Soltyre Limited to the estimated value of £725,000 per annum.
- b) Recognise that Appendix 1 – Schedule of Rates (Confidential) should be designated exempt from publication in accordance with Information Procedure Rule 10.4(3).

## What is this report about?

- 1 The current contract for the Supply, Fitting, Repair, Maintenance and Management of Tyres (57231) expires on 30<sup>th</sup> November 2024 with a further 2 x 12 months options to extend available. The current supplier, Soltyre Limited, was procured using a competitive tendering exercise, and therefore this report seeks the approval to use the first of these extension options to extend the contract by 12 months (first extension).
- 2 Fleet Operational Officers and the Workshop team have confirmed that the current contract is operating well and are happy to continue with the present provision as it continues to provide good value for money. Additionally, the contractor confirmed that there will be no price increase for the full duration of the extension as detailed in paragraph 13 of this report.
- 3 The Council has a duty of care to its employees to ensure that their vehicles comply with relevant legislation, including meeting minimum legal tyre requirements under the Road Traffic Act, and to maintain the Operator's Licence.

## What impact will this proposal have?

- 4 Without this contract, the Council would not be able to ensure that vehicle tyres are in a roadworthy condition. All tyres are legally required to have a minimum tread depth, and if found to be below that it could result in significant fines and points for drivers.
- 5 Vehicle infringements can also have a negative impact on the Council's Operators Compliance Risk Score (OCRS). The higher the score, the greater the level of scrutiny the Council receives from Driver and Vehicle Standards Agency (DVSA) inspectors at the roadside and may result in increased ad-hoc site visits.
- 6 As a result, it is crucial that the Council continues to have a compliant contract in place for the repair and replacement of tyres to ensure that the Council is meeting its legal requirements for the safety of its staff and patrons of Leeds through vehicle compliance and maintained vehicle safety.

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

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 7 This contract will service the tyres on vehicles operated by departments which carry out crucial services for the citizens of Leeds. For example, this contract will enable Passenger Transport to continue to transport children having Special Education Needs to school, thus enabling their parents/carers to continue in employment where applicable.
- 8 The contract will also service the vans used by Leeds Building Services who carry out repairs and maintenance to tenant properties and civic buildings across the city. This enables properties to be maintained to high standards, thus improving the health and wellbeing of tenant and residents. Similarly, the refuse collection team will be able to remove waste from communities to ensure a healthy and pleasant environment for the citizens of Leeds.

## What consultation and engagement has taken place?

Wards affected: All Leeds City Council wards

Have ward members been consulted?

Yes

No

- 9 Consultation and engagement has taken place across multiple different departments across the Council to ensure that all relevant parties are happy to extend the contract. The incumbent

supplier, Soltyre Limited, have also been consulted regarding this potential extension and are happy to extend by 12-months under the same terms and conditions.

- 10 The content of this report has been reviewed and approved by colleagues in Procurement & Commercial Services (PACS) Legal.

### **What are the resource implications?**

- 11 The estimated value of the 12-month extension is £725,000 based on the agreed Schedule of Rates and the extension of the contract is deemed necessary to maintain tyre compliance for the Council's fleet of vehicles. Actual spend may vary depending on the size of the fleet.
- 12 Full details on pricing, including a breakdown for the costs for individual vehicles, can be found in Appendix 1 – Schedule of Rates (Confidential).

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

- 13 Prices in most industries are rising due to inflation, but the supplier has committed to no price increase for the next 12-months as they have increased their stock level to cover off any potential issues.
- 14 The Council has a duty of care to its employees to ensure that vehicles are compliant with relevant legislation, and this includes the requirement for tyres to be maintained and kept in a legal and roadworthy condition.
- 15 Failure to maintain tyres would result in the loss of the Goods Vehicle Operators Licence and render all Fleet Services within Leeds City Council inoperable.

### **What are the legal implications?**

- 16 There are no specific legal implications arising from this report. All activities relating to the proposed extension have been executed in accordance with the Contracts Procedure Rules, and the terms of the contract allow for two 12-month extensions.
- 17 This decision is a direct consequence of the original Key Decision (ref: D55135) taken in April 2022 to procure and award a new contract.
- 18 Due to the value of the extension, the decision set out in this report is a Publishable Administrative Decision. The decision is not subject to call-in as the extension flows from the original Key Decision as referenced in paragraph 17.
- 19 Appendix 1 of this report has been identified as exempt from publication/confidential under the Access to Information Rule 10.4(3) because the public interest in maintaining the exemption outweighs the public interest in disclosing the information and financial details, which could adversely affect the business of the Council and the business affairs of a number of individual companies.
- 20 In making the final decision, the Chief Officer Civic Enterprise Leeds should note the above comments and be satisfied that the course of action chosen represents the best value for the Council.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 21 The option to not extend was considered, but this would mean that the Council would not have a compliant contract in place and would either require significant off-contract spend or mean that the Council would face losing its Operators Licence.

22 The option to retender was also considered. However, based on current costs and the fact that the contract continues to work well, it was deemed the best option is to exercise the option to extend the current contract for 12 months. This will allow the Council time to review its procurement strategy before deciding whether to take up the final extension option or to go back out to the market.

### **How will success be measured?**

23 Success will be measured by the supplier continuing to provide a high-quality tyre replacement and repair service, in order to maintain service delivery and reduce vehicle downtime. The supplier will also provide regular updates and reports to this effect.

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

24 The implementation of this contract extension will enable notification and implementation before the end of the existing contract on 30<sup>th</sup> November 2024, ensuring the provision remains in place until 30<sup>th</sup> November 2025.

### **Appendices**

- Appendix 1 – Schedule of Rates (Confidential)

### **Background papers**

- [D55135 - Authority to Procure Tyre Replacement Contract](#)