

REPORT FROM: ENVIRONMENTAL SERVICES MANAGER

TO: POLICY AND RESOURCES COMMITTEE

DATE: 18TH September 2018

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FLEET REVIEW AND PROCUREMENT

PURPOSE OF REPORT

To advise the Committee on the need to commence the procurement exercise and the timings required to be met in order to successfully procure a replacement fleet by the 30th October 2019

RECOMMENDATIONS

1. That the Committee confirm the commencement of the procurement exercise.
2. That the Committee agrees to the use Brian Farrington Ltd as an external consultant to assist the Council through the procurement process.

REASON FOR RECOMMENDATIONS

To ensure the Council completes an effective commissioning and procurement exercise assisting the Council to meet its four corporate strategic objectives. Strong Services, Strong economy, Strong Communities and Strong Organisation

ISSUES

Background

1. The Council extended its contract for the provision of vehicles and maintenance with the incumbent supplier in October 2017.
2. The agreed extension covered a period of two years and is due to expire on the 30th October 2019.
3. The Council prior to the current extension had already extended the vehicle and maintenance contract with the incumbent supplier in 2011 and as such it does not have an option to exempt the contract from being put out to tender.

4. The annual cost to the Council for contract hire and maintenance of the fleet is in excess of £741,220
5. Due to its value the Council does not have the option to exempt the contract from being advertised via the Official Journal of the European Union (previously called OJEC - the Official Journal of the European Community).
6. Clearly the process will be complex and potentially open to challenge if incorrectly completed.
7. It is the Council's intention to commence the tendering exercise in order to meet the target date of 30th October 2019 and reduce the risk of financial penalties being incurred through having to negotiate temporary extensions to the current vehicle hire and maintenance arrangements.
8. Prior to commencing the tendering exercise the Council must agree the nature of the procurement. Options currently being considered will include contract hire with maintenance or outright purchase of vehicles with potentially the TUPE transfer of maintenance staff to oversee maintenance of the fleet.
9. Prior to the final tender documentation being released officers will need to have agreed weightings against which each tender will be evaluated against. Weightings could include environmental impact, price, quality, social benefit and Health and Safety.
10. The Environmental Services Manager will be supported during the procurement exercise by the Corporate Director and colleagues within Finance and Legal.
11. In view of the complexity of the exercise the Environmental Services Manager has approached three potential consultants who would offer legal and financial opinion and procurement guidance through the process.
12. Of the three consultants approached two have provided responses on the key activities of the project, the need for market consultation, the proposed methods of procurement and the costs for their providing consultancy assistance.

The outcome of this exercise is below:

Consultant	Estimated hours	Estimated number of days	Cost
Brian Farrington Ltd	127	Not provided	18,415
Simply Best Value	Not provided	20 days	14,000
Roger Tristram	Unable to assist	Unable to assist	Unable to assist

Additional charges were identified by both responding consultants:

Brian Farrington Ltd quoted 40p per mile travelling expenses increasing their proposal by potentially £859.00 based on 53.7 miles and 20 visits.

Simply best value document recouping reasonable expenses costs but failed to quantify this cost.

Both estimates exclude VAT.

13. Based on the conflicting priorities for all that will be involved in the procurement of the fleet and maintenance provider it is felt that Brian Farrington Ltd provide greater flexibility to the Council by providing an opportunity to agree hourly meetings rather than blocking out whole days.

14. Brian Farrington Ltd have previously worked with the Council on the original contract with Liberata, the procurement of printing machinery and have also advised on the outsourcing of the commercial waste collection service and the tender documentation for waste collection and street cleansing activities.

Timeline

15. Enabling the Council to have procured the appropriate vehicles by the 30th October 2019 the Council needs to have placed an order with suppliers by April 2019.
16. In order for the above deadline to be achieved the following internal target dates and actions need to be met:
- A) Policy and Resources committee. 18th September 2018. Committee to agree use of consultant.
 - B) Policy and Resources committee. 27th November 2018. Committee to agree nature of procurement.
 - C) Policy and Resources Committee 12th February 2019. Receive update on progress.
 - D) Policy and Resources committee. 19TH March 2019. Final decision.
 - E) Council 26th March 2019. Confirmation of final decision

IMPLICATIONS

Policy: None arising directly from the report

Financial: Initial costs of £20,000 identified for consultancy costs.

Legal: None arising directly from the report though the procurement process itself will require assistance from legal advisors.

Risk Management: None arising directly from the report.

Health and Safety: None arising directly from the report.

Sustainability: None arising directly from the report

Community Safety: None arising directly from the report

Equality and Diversity: None arising directly from the report

APPENDICES

None

LIST OF BACKGROUND PAPERS

Pendle Borough Council, Contract procedure rules.