1 Executive Summary

On the 5th March 2019 Cabinet granted approval for the procurement of the vehicles, plant and equipment necessary for the delivery of the grounds maintenance and associated services, which is being insourced on the 11th January 2020. Approval was granted to procure through an existing framework using TPPL (The Procurement Partnership). This was to include;

a) Procuring an estimated 33 vehicles through a 5 year operating lease at an estimated total cost of £830,000 over a 5 year period.

Cabinet delegated authority to the Director of Community & Environment, in consultation with the Lead Member for Environment, and the Directors of Finance and Law & Governance, to agree the award of contracts for vehicles, plant and equipment noting that each contract would be less than £1million value.

Permission is sought to agree the direct award through the TPPL framework to Fords for 27 x vehicles that are required for the insourcing of ground maintenance. The
additional vehicles required will be evaluated through 3 x Quotes as value will be less than £100k (The 6 x non-Ford fully electric Vehicles).

2 Recommendations

2.1 For the reasons set out in the report and its appendices, the Interim Corporate Director of Environment & Sustainable Transport is asked to agree:

2.1.1 Following the evaluation of the both tenders using direct award & quotes by the Procurement unit and the client department, it has been determined that Trust Ford & Renault UK, Using the recommended lease company which will be tendered through our finance broker (Link Asset Services) should be awarded the contract based on the MEAT criterion as per the terms and conditions of the TPPL Framework HCC1811097 in accordance with EU procurement rules and treaty principles and the Council’s Contract Standing Orders (CSO). The Lot 2 call-off contract for the purchasing of vehicles that are required for the insourcing of ground maintenance. The contracts will commence 06/01/2020 and expire 05/01/2025, and cost £830,000 over the contract length.

2.1.2 The award to order & through our finance broker (Link Assets Services), organise the leasing of vehicles (with finance) required for the insourcing of Grounds Maintenance, that commences on the 11th January 2020

2.2 The Interim Corporate Director of Environment & Sustainable Transport is asked to note:

Current vehicle lead times are 16 to 20 weeks; there will be an additional 4 weeks for body builds to the vehicles, if agreement is not given the deadline of 11th January will be difficult to meet.

3 Background

3.1 On the 5th March 2019 Cabinet granted approval for the procurement of vehicles, plant and equipment necessary for the delivery of the grounds maintenance and associated services, which is being insourced on the 11th January 2020. Approval was granted to procure through an existing framework using TPPL (The Procurement Partnership)

3.2 Procuring an estimated 42 vehicles through a 5 year operating lease at an estimated total cost of £950,000 over a 5 year period was agreed at this cabinet meeting on the 05th March 2019.

3.3 Delegate authority was given to the Director of Environment & Sustainable Transport, in consultation with the Lead Member for Environment, and the Directors of Finance and Law & Governance, to agree the award of contracts for vehicles, plant and equipment.
3.4 The project team delivering the insourcing of the grounds maintenance and associated services have been working with vehicle manufacturers and staff transferring to the “in house service” to establish the specification of the new fleet.

3.5 These discussions were to ensure the correct type of vehicle was procured which delivered the best performance and best value to the council. These discussions were lengthier than anticipated and the final specification was only agreed at the end of July 2019.

4 Key Considerations & Proposals

4.1 There were delays in agreeing the vehicle specification which has meant the service is now only ready to place the order for the new fleet.

4.2 Current uncertainties within the vehicle manufacturing market has resulted in extended lead times by manufacturers and it may be hard to achieve the target date of 11th January 2020 if the vehicle orders are not placed now.

4.3 If the Target date of 11th January 2020 is not achieved, hire vehicles will need to be sourced for the interim period, this would be subject to additional costs.

4.4 It is recommended that agreement is made to award, for the ordering of the vehicles and arrange with finance the Lease Contracts.

4.5 The Procurement route is by the use of the TPPL Frameworks for all vehicles. One of the benefits received from this is, all Ford vehicles will come with an additional 2 year manufacturer’s warranty, totalling 5 years.

4.6 Wherever possible, the use of alternate fuelled vehicles has been reviewed, as detailed we will be operating x6 fully electric vehicles, all others will be ULEZ compliant. The vehicles specifications have been confirmed with the end users and will be fit for purpose for now and the life of the vehicle contract (5 Years).

4.7 Since the Cabinet Meeting which was held on the 05th March 2019, the estimated costs have reduced by £120,000 over the 5 year contract period.

5 Policy Implications & Corporate Priorities

5.1 The proposals are in line with the pledge by the Mayor’s Administration to review all the Council’s Joint Ventures, PFI Schemes and outsourced contracts. It will also ensure that robust procurement processes are in place in the long term.

6 Alternatives considered

6.1 Vehicle hire is possible, but the cost would be estimated as double the Lease Option.

7 Consultation

7.1 Name of Lead Member consulted: Cllr James Asser
Position: Cabinet Member for Environment
8 Implications

8.1 Financial Implications

8.1.1 The decision to bring the grounds maintenance and associated services contract in-house from 11 January 2020, was approved by Cabinet on 5 March 2019. This included approval for the procurement of the vehicles, plant and equipment necessary to deliver the grounds maintenance and associated services. Approval was granted for a 5-year operating lease for 42 vehicles, at a cost of £950,000 over a 5-year period (£190,000 per annum). Since the approval was granted, the number of vehicles required to deliver the services has reduced. Permission is now sought to procure 33 vehicles in total, 27 via direct award through the TPPL framework and a further 6 vehicles through the quotation process, at a cost of £830,000 over the 5-year period (£166,000 per annum). The cost of the contract will be funded through existing revenue budgets.

8.1.2 Following the evaluation of both tenders using direct award and quotes by the Council’s Procurement unit and the service, it has been determined that Trust Ford & Renault UK should be awarded a call-off contract, using the recommended lease company tendered through the Council’s finance broker, Link Asset Services. The contract will commence on 6 January 2020, for a 5-year period.

8.2 Legal Implications

1. The report seeks the approval of the Director to award a call-off contract to Trust Ford & Renault UK, Using the recommended lease company which will be tendered through our finance broker (Link Asset Services) following the evaluation of both the tenders, using direct award & quotes by the Procurement unit and the client department. The recommendation of award is based upon evaluation of both tenders/quotes based on the MEAT criterion as per the terms and conditions of the TPPL Framework HCC1811097 (Lot 2) in accordance with EU procurement rules and treaty principles and the Council’s Contract Standing Orders (“CSO”) 22.

2. The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions. The contract may be procured in accordance with these powers.

3. With the assistance of the Procurement unit, the client department will undertake a tender process which is allowable under the Public Contracts Regulations 2015 (“PCR 2015”) and the Council’s CSO, including the award selection using the MEAT criterion. The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
4. The proposed contract value is above the EU threshold for Service/Supply contracts; therefore accordingly, the procurement exercise needs to comply with the full EU Directives and PCR 2015.

5. The Council’s CSO 3 provides that a contract may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the Council. The body of this report confirm the relevant financial implications arising from the Council’s award of the contract.

6. Cabinet will be aware of the Public Sector Equality Duty (PSED) set out in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:
   
   a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
   b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
   c) foster good relations between person who share a relevant protected characteristic and those who do not share it.

   The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

7. The Legal and Governance officers are available to assist the client department in finalising the terms and conditions of the contract.

8.3 Equalities Implications
8.3.1 None Known

8.4 Other Implications relevant to this report:
8.4.1 The only implications foreseen are, the Lead Times for delivery of vehicles, although if orders are placed within 10 days, we should reduce the risks above.

9 Background Information used in the preparation of this report
9.2 Cabinet Decision Notice. Appendix 2
**General Exception (Reason for Urgency):**

The reason for the urgency is that the specification of the new fleet has only recently been confirmed. There are currently extended lead times by manufacturers, as a result of the current uncertainties within the market. It may be hard to achieve the target date of 11th January 2020 if the vehicle orders are not placed now.

If orders are placed within 10 days the risk would be reduced. Current Lead Times for vehicle chassis is 16 to 20 weeks and then 4 weeks for bespoke body build, (potentially 24 weeks in total for delivery). Grounds Maintenance commencement 11\textsuperscript{th} January 2020.