

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 <sup>rd</sup> October 2019
<b>Subject:</b>	Locality Services - Vehicle Parts Procurement Exercise		
<b>Report of:</b>	Head of Locality Services Provision	<b>Wards Affected:</b>	All
<b>Portfolio:</b>	Cabinet Member – Locality Services		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt Confidential Report:</b>	No		

## Summary

Approval is sought to undertake a compliant tender exercise for the procurement of vehicle parts, components and associated services for the vehicle maintenance service in order to provide such parts, components and services at a more economically advantageous rate.

## Recommendation(s):

- 1) That the Head of Locality Services be authorised to conduct a procurement exercise for the provision of vehicle parts, components and associated services with a view to entering into a contract for a maximum period of [5] years comprising an initial [3] year period with an option to extend for up to [2] periods of 12 months.
- 2) That the Head of Locality Services in consultation with the Cabinet Member for Locality Services be granted delegated authority to award the Contract resulting from the procurement [and to award any extension thereof].

## Reasons for the Recommendation(s):

Maintaining and servicing the Council's vehicle fleet requires significant expenditure on vehicle parts, components and services for a wide range of vehicle types. Best Value is always sought in relation to the purchase of parts and components via the obtaining of quotations from a range of suppliers. However, it may also be possible to obtain competitive prices for required parts, components and services from a single supplier. This report seeks permission to undertake a procurement exercise to establish whether any additional savings could be generated.

## Alternative Options Considered and Rejected: (including any Risk Implications)

Continue to utilise current quotation and procurement methods.

## What will it cost and how will it be financed?

(A) **Revenue Costs** - None

(B) **Capital Costs** - None

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> None
<b>Legal Implications:</b> None
<b>Equality Implications:</b> There are no equality implications.

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: The Vehicle Maintenance Service provides a core service in maintaining and operating the Council's vehicle fleet.
Place – leadership and influencer: N/A
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: N/A
cGreater income for social investment: N/A
Cleaner Greener: N/A

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Head of Corporate Resources (FD5796/19) and Head of Regulation and Compliance (LD4020/19) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

There have been no external consultations as this report only seeks permission to undertake a procurement exercise.

**Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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## **Appendices:**

There are no appendices to this report

## **Background Papers:**

There are no background papers available for inspection.

## **Introduction/Background**

1. The Vehicle Maintenance & Fleet Management Section is responsible for the overall management and maintenance of the Council's vehicle fleet. There are approximately 300 fleet vehicles owned/maintained by the Authority. The vast majority of vehicles are diesel engine road vehicles.
2. Best Value is always sought in relation to the purchase of parts, components and associated services via the obtaining of quotations from a range of suppliers for each purchase. However, as Sefton's spend on such products is circa £500k per annum, even a relatively small percentage reduction could provide a significant saving.
3. It is proposed that a tender process is undertaken for the supply of commercial vehicle and plant parts, components, and services, in order to 'test the market'.
4. The procurement exercise will be undertaken via The Chest using a compliant OJEU Open Procedure process, and the process will be supported by Sefton Council Procurement Team.
5. It is anticipated that the procurement exercise will be completed in time to have a supplier in place for the commencement of the next financial year 2021/21. The contract length will be for a core three year period, with an option to extend for up to two one year periods, resulting in a maximum contract length of five years.
6. The basis the evaluation and award will be MEAT (*Most Economically Advantageous Tender*) taking into consideration a balance between Quality and Cost.
7. The successful tenderer will have the opportunity to supply parts to the Council for all of the vehicle fleet. However, there will be no guaranteed level of expenditure associated with the agreement, and the Council will reserve the right to benchmark any prices offered for parts, components or services, with the successful tenderer being given the opportunity to price-match if a cheaper price is found
8. Should such an exercise provide a potential opportunity to reduce costs and generate a saving, the saving would then contribute to the associated PSR target and be reported accordingly.