

## **Decision Session - Executive Member for Neighbourhood Services**

21 July 2009

Report of the Director of Neighbourhood Services

### **Highways Vehicle Procurement**

#### **Summary**

1. This report provides the Executive Member with details of the procurement for the replacement of 4 hook lift gritting vehicles and 1 bulk tipping vehicle. The report asks the Executive Member to approve the outcome of the evaluation process and that a purchase order is made so the vehicles can be ordered.

#### **Background**

2. Under the vehicle maintenance and procurement contract between the City of York Council and the Army Base Repair Organisation (ABRO), now the Defence Support Group (DSG), all vehicles supplied were to be funded by a lease agreement between the Ministry of Defence (MoD) and the Bank of Scotland. By mutual consent this contract has now come to an end as previously reported to EMAP.
3. In the short term, the authority can fund vehicles through its own lease framework contract and, after seeking advice from Procurement, use the Yorkshire Purchasing Organisation (YPO) Framework for the supply of these vehicles. Using this route removes the need for the authority to go through the OJEU procurement process, as this framework has already been exposed to the European market. This arrangement can continue until the best option for the fleet operations can be identified.

#### **Consultation**

4. As this was a competitive tender, consultation does not apply.

#### **Options**

5. The options have been considered in the evaluation process and attached Annexe.

## **Vehicles Required**

6. Four hook lift gritting vehicles are required to replace four similar vehicles currently in service.
7. One bulk tipping vehicle to replace one already in service. The replacement vehicle will have a gross vehicle weight (GVW) of 32 tonnes rather than the 26 tonne vehicle currently in service. This increase in GVW is to maintain current carrying capacity but give the flexibility of a demountable body making better and more efficient use of the chassis.

## **Lease Expiry**

8. Leases are due to expire for two existing gritting vehicles and the bulk tipper on 27 October 2009. The other two gritting vehicles expire on 31 March 2010. Should the new vehicles not be delivered before these expiry dates, then the hiring in of vehicles or extending the current leases will need to be considered. Hiring this type of vehicle has been problematic in the past due to the dual purpose nature of the gritting vehicles. Their primary role is to undertake work in highways maintenance but, due to their configuration, they can be used for gritting and snow clearing. Gritters can be hired as can normal tipper trucks but rarely a vehicle that can do both. Additional lease costs will be incurred to extend the leases for a further 3 months, the minimum period of extension, at a cost of £10,800. Additional costs would also be incurred by way of the return conditions contained in the leases where each vehicle must have a valid road fund licence (road tax) and MOT certificate.
9. Two of the new gritting vehicles will need to be delivered upon the lease expiry of the current vehicles to ensure seamless continuation of the winter maintenance programme.

## **Procurement Process**

10. On the advice of the council's procurement team, tenders were sought from eight suppliers through the YPO Framework Agreement. As stated in para 3. use of this framework agreement negated the need to go through a separate OJEU process as the framework has already been subjected to that process.
11. There are considerations to be made when evaluating options other than cost alone. The cheapest quote may not provide the right vehicle for the needs of the service, bearing in mind maintenance costs, payloads and efficiency. Therefore, on the advice of the council's procurement team, and with their approval, the tenders were evaluated using the Most Economically Advantageous Tender (MEAT) analysis.
12. Tenders were received to the council on 19 June 2009 and were opened in the presence of the Executive Member for Neighbourhood Services on 23 June 2009.

13. The tenders were evaluated using two processes. The first were scored using a matrix recommended by the council's procurement team. The second process involved evaluating the tenders against the criteria and specifications stated in the submissions. A matrix showing the main comparisons is attached as Appendix A.

### **Tender Evaluation Outcome**

14. For the four replacement hook lift gritting vehicles, the DAF combination supplied by Bidder 4 scores the highest using both processes as described in para 11.

15. For the one replacement bulk tipper, the DAF combination supplied by Bidder 4 scores the highest using both processes as described in para 11.

16. The outcome of the evaluation processes indicates that these two types of vehicle would be 'fit for purpose' and provide the most economic advantage to the council.

### **Implications**

**Financial** – Financial implications are contained in the body of the report.

**Human Resources (HR)** – no implications

**Equalities** – no implications

**Legal** – The council's procurement team has been involved in the procurement process and legal advice taken on the correct route for the decision to be made.

**Crime and Disorder** - no implications.

**Information Technology (IT)** - no implications.

**Property** - no implications.

**Other** - no implications.

### **Risk**

17. If we do not procure the vehicle detailed in this report, then we will incur additional lease and hire costs. The winter maintenance programme may be compromised if two of the new vehicles are not supplied upon the expiry of the current lease.

## Recommendations

18. That the Executive Member:

- i. Notes the procurement process outlined in the report and approve the outcome of the evaluation process.
- ii. Gives approval for a purchase order to be made so the successful tenderers can be notified and orders placed.

**Reason:** to allow the orders to be placed and the vehicles to go into manufacture.

### Contact Details

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**Report**  **Date** 3 July 2009  
**Approved**

Adam Wilkinson  
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**Report**  **Date** 3 July 2009  
**Approved**

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**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

**Background Papers:** None

### Appendices

Appendix A – Evaluation Summary