
MEETING	EXECUTIVE MEMBER FOR COMMERCIAL SERVICES AND ADVISORY PANEL
DATE	7 MARCH 2006
PRESENT	COUNCILLOR HALL (Executive Member) COUNCILLOR KING (Shadow Executive Member) COUNCILLOR LIVESLEY (Chair of the Advisory Panel) COUNCILLORS FAIRCLOUGH, LANCELOTT, SMALLWOOD (substituting for Cllr Jones) and I WAUDBY
APOLOGIES	COUNCILLOR JONES

35. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

36. MINUTES

RESOLVED: That the minutes of the meeting held on 7 February 2006 be approved and signed as a correct record.

37. PUBLIC PARTICIPATION / MEMBER COMMENTS

It was reported that there had been no registrations to speak under the Councils Public Participation Scheme. However, Cllr Scott had asked to speak in relation to agenda item 6 (Procurement and Management of Sub-Contractors), as Chair of the Resources Advisory Panel.

With the permission of the Chair, Cllr Scott addressed the meeting on this item, explaining that the matter had come before the Resources EMAP meeting on 20 February. He expressed concern that the report now before Members did not deal with the detailed issues and had not addressed any of the concerns raised at the Resources EMAP. In his view, this indicated that those concerns had not been taken seriously by Officers in Commercial Services. The recommendations of the Resources Advisory Panel and the Audit department should have been annexed to the report, so that Members had all the relevant information before them.

38. PROCUREMENT OF FLEET SERVICES

Members considered a report which outlined the outcome of the tendering exercise for the procurement of fleet services.

The report explained the process followed since the Executive had decided, in February 2003, to adopt the EU Procurement procedure to find a suitable private sector partner. Following delays in development of the new depot, the process had been suspended until July 2005, when invitations to tender had been issued. Two companies had withdrawn during the tendering period and a third potential supplier, MHS, had by this time gone into receivership. The remaining two tenders, from Translinc Ltd and Abro, had been scored in accordance with the evaluation criteria. Translinc had scored 373 points and Abro 896 points, resulting in a decision to award Sole Preferred Partnership Status to Abro.

It was noted that consideration of staff issues had been an important part of the procurement process. Abro operated as a Government Trading Fund, would support the Apprenticeship approach in York and had previous experience of TUPE transfer from their partnership with Stirling Council. Their pension scheme was the Civil Service Pension and thus fully compatible with the Local Authority scheme. Abro had received official confirmation that they could enter into a contractual / partnering agreement with the Council. The result would be a “public-public” partnership which would maximise the use of a public asset by utilising spare capacity in the modern workshop facilities at the new depot.

Advice of the Advisory Panel:

That the Executive Member be advised to note the evaluation process and the final decision to appoint Abro to the sole preferred partner status under the Officer Delegation Scheme.

Decision of the Executive Member:

RESOLVED: That the advice of the Advisory Panel, as set out above, be accepted and endorsed.

REASON: To keep Members informed of Officer decisions in relation to the procurement process.

39. FLEET ENVIRONMENT IMPACT

Members considered a report which provided an update on the on-going review of options to minimise the environmental impact of the Council’s Commercial Services vehicle operations.

The review had been authorised by Members in December 2005, after consideration of a report advising of changes to trends in methods of reducing environmental impact. The available options could be classified under the broad headings of “conventional” fuels and “technically diverse” options. The latter would need detailed evaluation before being considered for use, to ensure their suitability. In the short term, therefore, the choice would be between different “conventional” fuel types.

The following fuel types had been considered:

- **Ultra Low Sulphur Diesel (ULSD)**, as used in the Council fleet since 1997. Now that fuel standards had risen generally, this offered only a marginal improvement in quality over ordinary diesel fuel.
- **Biodiesel**, derived from crops or recycled vegetable oils. This could only be used in a 5% bio to 95% conventional diesel mix if vehicle warranties were to be preserved, due to its effect on component parts. However, it could still achieve reductions of 2% in CO2 and 1% in particulates and Carbon Monoxide. This was the recommended option. It was also proposed to use a different supplier, closer to York, which might secure more competitive prices due to reduced transport costs.
- **Petrol** – not recommended, as any benefits would not apply to the short-haul journeys performed by the Commercial Services fleet.
- **Bioethanol**, the petrol engine's equivalent of biodiesel. Again not recommended due to lack of efficiency in engines not fully warmed up.

Advice of the Advisory Panel:

That the Executive Member be advised to:

- (i) Approve the move from conventional ULDS to Biodiesel, in a 5% bio to 95% conventional diesel mix.
- (ii) Note the contents of the report and approve further investigation into more “technically diverse” options, with a view to receiving a further report at the end of the year.

Decision of the Executive Member:

RESOLVED: That the advice of the Advisory Panel, as set out above, be accepted and endorsed.

REASON: In order to secure environmental improvements in the short term, without any additional vehicle modification or risks to warranties, whilst exploring the potential for further improvement in the future.

40. COMMERCIAL SERVICES, BUILDING MAINTENANCE - REPORT ON THE PROCUREMENT AND MANAGEMENT OF SUB-CONTRACTORS

Members considered a report which outlined work being done to review the Building Maintenance procurement of sub-contractors and materials, following investigations by internal audit into allegations about the management of the building maintenance section.

Results of the audit investigations had been reported to the Resources EMAP meeting on 20 February 2006. Whilst the audit had found no support for the allegation of fraud, it had highlighted weaknesses in the procurement and supervision of sub-contractors and recommended a detailed examination of one particular sub-contractor's work. Officers circulated an update at the meeting on progress with this task so far. 61 of the 120 jobs performed by the sub-contractor had now been inspected, of which 17 required remedial works. Although not all the defects were the fault of the contractor, they would all be put right as a gesture of good faith. Work was ongoing to try to ascertain value for money in respect of the jobs inspected.

A full review of all aspects of Building Maintenance procurement of sub-contractors and materials would be undertaken as part of the overall review of the department. Members were asked to comment on the approach being taken and to receive a more detailed report at their next meeting.

Some Members echoed the concerns raised by Cllr Scott on this item (Minute 37 refers) and stressed that they should have been given sight of the report to Resources EMAP in advance of the meeting. The Chair noted that that report had been available on the Council's website and that the report now before Members was intended to be a "holding" report pending consideration of the detailed issues at the next meeting. Officers accepted, however, that the audit report should have been supplied as an annex and undertook to circulate this. Members indicated that they would also like to receive further information with regard to breaches and waivers.

Advice of the Advisory Panel:

That the Executive Member be advised to:

- (i) Note the report and the comments made.
- (ii) Request a fully detailed report on these issues at the next EMAP meeting, together with a separate report explaining the situation with regard to breaches and waivers.

Decision of the Executive Member:

RESOLVED: That the advice of the Advisory Panel, as set out above, be accepted and endorsed.

REASON: To ensure that the matters arising from the audit investigations are fully and properly considered and addressed.

41. URGENT BUSINESS

The Chair requested a verbal update from Officers on the recent fire at the Foss Islands Depot. This was provided under urgent business, on the grounds that Members needed to know the latest position on the vehicles damaged by the fire and on investigations to discover the causes.

The Acting Director of Commercial Services confirmed that two of the written-off vehicles had been approved for scrapping. A further two would be taken to Doncaster and held in quarantine pending reports from the manufacturers and insurers regarding the causes of the fire. It was expected that a conclusion would be reached around mid to late April.

CLLR C HALL
Executive Member

CLLR D LIVESLEY
Chair of the Advisory Panel

The meeting started at 4:30 pm and ended at 5:50 pm.