

## CABINET

21 May 2019

<b>Title:</b> Contract for Short Term / Spot Hire Vehicle Arrangements	
<b>Report of the Cabinet Member for Public Realm</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
<b>Report Author:</b> John Russell, Head of Fleet Management, My Place	<b>Contact Details:</b> Tel: 0208 227 2171 E-mail: jrussell@lbbd.gov.uk
<b>Accountable Director:</b> Robert Overall, Director My Place	
<b>Accountable Strategic Leadership Director:</b> Claire Symonds, Chief Operating Officer	
<b>Summary</b>  This report presents proposals for the procurement of all short term / spot hire vehicle requirements through the EU compliant Commercial Services Kent Limited (CSKL) Vehicle Rental Framework via The Procurement Partnership Limited (TPPL).	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Agree that the Council proceeds with the procurement of various short term / spot hire of vehicles contracts in accordance with the strategy set out in the report; and  (ii) Delegate authority to the Director of My Place, in consultation with the Cabinet Member for Public Realm and the Director of Law and Governance, to carry out the procurements and award the contract(s) to the successful bidder(s).	
<b>Reason(s)</b>  In order to maintain LBBD's requirement to ensure continuity and delivery of services this report seeks approval to utilise a Framework compliant with EU procurement Regulations to carry out all its spot / short term hire of various vehicles.	

### 1. Introduction and Background

- 1.1 Historically, Fleet Services receive many last-minute / urgent requests for various vehicles due to changes across LBBD i.e. additional refuse vehicles required due to seasonal fluctuations in service, short term strategy plans by other services.
- 1.2 Complying with LBBD's governance requirements to obtain approval can take months where all of the requests received by Fleet Services are required /requested/needed to be in place within days of the request being received.

1.3 LBBB needs to be able to fulfil these requirements without having to write individual strategy reports in every case when there is an urgent requirement for fleet vehicles. Writing individual reports is time consuming and causes unnecessary delay in service delivery. The recommended route to market ensures that an order can be placed for the short-term hire of vehicles within a short period of time. This will ensure continued service delivery and compliance of LBBB's Contracts Rules and the EU Procurement Regulations.

## **2. Proposal and Issues**

### **2.1 Outline specification of the works, goods or services being procured**

2.1.1 Short-term / spot hire of various vehicles which includes refuse vehicles, coaches, mini buses, van's, tipper's etc.

### **2.2 Estimated Contract Value, including the value of any uplift or extension period**

2.2.1 Up to £2 million from June 2019 until June 2021 when the Framework expires.

### **2.3 Duration of the contract, including any options for extension**

2.3.1 Each short term / spot hire vehicle requirement will not exceed 12 months. Any requirements for vehicles longer than this period will be procured in accordance with LBBB's Contracts Rules.

### **2.4 Recommended procurement procedure and reasons for the recommendation**

2.4.1 To utilise the Commercial Services Kent Limited (CSKL) Vehicle Rental Framework via The Procurement Partnership Limited (TPPL) for all short term / spot hire vehicle requirements.

2.4.2 TPPL have over 690 organisations as members, of which LBBB is one. TPPL carry out EU compliant tenders for a range a vehicle's required by the public sector to create a list of Frameworks. Members can access these Frameworks as well as having access to a range of OJEU tendered frameworks TPPL created with leading public sector organisations.

2.4.3 The CSKL Vehicle Rental Framework consists of the following Lots:

- Lot 1: Hire of Passenger Cars
- Lot 2: Hire of Light Commercial Vehicles (LCVs) up to 3.5t
- Lot 3: Hire of Medium Commercial Vehicles (MCVs) 3.5t up to 12.5t
- Lot 4: Hire of Welfare Buses 5 seat up to 72 seat
- Lot 5: Hire of Sweepers up to 18.5t
- Lot 6: Hire of Heavy Goods Vehicles (HGVs) up to 44t

2.4.4 The Framework is designed to operate through an online pricing and booking platform which all suppliers on the Framework are required to integrate with and upload pricing to, to enable TPPL members to access competitive, compliant pricing from a wide range of suppliers on a wide range of vehicles. Vehicle hire bookings can be completed through the online platform.

2.4.5 The Framework expires in June 2021 which allows LBBD time to consider its longer-term strategy. This option was considered due to ability to be able to carry out a further competition quickly and compliantly and because of the large number of varied suppliers, some of which whose services are currently being utilised by LBBD.

## 2.5 **The contract delivery methodology and documentation to be adopted**

2.5.1 The Framework terms and conditions will be utilised.

## 2.6 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

2.6.1 By utilising the Framework we are looking to match or improve on the prices we are charged from our current suppliers in a compliant route to market. This will result in saving officers time by not continually preparing reports.

## 2.7 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.7.1 Price and vehicle availability. The evaluation price / quality split will be determined for each requirement and in accordance with the Framework terms.

## 3. **Options Appraisal**

3.1 The alternative options considered were:

3.1.1 **Do nothing – Rejected:** There is a requirement for vehicles to be spot hired urgently by Fleet services. LBBD has to fulfil these urgent and unplanned requirements without having to write individual strategy reports in every case as this is time consuming and causes unnecessary delay in service delivery. Fleet services are issued with numerous last-minute requests for spot (short-term) hire of various vehicles for various reasons so additional short-term hire of vehicles are required whilst a longer-term strategy is being sought. A large number of requests for vehicles (vehicle dependent £100 pw to £1000 pw) can easily push us into a non-compliant spend forcing the need for reports to be drafted and go through internal governance processes which can be time consuming.

3.1.2 **ESPO Framework no. 271 (Vehicle Hire – Self Drive) – Rejected:** This provides a flexible and simple solution for self-drive hires of vehicles such as LCVS, passenger transport and specialists vehicles such as refuse collection vehicles and sweepers on a short to medium basis. The Framework can be used by public sector bodies and offers options for further competition and bespoke solutions. The Framework commenced on 19th April 2016 and expires 31st March 2019 with an option to extend until 31st March 2020. This option was rejected as it does not have the large number of suppliers and there is only just over a year left on the Framework even with the optional extended period.

## **4. Consultation**

- 4.1 The Director of My Place and Cabinet Member for Public Realm were consulted on this report in April 2019.
- 4.2 The proposals in this report were considered and endorsed by the Procurement Board at its meeting on 15 April 2019.

## **5. Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager, Service Finance

- 5.1 The Fleet Service team in Public Realm manage the contracting of short-term vehicle hire on behalf of services across the council. Each department is charged based on actual use.
- 5.2 The report seeks approval to contract for short-term vehicle hire through Commercial Services Kent Limited (CSKL) Vehicle Rental Framework via TPPL for from June 2019 to June 2021.
- 5.3 Estimated spend over the two-year term is estimated to be up to £2m. This will be funded from individual service budgets based on their requirements for spot hire.
- 5.4 A review and replacement of the council's fleet is currently in progress. This will ensure old and less reliable fleet are replaced and see services have the required number of vehicles. The outcome of this will be a reduced reliance on short-term/spot hire to cover breakdowns and saving on repairs and maintenance costs.

## **6. Legal Implications**

Implications completed by: Kayleigh Eaton, Senior Contracts and Procurement Solicitor, Law & Governance

- 6.1 This report is seeking approval to use the Commercial Services Kent Limited (CSKL) Vehicle Rental Framework via TPPL for all short term / spot hire vehicle requirements.
- 6.2 This report states that the total value of the procurement will be up to a maximum of £2 million over a period of 2 years, which is in excess of the EU threshold for supplies and service contracts meaning that there is a legal requirement to competitively tender the contract in the Official Journal of the European Union (OJEU). The Public Contracts Regulations 2015 (the Regulations) permit contracting authorities to call off valid frameworks in order to procure goods, services, works, as required. In compliance with the principles of the Regulations this procurement process has to be transparent, non-discriminatory and fair. It is noted that this framework has been procured in compliance with the Regulations and permits access to all Local Authorities in the UK.
- 6.3 The requirements for competitive tendering, as contained within the Council's Contracts Rules, are met as Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in

accordance with the law and the call-off is made in line with the Framework terms and conditions.

- 6.4 The report author and responsible directorate are advised to keep Legal Services fully informed; Legal Services will be on hand to assist in reviewing and completing any call off terms and sealing the contract.

## **7. Other Implications**

- 7.1 **Risk Management** - A delay in delivery of vehicle requirements would cause a delay to services with a possible risk to reputation. Having a compliant route to market also reduces the risk of uncompliant spend of LBBD's finances.
- 7.2 **Contractual Issues** – The Commercial Services Kent Limited (CSKL) Vehicle Rental Framework terms and conditions will be used.
- 7.3 **Corporate Policy and Equality Impact** - With contracts in place to provide fuel for the entire fleet, encompassing vehicle road fleet and various plant machinery, which is used by a wide array of services within the borough, this contract minimalises the interruption to the supply of fuel which assists in the building of a well-run organisation and ensures relentlessly reliable services across all demographics of the Council.

**Public Background Papers Used in the Preparation of the Report:** None

**List of appendices:** None