

REPORT OF  
The Strategic Director Place  
TO  
Procurement Board  
ON  
25<sup>th</sup> November 2020

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TITLE: Approval to Award the Contract for the purchase of car derived vans

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RECOMMENDATION:

That Procurement Board approve the award of the Contract for the purchase of car derived vans as detailed in the table below:

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Detail required	Answers
<b>Title/Description of Contracted Service/Supply/Project</b>	Car Derived Vans
<b>Name of Successful Contractor</b>	Ford
<b>Supplier Registration Number</b> <i>(to be supplied by Corporate Procurement)</i>	<b>03323849</b>
<b>Type of organisation</b> <i>(to be supplied by Corporate Procurement)</i>	Private Limited Company
<b>Status of Organisation</b> <i>(to be supplied by Corporate Procurement)</i>	Non-SME
<b>Contract Value</b>	Car Derived Vans £12456.06 per vehicle x15 (Full Project £186,840.90)   Full Project
<b>Contract Duration</b>	One off project
<b>Contract Start Date</b>	

<b>Contract End Date</b>	[REDACTED]				
<b>Optional Extension Period 1</b>	[REDACTED]				
<b>Optional Extension Period 2</b>	[REDACTED]				
<b>Who will approve each Extension Period?</b>	[REDACTED]				
<b>Contact Officer (Name &amp; number)</b>	Terry Dixie 925 1046				
<b>Lead Service Group</b>	Place				
<b>How the contract was procured? (to be supplied by procurement)</b>	Framework Call-off (Mini Competition)				
<b>Framework Details (where applicable) (procurement body, framework reference &amp; title, start/ end date)</b>	YPO Supply of Car Derived Vans 799 managed by GMP				
<b>Funding Source</b>	Capital Programme				
<b>Ethical Contractor</b>	<table border="1"> <tr> <td>Mayor's Employment Charter Committed to sign up to charter</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Accredited Living Wage Employer</td> <td>x</td> </tr> </table>	Mayor's Employment Charter Committed to sign up to charter	<input type="checkbox"/>	Accredited Living Wage Employer	x
Mayor's Employment Charter Committed to sign up to charter	<input type="checkbox"/>				
Accredited Living Wage Employer	x				

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**EXECUTIVE SUMMARY:**

The purpose of this report is to seek approval for the award of the above mentioned contract.

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**BACKGROUND DOCUMENTS:**

Approval was agreed under the capital programme to replace the existing fleet car derived vans.

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**KEY DECISION:**

Yes

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**DETAILS:**

**1. Background,**

As part of the capital fleet renewal programme, several vehicles have reached their operational life and require replacement.

The request for approval to procure the replacement vehicles is due to age and condition of the said vehicles.

This provided the opportunity due to the operational requirements of these vehicles to engage in the procurement of car derived vans.

It was decided to engage with the YPO framework which is managed by GMP to facilitate this procurement.

It was approved to procure the replacement vehicles via the capital programme.

Place Directorate had submitted a capital funding bid covering this expenditure.

The decision to purchase diesel powered car derived vans was due to the costs involved, being electric powered were 50% more expensive, and it would also require further funds to install the charging infrastructure within the depot. There are also limitations on the electrical capacity available to be used for the charging of electric vehicles.

The vehicles therefore will be EURO 6 compliant, meeting all the required legislative requirements in place, and contributing to the City Council air quality improvement agenda.

## 2. The Procurement Process

The tender process was undertaken by utilising the Yorkshire Purchasing Organisation Framework Agreement 766 managed by GMP, by means of a mini competition for the purchase of care derived vans.

All suppliers on the framework were invited to bid for the car derived vans. The weightings were split at 40% quality and 60% price.

### Tender Results and Evaluation

The evaluation panel consisted of the Head of Service for Transport, Technical Customer Services Officer from the Vehicle Management Services and a Procurement Category Manager from the procurement team.

There were three bids received that could meet our requirements and conformed to our specification.

<b>Tenderer</b>	<b>Quality 40%</b>	<b>Price 60%</b>	<b>Total 100%</b>
<b>T1</b>	<b>17.20%</b>	<b>60%</b>	<b>77.20%</b>
<b>T2</b>	<b>22.80%</b>	<b>53.18%</b>	<b>75.94%</b>

<b>T3</b>	<b>15.60%</b>	<b>56.53%</b>	<b>72.13%</b>
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The prices provided included discount by means of dealership and manufacturer the expected reduction and improvements of carbon emissions due to being Uuro 6 compliant.

The purchase total cost of each vehicle is included in the table above. The total number of vehicle's is 15 which is an overall total cost of £186,840.90.

### **3. Social Value**

#### Community:

To achieve their goals, they foster long-term relationships with their suppliers through active engagement. This helps them communicate their expectations on key issues, and confirm that their suppliers have management systems in place to mitigate potential risks and ensure continuity of supply. The work is governed by Policy Letter 24: Ford Code of Human Rights, Basic Working Conditions and Corporate Responsibility, and by their Global Terms & Conditions.

Engaging with and investing in communities is more than the right thing to do; it's also smart business. Their global company is only as strong as the local communities in which the employees and customers live and work, so it is in their mutual interest that they work with communities to make meaningful contributions to improve quality of life.

Additionally, the Ford Training facility in Daventry, Northamptonshire, runs courses for 450 Apprentices nationally every year, however these apprentices have to be formally employed by a dealership and is not offered to people currently out of work. There are instances of local dealerships employing long term unemployed people as car valeters, car parking attendants, drivers and even the salespeople once they have proved that they are willing and able to work independently.

By encouraging local dealerships to supply, service, repair and maintain vehicles (where practicable), opportunities could arise for employment, as well as ensuring that local taxes are being used to sustain local jobs and employment for local people. In terms of the environmental wellbeing, the free of charge options offered on commercial vehicles are all designed to reduce CO2 and fuel usage, therefore offering the cleanest diesel vehicles they can.

Although there is no nationally agreed standard to which all Manufacturers have to comply, it is always Ford's intention to facilitate placing local businesses with local dealerships, thus ensuring that business taxes are used in the local economy.

Wherever practicable, local converters and ancillary equipment providers are used (although with major conversions this is not always possible). In a few instances these relationships have ensured job security, as well as creating jobs for local residents.

Reducing Emissions:

Acceleration Control is a torque inhibitor which will be fitted to all your vehicles. This means a vehicle at 70% laden or less, results in the vehicles driving dynamics as if the vehicle was 70% laden. So real world fuel usage is reduced by 4-8% and additional savings are made on wear/tear items as the vehicle's acceleration is retarded.

Stop/Start technology will reduce emissions as the vehicle will automatically cut the engine off under certain conditions whilst idling.

For more information, please follow the link to our latest sustainability report: <http://corporate.ford.com/microsites/sustainability-report-2015-16/index.html>

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KEY COUNCIL POLICIES:

Complies with the Carbon reduction policy and EU Directives.

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EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

N/A

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ASSESSMENT OF RISK:

There is a low assessment of risk given that the procurement has taken place via the YPO framework and a competitive exercise overseen by city council procurement team.

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SOURCE OF FUNDING:

Capital Funding – see finance comments

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LEGAL IMPLICATIONS: Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323.

When commissioning contracts for the provision of goods, services or the execution of works, the Council must comply with the provisions of the Public Contracts Regulations 2015 (the Regulations) which require that contracting authorities treat candidates equally and in a non-discriminatory way and act in a transparent manner. In addition, the Council is required to comply with the requirements of its own Contractual Standing Orders (CSO's), failing which the award of a contract may be subject to legal challenge.

The Council can comply with the requirements of the Regulations by carrying out its own procurement exercise or relying upon another contracting authority's compliant procurement exercise. In that regard, contracting authorities may procure goods, works or services through a 'central purchasing body' (and are deemed to have complied with the Regulations to the extent that the central purchasing body has). The definition of 'central purchasing body' includes an authority that concludes framework agreements for works, goods or services intended for one or more contracting authorities, here the YPO.

The proposed award of the contract follows a tender exercise by mini competition in accordance with the YPO framework agreement for the supply of car derives vehicles. The YPO arrangement is a fully compliant framework from a legislative perspective available for the Council (and other local authorities) to use.

The purpose of a framework agreement is to select through a procurement/evaluation process several providers who can meet the service requirements of the Council, as and when those services are required. If they are required then the Council can call off the goods/services from one or more of the providers who have been selected to be on the Framework and this may be through any number of ways (usually by way of mini-competition as here) depending on the circumstances. A contract will then be formed between the Council and the chosen provider/s. The procurement procedures set out therefore appear robust and compliant with the requirements of the Council's CSO's and public procurement legislation.

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**FINANCIAL IMPLICATIONS:** Submitted by: Alison Woods, Finance Officer (Capital)

**Date:** 20<sup>th</sup> October 2020

The purchase of the vehicles will be funded from approved general unsupported borrowing, as part of the Place Capital Programme, for the 2020/21 financial year.

**Expenditure code:** F31023

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**PROCUREMENT IMPLICATIONS:** Supplied by: Deborah Derbyshire x 6244

The procurement process is included within the report above. Utilising the YPO Framework is compliant with the Procurement Contracts Regulations and the Council Contractual Standing Orders

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**HR IMPLICATIONS:** Supplied by: N/A

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**CLIMATE CHANGE IMPLICATIONS:** Supplied by: Terry Dixie x1046

The introduction of EURO 6 diesel powered vehicles is a significant benefit when compared with the current aged fleet of vehicle's which are EURO 3 or 4.

The vehicles involved have the facility of stop start technology which has a further positive impact on reducing pollutants even further.

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OTHER DIRECTORATES CONSULTED: N/A

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CONTACT OFFICER: Terry Dixie  
TELEPHONE NUMBER: 925 1046

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WARD(S) TO WHICH REPORT RELATE(S): All

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