

REPORT TO	DATE OF MEETING
Cabinet	6 November 2013

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Authorisation of Expenditure for Schemes within the Vehicle Capital Programme 2013/14	Neighbourhoods and Streetscene	Mark Gaffney	7

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Council's vehicle replacement capital programme includes for the replacement of one large and two mini road sweeping vehicles in 2013/14. This report requests approval to accept the most economically advantageous tender for the procurement of the vehicles.

Cabinet in June 2013 approved the procurement process, contract award procedure, evaluation criteria and weightings and capital expenditure of £255,000 for the three vehicles.

The procurement has been through a joint process with Chorley Borough Council (CBC), through the shared financial and procurement service. CBC was also procuring three road sweepers within the same timescales as the Council. Therefore a joint procurement exercise has been undertaken to take advantage of the benefits that a joint procurement brings to both councils.

The proposals in the report link directly to all of the Council's corporate priorities but especially Clean, Green and Safe.

RECOMMENDATIONS

That Cabinet agree:

1. To accept the tender from Company A that scored highest in the tender evaluation exercise for the one large road sweeper.
2. To accept the tender from Company C that scored highest in the tender evaluation exercise for the two mini road sweepers.

DETAILS AND REASONING

1. Background

The Council's approved vehicle replacement capital programme for 2013/14 includes for the replacement of one large and two mini road sweeping vehicles.

2. Procurement Process

The last major procurement of vehicles was conducted in 2012 through a purchasing organisation framework agreement. A purchasing organisation framework is a professionally procured public sector agreement which complies with EU Public Procurement Directives and the Council's Standing Orders and Contract Procurement Rules. This opens up a mini competition to suppliers included in the framework as opposed to a full EU procurement process.

The Council for this procurement has used ESPO (Eastern Shires Purchasing Organisation), which as a local authority purchasing organisation provides a service to help provide efficiencies for local authorities, through its collaborative procurement activities and framework agreements. By using

the ESPO frameworks, the Council has benefited from the economies of using a large public sector agreement, efficiencies and reduced timescales in the procurement process, and has been able to take advantage of the specialist knowledge of the transport team at ESPO.

Officers have worked with CBC and ESPO to develop specifications for the required vehicles. These specifications were sent to all the suppliers included on the ESPO frameworks.

The use of ESPO has been fully compliant with the Council's Standing Orders and Contract Procurement Rules.

3. Joint Procurement

An early investigation of the market indicated that a joint procurement exercise with CBC should bring about savings for each council.

A joint procurement has therefore been undertaken via ESPO to take advantage of collaborative working efficiencies and maximum discount volumes. However, it is still for each council to make individual contract awards through the ESPO framework.

Through ESPO tenders were invited for:

SRBC

One large road sweeper

Two mini road sweepers

CBC

One large road sweeper

Two mini road sweepers

ESPO and officers have evaluated the returned tenders against agreed MEAT (Most Economically Advantageous Tender) evaluation criteria issued to all tenderers at the start of the tender period. This approach is in line with best practice.

4. Evaluation criteria

In June 2013, Cabinet approved the following tender evaluation criteria and weightings:

Cost 60%: 40% Purchase Price
5% Residual Value
5% Basket of Parts
5% Servicing and Maintenance
5% Fuel Costs.

Quality 40%: 20% Warranty and Technical Support
10% Delivery
10% Environmental/Sustainability

5. Details of Tenders Received and Recommendation for Acceptance

Companies were asked to provide tender prices for the provision of the two different types and specification of vehicles.

A full evaluation of the bids has been undertaken in conjunction with ESPO and the tenders have been ranked based on overall scores using the evaluation model agreed with ESPO and approved by Cabinet. This exercise has identified preferred bidders for the purchase of the vehicles.

The tables below summarise the results of the detailed tendering exercise and show the evaluation scores.

Table 1 – Purchase of 1 Large Road Sweeper

Company	Evaluation Score
Company A	89.59%
Company B	87.23%

Company A has scored the highest in the evaluation at 89.59%. The purchase cost is £120,104.

Table 2 – Purchase of 2 Mini Road Sweepers

Company	Evaluation Score
Company A	84.58%
Company B	81.18%
Company C	85.22%
Company D	Discounted – non compliant bid

Company C has scored the highest in the evaluation at 85.22%. The purchase cost for the two vehicles is £127,222 (£63,611 each).

6. The Way Forward

As detailed in the above tables, the highest scoring tender for the purchase of one large road sweeper is Company A. The highest scoring tender for the purchase of two mini road sweepers is Company C.

It is therefore recommended that these tenders are accepted.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	<p>The approved capital programme for 2013/14 includes a capital budget provision of £255,000 for the replacement of the three vehicles. The purchase cost for the three vehicles, following the conclusion of the tendering exercise, is £247,326. This shows a saving of £7,674 against the capital budget.</p> <p>The maintenance costs associated with the three replacement vehicles are already included in the revenue budget for 2013/14 and the forecast estimates for future years.</p>		
LEGAL	<p>The Council will be bound by the terms and conditions of any contractual documentation entered into with the suppliers of the vehicles or any leasing agreements.</p> <p>The ESPO contract documentation covers all the vehicle purchase arrangements.</p>		
RISK	<p>The Council services that require the vehicles detailed in this report will suffer operational ineffectiveness should these items not be purchased.</p>		
THE IMPACT ON EQUALITY	<p>An Equality Impact Assessment is in place for the neighbourhood services. There are no adverse equality impacts as a result of the proposals in this report.</p>		
OTHER (see below)	<p>Training and Development Operator and maintenance training will be provided by the suppliers of the vehicles.</p> <p>Corporate Plans and Policies The clean environment is included in the corporate plan and is a priority for the Council.</p>		
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Cabinet report June 2013