

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Cabinet	6 April 2016

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Vehicle Procurement	Neighbourhoods and Streetscene	Roger Ashcroft	7

## SUMMARY AND LINK TO CORPORATE PRIORITIES

The Council’s vehicle and plant replacement capital programme includes for the replacement of nine vans which includes four small and five 3500kg medium wheel base high roof vans. This report requests approval to commit capital expenditure and accept the most economically advantageous tender for the procurement of the vehicles.

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 in Table 1.
2. To accept the tender from company A in Table 2.
3. To grant authority under Section 3.4 of the Financial Regulations to incur capital expenditure of £129,291 for the purchase of the nine vehicles.

## DETAILS AND REASONING

### 1. Background

The Council’s approved vehicle replacement capital programme includes for the replacement of nine vans including four small and five 3500kg medium wheel base high roof vans.

### 2. Procurement Process

Tenders were invited by open advertisement both on the national portal “Contracts Finder” and on the Council’s e-procurement portal “The Chest”.

“Contracts Finder” is the Government’s one stop shop to suppliers to find out about new procurement opportunities and is a new requirement of the 2015 Public Contracts Regulations for all local government procurement opportunities with a contract value above £25,000, which are openly advertised.

The Council is a member of The Procurement Partnership Ltd (TPPL) which provides access to pre-agreed vehicle manufacturers’ support terms for its members from a range of different manufacturers. Accordingly, bidders were required to include the pre-agreed manufacturers’ support terms available to the council via its membership of TPPL for the vehicles they wished to offer, together with any additional dealer discount they may want to offer as part of the tender process.

The following Most Economically Advantageous Tender (MEAT) evaluation methodology was included in the Invitation to Tender documentation:

Cost: 80% (total purchase price 77% and basket of parts price 3%)

Quality: 20% (warranty arrangements 10% and lead time 10%)

### 3. Details of Tenders Received and Recommendation for Acceptance

Companies were asked to provide tender prices for the provision of Lot 1 four small vans and Lot 2 five 3500kg medium wheel base high roof vans in compliance with the council's specifications. Four suppliers submitted tenders for both Lot 1 and Lot 2.

A full MEAT evaluation of the bids has been undertaken and the tenders have been ranked based on overall scores using the above evaluation criteria. This exercise has identified the preferred bidder for the purchase of the vehicles.

The table below summarise the results of the detailed tendering exercise and shows the evaluation scores.

**Table 1 – Purchase of four small vans (Lot 1)**

Company	Vehicle Cost	Basket of parts cost	Cost Score	Quality Score	Total Evaluation Score
Company A	42,181	1,594	71.39	20	91.39
Company B	59,976	73.02	53.11	15.2	68.31
Company C	40,629	1,340	74.14	15.2	89.34
Company D	39,031	616	77.36	10.58	87.94

**Table 2 – Purchase of five medium wheel base high roof vans (Lot 2)**

Company	Vehicle Cost	Basket of parts cost	Cost Score	Quality Score	Total Evaluation Score
Company A	87,110	1794	73.91	20	93.91
Company B	119,490	823	55.70	14.3	70.00
Company C	82,188	751	80.00	13.14	93.14
Company D	Bid Not Compliant				

The procurement process has taken into consideration the views and operational needs of the Council's employees. Demonstrations have also been undertaken of the different vehicle options. The vehicles offered from Company A in Lot 1 and Lot 2 will meet the operational needs of the users.

It is therefore recommended that the tenders from Company A for Lot 1 in Table 1 and Company A for Lot 2 in Table 2 are accepted. The total purchase cost of £129,291 is within the capital budget of £132,000, thus representing a saving of £2,709.

## 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.

<b>FINANCIAL</b>	<p>The capital cost of the nine vans is £129,291 which is contained within the Council's capital budget of £132,000 and represents a saving of £2,709.</p> <p>The revenue costs for any financing, operating and maintenance is included in the existing revenue budget for 2016/17 and future years.</p> <p>The financing costs charged to revenue are based on the expected useful life of each vehicle. These assumptions are assessed on a regular basis to determine if the vehicle's service life can be extended without any increase in operating and maintenance costs which would therefore result in a saving in financing costs.</p>
<b>LEGAL</b>	<p>The Council's Contract Procedure Rules have been complied with here.</p> <p>Formal contract documentation will be entered into to protect the Council's interest.</p>
<b>RISK</b>	<p>The Council services that require the vehicles detailed in this report will suffer operational ineffectiveness should these items not be purchased.</p>
<b>THE IMPACT ON EQUALITY</b>	<p>There are no impacts on equality from the proposals in this report.</p>

<b>OTHER (see below)</b>			
<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

Financial Strategy, Budget and Council Tax 2016/17