

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	4281
Author:	Clare Pinnegar
Department:	Resident Services
Contact:	Clare Pinnegar (Job Title: Project Support Officer, Email: clare.pinnegar@nottinghamcity.gov.uk, Phone: 64774)
Subject:	Tender for Vehicle Body Works
Total Value:	£740,000 (£185,000 pa over 4 years) (Type: Revenue)
Decision Being Taken:	To approve the spend of £740,000 for vehicle body repairs over a total period of 4 years, if both options to extend are taken. A framework agreement will be for an initial period of 2 years with the option to extend by 2 further periods of 1 year each. This covers bodywork on Nottingham City Council and commercial contract vehicles.
Reasons for the Decision(s)	<p>Fleet Services service and repair 400 fleet light vehicles and 400 third party vehicles, annually, but body work repairs are undertaken by external suppliers specialising in this type of work.</p> <p>Services are currently provided by the Derbyshire Body Shop, East Midlands Auto Body Shop and Davenports, for light vehicles and minibuses and we incur an annual expenditure across the three suppliers of £185,000.</p> <p>Body repair costs to third party vehicles account for approximately 43% (£80,000) of the overall costs and are recovered in full. The remaining £105,000 is for damage to our own fleet of which we recover 57% (£60,000) through our insurance. The balance, 43% (£45,000) is for repairs below the insurance policy excess level so we are unable to claim for these.</p> <p>A new contract will ensure continued provision of service in accordance with the Council's constitutional requirements and procurement obligations.</p>

Briefing notes documents: **None**

Other Options Considered: **Nottingham City Council undertakes this type of work it's self. This option was rejected for the following reasons:**

- **Setting up our own body repair workshop has been considered previously and was found to be cost prohibitive. It was estimated that setting up the workshop would cost a minimum of £200,000 with the need for another building as there is insufficient space in the current workshop to accommodated such an expansion to service.**
- **Other costs for consideration are the specialist equipment required - such as ovens, spray booths, workshop (fumes) extraction facilities, car lifts, jacks, air compressors and frame and body straighteners. In addition there will be costs for dealing with waste products generated by the work such as oil, paint and paint thinners needed in the processes. These require specialist disposal to meet stringent criteria to avoid environmental damage and contamination. It would be necessary to have additional experienced staff from the outset of this work as it could not be absorbed by existing staff.**
- **As the work can be intermittent, when and as body damage to vehicles has been incurred, there may be down time for a body repair specialists. As this is not the same work as a vehicle mechanic, it may lead to staff having no work at times and inundated at others. Using more than one third party specialising in this type of work allows the Council to allocate the work to whichever supplier can meet our needs where a quick turn around on the repair is required to get the vehicle back in service as soon as possible.**

Background Papers: **None**

Published Works: **None**

Affected Wards: **Citywide**

Colleague / Councillor Interests: **None**

Consultations: **Those not consulted are not directly affected by the decision.**

Crime and Disorder Implications: **There is no reason why, continuation of the same type of work, with or without the same supplier would have any crime and disorder implications.**

Equality: EIA not required. Reasons: This is request to approve the spend to continue the same work we currently undertake and will not involve any changes which would disproportionately affect any one or more sections of the workforce.

Social Value Considerations: Economic, social and environmental issues will be taken into account in the procurement process whilst maximising value for money beyond just the financial costs. It is intended that contracts will be awarded where possible, to businesses within the region, benefiting the local economy.

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 23/07/2021

Advice Sought: Legal, Finance, Procurement

Legal Advice: The decision sought raises no significant legal issues. The council can either establish its own framework agreement for the call off of the body repair services or use an established framework agreement. The use of a framework agreement is in compliance with the council's contract procedure rules and public procurement rules. Advice provided by Sarah O'Bradaigh (senior solicitor) on 20/05/2021.

Finance Advice: This decision seeks to establish a framework of suppliers to procure vehicle body repairs for both the Council's internal fleet and for the commercial contracts that the council holds. Finance supports the establishment of this contract framework as procuring the works will provide greater value for money due to the high initial costs associated with the establishment of a body repair workshop, and the risk that any staff employed to undertake this work will have a significant amount of inefficient time.

The annual approval value of £0.185m is in line with expenditure on vehicle body works over the previous three years to 2021/22. The expenditure on body works will be split between NCC's internal fleet and 3rd party vehicles that the council are contracted to undertake repair works for. The cost of any repairs for NCC's internal fleet is budgeted for in the service area budgets; any costs incurred may give rise to insurance claims that will subsidise the cost of the repair. The cost of the 3rd party works will be charged in full to the customer so there will be no adverse financial impact on NCC.

Advice provided by Matthew Connell (Commercial Business Partner) on 21/05/2021.

Procurement Advice: Procurement will assist with the procurement exercise to ensure fully compliant and value for money contracts are in place. Advice provided by Holly Fisher (Lead Procurement Officer (Products)) on 18/05/2021.

Signatures Rosemary Healy (Portfolio Holder Highways, Transport, Cleansing)
SIGNED and Dated: 15/07/2021

Dave Halstead (Director of Neighbourhood Services)

SIGNED and Dated: 07/07/2021