

# Nottingham City Council Delegated Decision



Reference Number:

4361

Author:

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Department:

Resident Services

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Subject:

Bunce Road Sweeper Warranty and Repairs

Total Value:

£263,000 over 3 years (Type: Revenue)

Decision Being Taken:

To grant dispensation from Contract Procedure Rule 4.1.2, in accordance with Financial Regulation 3.29, to award a contract to Bunce, at a cost of £263,000 over 3 years, for an extended warranty for services and repairs to Nottingham City Council's (NCC) electric road sweepers, including:

1. Extended warranty cover of £143,000 over the 3 years (for 7 of the 8 road sweepers)<
2. Repairs outside of warranty of £120,000 over 3 years (all 8 road sweepers covered)

The extended warranties for 4 of the road sweepers have already started prior to this decision and are therefore retrospective and cannot be subject to call-in.

**Reasons for the Decision(s)**

**NCC have 8 Bunce Electric road sweepers. These were purchased following a tender, from Bunce, who are the UK subsidiary of the Swiss firm, Boschung.**

**The vehicles were purchased with a 2 year parts and labour and warranty, which are coming to an end.**

**The most economical way forward for covering the costs of maintenance is to purchase extended warranties for these vehicles for a further 3 years (or 3000 hours, whichever comes first) from the time the initial warranties expire.**

**his will cover most servicing and repair issues with the main exceptions being accidental damage where NCC are liable, as the damage was avoidable, and wear and tear.**

**Parking Fleet and Transport are requesting the dispensation from procurement procedures due to the fact that these vehicles**

**can only be repaired and serviced by Bunce and only they can provide the warranty for each vehicle. Due to the following, there are no other suppliers on the market to make a tender exercise worthwhile undertaking.**

**The electric vehicle market, whilst growing, is still in its infancy**

**These are specialist vehicles, being road sweepers and cannot be taken to any dealer for repairs**

**The  
vehicles are manufactured by a Swiss company and are not in use elsewhere**

**Briefing notes documents:**

**Other Options Considered:**

**Background Papers:**

**Published Works:**

**Affected Wards:**

**Colleague / Councillor Interests:**

**Dispensation from Financial Regulations:**

**Consultations:**

**Crime and Disorder Implications:**

**Equality:**

**Social Value Considerations:**

**Decision Type:**

**Subject to Call In:**

Call In Expiry date:

09/09/2021

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The report author advises that (1) only the incumbent supplier can provide the warranty repair and maintenance services in respect of these vehicles and (2) due to the specialist nature of the vehicles, there are currently no alternative suppliers in the market who could provide non warranty repair services. Accordingly, dispensation from CPR 4.1.2 is required in accordance with Financial Regulation 3.29 to directly award the contract to Bunce for non warranty repairs and to extend the warranty cover for 3 years. The Public Contract Regulations permit use of the negotiated procedure without prior publication in these circumstances where the services can only be supplied by Bunce because of a lack of competition in the market for technical reasons. Advice provided by Sarah O'Bradaigh (senior solicitor) on 27/07/2021.

**Finance Advice:**

**The decision seeks approval:**

- 1. To spend £0.263m over a 3 year period on extended warranties, non-warranty repairs and training costs for the electric road sweepers in NCC's fleet.**
- 2. To dispense with Contract Procedure Rules 4.1.2 in accordance with Financial Regulation 3.29 to directly award the work to Bunce.**

**The expenditure on each of these elements is split by:**

- £0.143m Extended Warranty for 7 sweepers**
- £0.120m Non-warranty repairs**

**These costs are budgeted for within the Public Realm fleet budgets to support all of the fleet. The approval amounts are based on the known costs of the extended warranty over a 3-year period and past expenditure on non-warranty repairs. Where possible Fleet and Operational Services need to seek to mitigate the cost of non-warranty repairs through:**

- . Performance management of any avoidable damage and;**
- . Insurance claims where appropriate, however this will have an adverse impact on insurance contributions.**

**The decision seeks approval to dispense with Contract Procedure Rules 4.1.2 in accordance with Financial Regulation 3.29 to directly award the work to Bunce.**

**Bunce is the only distributor of these electric sweepers in the UK and as a result they are the only supplier able to provide the extended warranty and have the expertise required to repair these specialised vehicles.**

**The risk of not awarding this contract at this time to Bunce may result in costs that would have been covered by the warranty materialising; there is significant risk that these may be much higher than the cost of the extended warranty due to the specialist nature of the vehicles.**

**It is difficult to confirm if Value for Money is being delivered as this is the only supplier for this contract.**

**Future maintenance arrangements need to be captured within frameworks or extended warranties.**

**Advice provided by Matthew Connell (Commercial Business Partner) on 21/07/2021.**

**Procurement Advice:**

**Currently, the marketplace does not offer a solution compliant with the CPRs or PCR's to engage with Bunce directly. There is not the option to vary the existing contract as the material scope was for the provision of the vehicles - with a 12-month warranty on the machine and a 36-month warranty on the battery, and the training of operatives/technicians. The only option is to seek dispensation to award a new contract with Bunce.**

**It is difficult to gauge or evidence value for money as there are not any known comparisons. Going forward, extended warranties will be utilised and electric vehicles maintenance included in frameworks where possible.**

**Signatures**

**Rosemary Healy (Portfolio Holder Highways, Transport, Cleansing)**

**SIGNED and Dated: 31/08/2021**

<b>David Murray (Interim Corporate Director for Resident Services)</b>
<b>SIGNED and Dated: 27/08/2021</b>
<b>Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations</b>
<b>SIGNED and Dated: 29/07/2021</b>
<b>Chief Finance Officer's Comments: Accepting that at the present time there is no comparator marketplace, i am content</b>