

Commissioning and Procurement Executive Committee – 14 December 2021

Subject:	Vehicle and machinery tyre supply and services to Nottingham City Council Fleet Services		
Corporate Director/ Director:	Frank Jordan – Corporate Director Resident Services Mary Lester – Interim Director Neighbourhood Services		
Portfolio Holder:	Councillor Rosemary Healy – Highways, Transport and Cleansing Services		
Report author and contact details:	Andrew Smith – Assistant Fleet Manager – Fleet Services andrew.smith@nottinghamcity.gov.uk ext: 0115 8761368		
Other colleagues who have provided input:	Dionne Screamon – Senior Solicitor – Legal Holly Fisher – Procurement Officer – Procurement Matthew Connell – Senior Commercial Business Partner – Finance		
Key Decision	Yes	Subject to call-in	Yes
Reasons: Expenditure of £750,000 or more taking account of the overall impact of the decision			Revenue
Significant impact on communities living or working in two or more wards in the City			Yes
Type of expenditure: Revenue			
Total value of the decision: Exempt			
Wards affected: Citywide			
Date of consultation with Portfolio Holder(s): 26 th October 2021			
Relevant Council Plan Key Outcome:			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	X		
Summary of issues (including benefits to citizens/service users):			
<p>The current contract for the provision of Vehicle and Machinery Tyres and Associated services used by Nottingham City Council and the other members of the Nottinghamshire Transport Group Consortium is due to expire on 8 February 2022.</p> <p>To comply with the Council’s Contract Procedure Rules, a compliant tender process is required to ensure that a new contract is in place on expiry of the current one. This new contract will allow all the member authorities within the Nottinghamshire Transport Group Consortium access to the same contracted supplier.</p> <p>The Nottingham City Council corporate vehicle fleet is made up of over 500 vehicles plus other machines and plant items. The same tyre contract is used to supply and fit tyres/services to Nottingham City Homes on the 300 vehicles within their operational fleet.</p>			

Keeping the fleet vehicles on the road and able to undertake their various tasks in a safe and legally compliant manner is vitally important to all citizens of Nottingham and colleagues who drive/operate vehicles.

A contract is required with a tyre supplier who will be able to provide a competitively priced solution at the level of quality Nottingham City Council expects. A specialist Tyre supply and service provider/supplier will help ensure value for money is achieved by any council activity that involves the use of vehicles.

The Council has instigated the commencement of the procurement process to ensure that it is able to meet the timescales for implementing a new contract upon expiry of the old.

Exempt information: An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the value of the contract and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because this may influence the commercial outcome of the current tender process.

Recommendations:

1. To approve the expenditure within the ongoing overall Fleet Services budget for the supply of tyres and associated services provided by a contracted specialist provider.
2. To approve a contract over a maximum 4-year period on a 2+1+1 basis up to the approximate value as detailed within exempt appendix B.
3. To approve the procurement of the goods and services and delegate authority to the Director of Neighbourhood Services to award and sign the necessary contract(s) and extensions to the chosen supplier following the outcome of the tender.

1. Reasons for recommendations

- 1.1 A tyre supply and services contract ensures that the Councils vehicles and plant tyres are maintained in a safe, legal and compliant condition within the road traffic act and enable us to comply with our Operator Licence compliance undertakings.
- 1.2 A dedicated specialist provider can maintain and fit replacement tyres and provide specialist repair services that will keep the fleet safe, legal, compliant and on the road. The specialist provider has access to tyre manufacturers and can deliver the correct specification of tyre, which is imperative as the fleet ranges from cars to tractors to commercial vehicles over 3.5 tons, within contracted time scales and at competitive prices.
- 1.3 The services will cover all areas of tyre management, ranging from the supply and fitment of tyres, puncture repairs, wheel balancing, turning tyres on rims to maximize life, disposing of old tyres (including fly-tipped tyres collected by the Council), completing regular fleet inspections and supplying various reports to the relevant Local authority managers/officers. The service will be provided 24/7 to ensure attendance at any time as required such as, for example, to deal with a punctured or damaged tyres, outside of normal operating hours.
- 1.4 The contracting company will be sourced by undertaking a tender process on behalf of the Council and the local authorities who are members of the Nottinghamshire Transport Group Consortium.

2. **Background (including outcomes of consultation)**

2.1 Consultation on pricing, quality of service, Service Level Agreement and Key Performance Indicators are covered within the tender questions and responses received, to ensure that the contract is awarded to the supplier who can offer best terms. No consultation needs to be undertaken beforehand.

3. **Other options considered in making recommendations**

3.1 Consideration was made to bring the service in house but this is not viable nor cost effective for the following reasons:

- We would incur costs and reduce the level of service currently provided.
- The expertise required is not available within Fleet Services team, and there are no resources within Fleet to absorb and carry out this specialist work.
- Additional staff would therefore have to be recruited and trained.
- Further cost in terms of additional overheads would be incurred such as creating storage facilities and stock ordering/management processes along with requiring staff to be on call 24/7, and for actual attendance at an incident outside of normal operating hours.
- The Council would need to purchase and equip a tyre service vehicle at an estimated cost of £50,000 to £60,000.
- The spend on purchasing the tyres would increase as Nottingham City Council would not have access to the same prices, discounts and rebates, which being part of a larger Consortium affords and that a specialist supplier can command.

4. **Consideration of Risk**

4.1 If approval is not given, then the Council fleet will not have access to a suitable professional provider to allow the Fleet Services team to ensure vehicles are kept in a legal and safe condition complying with the Road Traffic act and to provide a satisfactory service to the Council.

4.2 Teams and colleagues across the Council require their vehicles and machines to be available as and when necessary to carry out their statutory duties such as Waste disposal and Street Cleansing amongst the whole package of services provided by the users of Council fleet vehicles. Without access to a Professional Contracted provider the Council would be at risk of not meeting some of these requirements and the services provision to the citizens will be diminished.

4.3 We would see more vehicle downtime as alternative means of supply and service was sought from either ad-hoc external sources or via an internal method. These options would add to cost and loss of use for operational areas.

5. **Finance colleague comments (including implications and value for money/VAT)**

5.1 Finance is supportive of the proposed procurement for the contract to supply tyres. The proposed tender process will ensure that an appropriate supplier can be found and will enable the Council to ensure it secures value for money.

- 5.2 Fleet Services has responsibility for purchasing vehicle parts for the Councils' fleet but the budgets for the maintenance of vehicles are decentralised to service areas. Allowing Fleet Services to procure tyres on behalf of other service areas will enable the Council to gain greater value for money and economies of scale than if service areas were to procure tyres individually.
- 5.3 Prior to any option to extend being exercised Fleet Services should review the contract performance to ensure that the contract still provides value to the Council. Finance colleagues will support this process.

Advice supplied by Matthew Connell – Senior Commercial Business Partner

6. **Legal colleague comments**

- 6.1 This report seeks authority to approve the spend associated the supply of tyres and associated tyre services to the Council, approval of the procurement exercise and delegated authority to the Director of Neighbourhood Services to award and sign a contract to the chosen supplier.
- 6.2 There are no significant legal issues arising from the report as undertaking a procurement process through the Council's corporate procurement team with ensure compliance with the Council's Contract Procedure Rules. Legal advice and support will be provided with regard to the contracting arrangements to be put in place.
- 6.3 As it is proposed that a framework will be available for use by other local authorities, there must be appropriate contract management in place by Nottingham City Council to ensure that the framework is managed and used correctly.

Advice supplied by Dionne Screamon – Senior Solicitor

7. **Other relevant comments**

Procurement colleague comments

- 7.1 There are no procurement issues arising from the decision to undertake a procurement exercise and award a framework agreement for the provision of tyre supply and fitment, amongst other associated services.
- 7.2 The value stated within the approval is for the expenditure of the Council only, not the wider consortium - this value will be reflected in the tender document (18.13).
- 7.3 Procurement have worked with the consortium and client to develop the tender documentation to ensure it is compliant and will meet the organisations' requirements.
- 7.4 The open competition will be run utilising the open procedure and the Council's procurement portal and advertised accordingly.

Advice supplied by Holly Fisher – Procurement Officer

8. **Crime and Disorder Implications (If Applicable)**

- 8.1 Not applicable

9. **Social value considerations (If Applicable)**

9.1 Nottingham City Council must have a fleet of vehicles that have tyres that are fit for purpose and are legal at all times. Every service that operates a vehicle or machine such as refuse collection vehicles, sweepers, road gritters, minibuses, light and heavy commercial vehicles, meals at home vehicles as well as various types of plant, are all needed to kept safe state and comply with the Road Traffic Act and are able to undertake their respective tasks across the City. It is vitally important that these services are not interrupted as this would be detrimental to the community in many and various ways.

10. **Regard to the NHS Constitution (If Applicable)**

10.1 Not applicable

11. **Equality Impact Assessment (EIA)**

11.1 An EIA is not required because the provision vehicle/machinery tyres and other services concerned is an internal process and will not affect any group of people, either positively or negatively.

12. **Data Protection Impact Assessment (DPIA)**

12.1 A DPIA is not required because there is no personal data recorded on any job sheets or documentation created during the provision of tyres or services.

13 **Carbon Impact Assessment (CIA)**

13.1 The Tender documentation, including the submissions from all prospective bidders, includes the following requirements and conditions with regard to Environmental and Carbon reduction.

13.2 The contracted Supplier will be required to limit the impact of their activities on the environment, including consideration of the following:

- How they are working to reduce their carbon footprint.
- Methods of reducing the volume of waste produced, especially where requiring specialist disposal and recycling of old tyres.
- How they can increase the proportion of materials reused / recycled in making tyres.
- Use of remoulded tyres where suitable are used as this reduces the amount of new materials needed to create a tyre fit for a vehicle.
- Reducing energy use and increasing energy efficiency and self-sufficiency during the production of tyres and the operational needs to supply and fit them.

13.3 The tender documents also include a request for details on the potential supplier's efforts with regard to taking a Sustainable Procurement approach. This approach should consider the environmental, social and economic consequences of the following:

- Use of non-renewable material; manufacture and production methods;
- Logistics provision; service delivery; operation; maintenance;

- Reuse; recycling options; disposal and the Supplier's capabilities to address these;
- Consequences throughout the supply chain.

14 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

14.1 None.

15 Published documents referred to in this report

15.1 None.