

## Commissioning and Procurement Executive Committee – 13 February 2024

<b>Subject:</b>	Light Vehicle supply framework for up to 7,500kg vehicles		
<b>Corporate Director:</b>	Colin Parr – Communities, Environment and Resident Services		
<b>Portfolio Holder:</b>	Councillor Angela Kandola - Highways, Transport and Planning		
<b>Report author and contact details:</b>	Andrew Smith, Assistant Fleet Manager <a href="mailto:andrew.smith@nottinghamcity.gov.uk">andrew.smith@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Del Sander - Locum Solicitor Tom Straw - Senior Accountant (Capital Programmes) Holly Fisher - Lead Procurement Officer, Products		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision		<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Type of expenditure:</b> <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board - Date:			
<b>Total value of the decision:</b> £25,000,000.00 over 4 years (£6,250,000 per annum)			
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a Spend Control Board approval reference number: N/A			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> 30/01/2024			
<b>Relevant Council Plan Key Outcome:</b> Green, Clean and Connected Communities <input type="checkbox"/> Keeping Nottingham Working <input type="checkbox"/> Carbon Neutral by 2028 <input checked="" type="checkbox"/> Safer Nottingham <input type="checkbox"/> Child-Friendly Nottingham <input type="checkbox"/> Living Well in our Communities <input type="checkbox"/> Keeping Nottingham Moving <input checked="" type="checkbox"/> Improve the City Centre <input type="checkbox"/> Better Housing <input type="checkbox"/> Serving People Well <input type="checkbox"/>			
<b>Summary of issues (including benefits to citizens/service users):</b> The Fleet and Depot Operations service area is seeking permission to renew and replace its existing framework for the supply and delivery of both Internal Combustion Engine and ULEV Light Commercial Vehicles up to a maximum Gross Vehicle weight of 7500kg.  There is not a commitment to spend during the framework's lifetime, but it will provide a compliant solution for if a vehicle is required to support service delivery.  The Framework will be accessible by all other public sector bodies and the service specification of the Framework will allow for supply and maintenance. The framework will allow contracting parties including Nottingham City Council to purchase Light Commercial Vehicles from various suppliers to enable them to fulfil their Replacement needs when necessary.			

The vehicles to be purchased throughout the lifecycle of the Framework will include vehicles that are used to deliver Statutory Services across the registered users of the framework. A rebate is payable to NCC for all purchases made under the terms of the framework, 1%. The rebate covers all costs incurred in the management of the framework and the procurement process.

**Exempt information:** None

**Recommendations:**

- 1** To approve the undertaking of a procurement process to establish a framework for the outright purchase of Light Commercial Vehicles that all UK public sector contracting authorities can access.
- 2** To delegate authority to the Corporate Director for Communities, Environment and Resident Services to:
  - (a) enter into the initial Light Commercial Vehicle Framework.
  - (b) sign all call-off orders under the terms of the Framework.

**1. Reasons for recommendations**

- 1.1 Establishing a Framework Agreement provides the Council, and any other user of the framework, a compliant mechanism to source Light Commercial Vehicles. Under the terms of the framework, the user can establish 'call-off' agreements for their specific requirement.

This framework offers two call-off methods:

- Direct award to the highest ranked provider in each of the three lots; or,
- Mini Competitions inviting all suppliers under the chosen lot to bid.

There are benefits and considerations with either approach, these can be considered at the point of demand.

- 1.2 The Framework will consist of 3 lots. A framework agreement will be awarded to up to four (4) supplier per lot, suppliers can bid for one or more lots:
- Lot 1 Light Commercials up to a Maximum GVW of 3500kg
  - Lot 2 Light Commercials between 3501kg GVW to 7500kg GVW
  - Lot 3 Pick Up Trucks – 4x2 and 4x4 Types
- 1.3 The structure of the Framework considers not only any future fleet requirements, but those of other Council departments (Greenspace, Housing Services, etc).
- 1.4 Individual or multiple vehicles can be bought under the terms of the Framework.
- 1.5 The rebate payable by users of the Framework will be (on average) 0.5% lower than third party framework and nationally accessible by all public sector contracting bodies.
- 1.6 Under the terms of any Framework, there is not a commitment to spend or to place a minimum number of orders.

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

- 2.1 The current framework for the provision of Light Commercial Vehicles is due to expire on 31 March 2024. This is a sole-supply framework and cannot be extended, however this structure no longer meets the need of Fleet and Depot Operations.
- 2.2 When originally created, the existing framework was accessible to members of the Nottinghamshire and Derbyshire Transport Group Consortium with a 1% rebate payable to the Council from the named suppliers. The Consortium consists of 15 other local authorities, all of which utilised the framework generating a rebate of circa £75,000.

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

- 3.1 Extend the existing framework – this option was rejected as it would not comply with the Public Contract Regulations 2015.
- 3.2 Renew the method and create a DPS – this option was rejected as the core members and users of the Framework are members of the Nottinghamshire Transport Group Consortium who many have stated don't have the capacity to carry out numerous Mini Competitions and requested the option to retain the Direct Award process to enable swift purchases to be made where necessary.
- 3.3 Undertake ad-hoc tenders at the point of demand – this option was rejected to avoid any duplication of work and to ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the Council in mind.
- 3.4 Access external third-party frameworks at the point of demand – this option was rejected to avoid any duplication of work and to be paying any rebate fees to third parties as opposed to benefitting from rebates paid to the Council by 3<sup>rd</sup> party users of the Framework.
- 3.5 Creating our own Framework also provides a way to ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the Council in mind.

## **4. Consideration of Risk**

- 4.1 Supplier Failure – there will be a contract and scoring mechanism within the Framework terms that means any supplier that does not meet its obligations can be removed from the Framework. Supplier Performance can be monitored and managed utilising contract management.
- 4.2 Market Volatility – a framework will create schedule of rates/basket of goods, and so it may be deemed that the prices are only accurate at the point of submission. However, there is the option to undertake mini competitions to keep testing the prices of the supply base to ensure best value at the point of demand.

In the instance of undertaking a direct award, a proposal would be submitted by the top ranked provider. There will not be a commitment to purchase any asset without a Purchase Order.

## 5. **Best Value Considerations**

- 5.1 Requirements can be competitively tendered at the time of requirement, if necessary, thereby maintaining competitive tension.
- 5.2 Fleet and Depot Operations have introduced a new robust business case process which is required of each individual replacement vehicles. The business case is required evidence approvals, Funding, service need, and alternative service delivery options including but not exclusive to extending the life of the current fleet or increased utilisation of the current fleet.

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

The Capital Programme includes a budget to replace the council's fleet, with the expenditure funded by capital receipts. This budget is approved annually at Full Council as part of the budget process.

This decision does not commit the Council to incur expenditure. Therefore, there are no significant risks arising from this decision as the approval to spend will be confirmed as part of the annual budget process.

Tom Straw – Senior Accountant (Capital Programmes) 30/01/24

## 7. **Legal colleague comments**

This decision is to conduct a procurement exercise and award a contract and budget to establish a framework for the outright purchase of Light Commercial Vehicles that all UK public sector contracting authorities can access.

There are no significant legal issues arising from the decision as it is proposed that a compliant procurement process is run through the Council's corporate procurement team.

Legal advice and support will be provided with regard to the contracting arrangements to be put in place. As it is proposed that the 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.

Del Sander (Locum Solicitor) - 12/01/2024

## 8. **Other relevant comments**

### **Procurement colleague comments**

The request to create a multi-supplier framework agreement for the provision of Light Commercial Vehicles does not pose any procurement risk to the Council. Establishing a framework will provide service areas with a compliant mechanism to source vehicles in line with lead service area's vehicle specification, mitigating the need for day to day, external mechanical support.

The call-off mechanisms proposed allow for best value to be enforced throughout the framework's lifespan and to give real time information on the supply market.

The request complies with both the contract procedure rules and the Public Contract Regulations. Procurement will assist throughout establishing the framework to ensure the process remains compliant.

Holly Fisher, Lead Procurement Officer, Products – 12/01/2024

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

9.1 N/A

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

10.1 Due to the anticipated overall value, all suppliers applying to the Framework will be expected to agree to the Business Charter and meet the specified employment and opportunity targets.

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

11.1 N/A

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

12.1 An EIA is not required because the Framework is for the provision of vehicles only and considers existing contract spend.

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

13.1 A DPIA is not required because the Framework is for the provision of vehicles only.

**14. Carbon Impact Assessment (CIA)**

14.1 A CIA is not required.

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

15.1 None.

**16. Published documents referred to in this report**

16.1 None.