

Commissioning and Procurement Executive Committee – 12 November 2024

Subject:	Creation of a single source supply contract for refuse vehicles between 7.5T to 32T for Nottingham City Council and the Nottinghamshire/Derbyshire Transport Group Consortium		
Corporate Director: Director:	Colin J. Parr - Communities, Environment and Resident Services Mary Lester – Resident Services		
Executive Member:	Councillor Khan – Strategic Regeneration, Transport and Communities		
Report author and contact details:	Andrew Smith, Assistant Fleet Manager andrew.smith@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Tom Straw – Finance Del Sander – Legal Paul Ritchie - Procurement		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision			<input 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
Type of expenditure: <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 2024/25 approval in place, 2025 onwards Capital funding requirement to be confirmed.			
Total value of the decision: £8.1m			
Section 151 Officer expenditure approval 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:			
Commissioner Consideration Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 30/10/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Working	<input checked="" type="checkbox"/>		
Carbon Neutral by 2028	<input 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 type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users): Members of the Nottinghamshire/Derbyshire Transport Group Consortium have a statutory duty Under section 45 of the Environmental Protection Act 1990, as they are deemed to be a “waste collection authority” (in this instance, the Council(s)), and they have a duty to collect “household waste” and this service is delivered internally within by the members of the group. This new Procurement project will enable the Consortium authorities to access a compliant and qualified contracted supplier for the supply of Refuse collection vehicles.			

Exempt information: None.

Recommendations:

- 1 To authorise undertaking a procurement process for the necessary framework agreement(s).
- 2 To delegate authority to the Corporate Director for Communities, Environment and Resident Services to enter into:
 - (a) the initial Refuse Vehicle Supply Framework Agreement;
 - (b) any call-off contracts under the terms of the Framework Agreement for NCC fleet requirements and maintenance.

1. Reasons for recommendations

- 1.1 To enable the Nottingham City Council Fleet Services team and the aforementioned Consortium members to be able to access the Refuse Collection Vehicle market to enable the members ongoing Vehicle Replacement Programme requirements to be delivered as required.
- 1.2 The Fleet Services Team and members of the Consortium wish to retain the Single Source Supply Contract model currently in place for the supply of Refuse vehicles as this is shown to deliver the required levels of Contract Management, After Sales Service and Maintenance Support across the group. This support enables all members of the consortium can deliver the required statutory services.
- 1.3 A common base specification is created which ensures collective learning from across the consortium is shared to deliver better outcomes.
- 1.4 Ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the consortium in mind.
- 1.5 Using a Contracted supplier enables prices to be fixed for 12-month periods within the proposed contract lifespan of 4 years which helps with the budgeting process when creating future replacement plans. A three month-notice period is mandated for the evidenced based price increases to be proposed within the contract period.
- 1.6 Under the terms of the Contract, there is no commitment to spend or to place a minimum number of orders.
- 1.7 The vehicle types within the Tender specification will include both Diesel and Alternative fuel chassis. The Tender will include the option to purchase Food Waste Collection and Kerbside recycling bodied vehicles as well as the standard and any specialist Refuse Collection vehicles in any body configuration as required by the contracting authorities within the Consortium.

2. Background (including outcomes of consultation)

- 2.1 The Nottinghamshire and Derbyshire Transport Group Consortium, an organisation made up of the Vehicle Services/Fleet teams from 17 other local authorities in Nottinghamshire and Derbyshire. The group was created with the support of the Chief Executives group promoting collaborative working and seeking best value by pooling the groups purchasing power and knowledge base. This group has

delivered a compliant solution since 2008 which has enabled all authorities to deliver their duties as necessary. The group renewed the Memorandum of Understanding in 2022 and all members of the group agreed to the continuance of the group to work together to deliver best outcomes.

- 2.2 The current contract for the supply of Refuse vehicles will expire on 31st March 2025, this contract is not able to be extended beyond this date.
- 2.3 Nottingham City Council proposes to procure and enter into the replacement framework agreement as lead authority for the consortium, with each consortium member directly entering into their own call-off arrangement with the successful bidder(s).

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

- 3.1 Extend the current contract – this option is not available as it would not comply with the Public Contracts Regulations 2015.
- 3.2 Undertake ad-hoc tenders at the point of demand – this option was rejected to avoid any duplication of work across the Consortium.
- 3.3 All members could access external third-party procurement frameworks at the point of demand – this option was rejected to avoid any duplication of work and to be paying rebate fees to third parties.

4. **Consideration of Risk**

- 4.1 The Current Refuse vehicle supply contract expires on 31st March 2025 and a replacement contract is required to enable continuity of the supply of vehicles. Without access to a compliant procurement solution, delays in supply of vehicles could impact on the ability of the contracting authorities within the consortium including Nottingham City Council being able to deliver the statutory requirements as determined.
- 4.2 With no Consortium based contract the individual authorities would not necessarily receive the same level of support as they would when part of the group. The pooled resource enables the group to receive enhanced access to technicians, technical support, training and after sales provision as well as an input to product design.

5. **Best Value Considerations**

- 5.1 The single source supply contract enables Nottingham City Council and the other members of the Consortium to effectively pool their buying power and knowledge base to enable delivery of good contract management and contracted pricing. The below two conditions are included within the scope of this project;
 - BIWO - buy it with others- joint procurement;
 - DIWO - do it with others e.g. shared services/ partnerships with local authorities.
- 5.2 Nottingham City Council Fleet and Depot Operations have introduced a new robust business case process which is required for each individual replacement vehicle. The business case is required to evidence approvals, Funding route, 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. **Commissioner comments**

6.1 The Commissioners are content with this report. (31/10/2024)

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

7.1 This decision does not commit the Council to incur capital expenditure with the budget for replacement vehicles being incorporated into the Capital Budget process.

7.2 Due to the current financial pressures within the Council the Capital Programme has set aside £nil budget for the replacement of vehicles beyond 31st March 2025.

7.3 Capital resources will have to be identified, and formal approval obtained prior to the Council procuring any Refuse Vehicles as part of this contract.

Tom Straw, Senior Accountant (Capital Programmes) - 15 October 2024

8. **Legal colleague comments**

8.1 This decision is to conduct a procurement exercise and award a contract and budget to establish a framework for the outright purchase of Refuse Collection Vehicles that Nottingham City Council and the Nottinghamshire/Derbyshire Transport Group Consortia members can access.

8.2 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.

8.3 As it is proposed that the framework will be available for use by Nottinghamshire/Derbyshire Transport consortia members 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 - 15/10/2024

9. **Other relevant comments**

9.1 Procurement comments

The procurement team will support the tendering exercise in compliance with our CPRS and considers the approach of joining up the demand of the 17 other Contracting Authorities, a best value approach to reduce the unit cost per vehicle to each member of the Consortia.

Paul Ritchie, Procurement Manager - 09/10/2024

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

10.1 N/a

11. Social value considerations

11.1 Due to the anticipated overall value of the Contract the supplier will be expected to agree to the Business Charter and meet the specified employment and opportunity targets.

12. Regard to the NHS Constitution (If Applicable)

12.1 N/a

13. Equality Impact Assessment (EIA)

13.1 An EIA is not required because the Contract is for the provision of vehicles only and only considers potential contract spend.

14. Data Protection Impact Assessment (DPIA)

14.1 A DPIA is not required because the Contract is for the provision of vehicles only and only considers potential contract spend.

15. Carbon Impact Assessment (CIA)

15.1 Attached as appendix A and due regard will be given to any implications identified in it.

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

16.1 None.

17. Published documents referred to in this report

17.1 None.