

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

14th January 2015

1. **HEADING** Contract award for the supply and management of vehicle tyres
- Submitted by:** Executive Director of Operational Services
- Principal author:** T Nicoll / S Gee
- Portfolio:** Environment and Recycling
- Ward(s) affected:** All

Purpose of the Report

- To inform Cabinet of the outcome of the tendering process for the supply and management of vehicles tyres.
- To seek a decision from Cabinet regarding the award of the contract jointly with Stoke-on-Trent City Council.

Recommendations

- a) That the joint contract for the supply of vehicle tyres be awarded to the preferred bidder for two years with a one year review. Details of the preferred bidder provided in the confidential appendix.
- b) That delegated authority for any review to the contract to be made to the Executive Director – Operational Services and Portfolio Holder for Environment and Recycling.

Reasons

- The award is necessary to ensure that the council's fleet has the required tyres to operate on a day to day basis.
- All the bids have been evaluated both on cost and quality. This evaluation indicates that preferred bidder has provided the most economically advantageous tender and complies with the council's financial appraisal.
- It has been requested by Stoke-on-Trent City Council the lead party for this procurement process, that the Council does not to disclose the preferred bidder's details at this time, as this may lead to financial loss and open this procurement to challenge.

1. Background

- 1.1 The council fleet uses and requires tyres to operate on a day to day basis. The fleet is varied and includes a wide variety of size and types of tyres. The council currently procures tyres through a framework agreement managed by Eastern Shires Purchasing Organisation
- 1.2 The Council in collaboration with Stoke-on-Trent City Council (SOTCC) wish to appoint a single provider to provide an all-inclusive tyre repair, maintenance and management service to their operational depots or when required to a destination within the boundaries of both authorities based on a schedule of rates.
- 1.3 A competitive tender exercise was conducted under the open procedure and advertised in Delta, on the Bravo Solution portal and SOTCC website, Facebook and twitter accordingly. All tenders were submitted electronically through the e-tendering system and evaluated in accordance with the agreed award criteria. In total six companies viewed the tender documentation and 3 submitted tenders.
- 1.4 In order to determine which bid offered the best value for money for the Council and SOTCC, the submitted tenders were evaluated on the basis of M.E.A.T (Most Economically Advantageous Tender) against the following criteria.

CRITERIA	WEIGHTING
Technical	600 marks
Commercial	400 marks

- 1.5 Before the technical and commercial responses were opened, the companies were evaluated against a series of minimum standards on a pass/fail basis to ensure they have the necessary economic and financial standing and professional and technical ability to deliver the contract.
- 1.6 All tenderers passed the minimum standards evaluation and were then assessed against the award criteria of Most Economically Advantageous Tender starting with the technical assessment.
- 1.7 The technical criteria were broken down as follows:
 - Service Response – 300 marks
 - Performance Indicators/Monitoring – 125 marks
 - Management information – 75 marks
 - Implementation – 25 marks
 - Communication – 25 marks
 - Environmental Policy/ Statement – 20 marks
 - Training – 20 marks.
 - Added Value – 10 marks

2. Proposal

2.1 As SOTCC are the lead party for this procurement process, the Council has been requested not to disclose the preferred bidders details at this time as the may lead to financial loss and open this procurement to challenge. This is because currently no formal award has been made by the lead authority yet as part of this joint procurement. SOTCC will announce the preferred bidder details as part of the OJEU procurement process at the end of January.

The details of the preferred bidder have therefore been included within a confidential appendix attached to this report.

2.2 Preferred Bidder achieved the highest score under M.E.A.T. and has the necessary resources in place to deliver the contract to a good standard.

2.3 A summary of the total M.E.A.T scores are shown in in Table below.

Name	Total Technical Score (600)	Commercial (price) Score (400)	Total Score	Rank
Supplier A	356	366.04	722.04	3
Supplier B	412	371.63	783.63	2
Preferred Bidder	395	400.00	795.00	1

3. Reasons for Preferred Solution

3.1 There are a number of reasons why Preferred Bidder is the preferred, these include:-

- They have provided a high quality bid.
- They are experienced in providing this service.
- Their tender fulfilled the requirement of the tender specification.
- They have demonstrated value for money.

4. Outcomes Linked to the Newcastle under Lyme Borough Council Plan

4.1 The proposal relates to the effective delivery of the all Council fleet, which would mainly contribute to 'Creating a Cleaner, Greener and Sustainable Borough'

5. Legal and Statutory Implications

5.1 The Council had an obligation as a contracting authority to go out to the market and conduct a formal tendering exercise for the contract. This is to ensure compliance with both EU Procurement law and the SOTCC's own contract standing orders.

6. Equality Impact Assessment

6.1 The companies expressing interest in the contract have been requested for information regarding their Equalities Policies.

7. Financial and Resource Implications

- 7.1 The process is a competitive one, designed to deliver value for money. Council Officers believe that this joint procurement process will lead to saving in the region of 5% against individual procurement for this service.
- 7.2 The total approximate value of the contract is £220,000 of which approximately 40% is attributed to this Council spend, the rest attributed to SOTCC. The value of this two year contract to the Council is projected to be £88,000 (£44,000 per year) based on the number and type of tyres purchased in the previous year multiplied by the submitted price for those tyres, multiplied by the 2 year contract life.
- 7.3 To mitigate and minimise risk to the authority, third party credit checks have been undertaken on the recommended supplier and at the time of obtaining the reports reveal no adverse trading conditions that will impact on the fulfilment of the contract

8. **Major Risks**

- 8.1 The risks associated with this particular service are considered to have been identified and recorded on the Council's 'Grace' risk management system; a copy is available on request.
- 8.2 The major risks associated with the decision regarding award of the Contract are considered to be:
 - Failure to reach a decision on award may lead to the Council acting outside of its Standing Orders and Procurement Legislation.
 - Failure to reach a decision on award may lead to the Council to spend additional monies on the provision of the service.
 - Failure to reach a decision on award may lead to the Councils vehicles operating illegally or unsafely.

9. **Key Decision Information**

- 9.1 Revenue Budget spending for tyres on Council vehicles has been approved.
- 9.2 The correct European procurement procedure was followed in the procurement of this service.
- 9.3 Evaluation of the tenders has been completed and the preferred bidder has provided the most economically advantageous tender based upon price and evaluation of the tender submission.
- 9.4 The provision of tyres and tyre management services is required to ensure that the Councils fleet of vehicles can remain safely on the road to undertake key Council services such as refuse collection, Streetscene operations and pest control.

Additional information

Confidential Appendix – Details of Preferred Bidder