

CONTRACT AWARD FOR THE SUPPLY OF SWEEPING VEHICLES

Submitted by: 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 of replacement sweeping vehicles
- To seek a decision from Cabinet regarding the award of the contracts.

Recommendations

- (a) That the contract for the supply of two sub-compact sweeping vehicles be awarded to Johnson Sweepers.
- (b) That the contract for the supply of three compact sweeping vehicles be awarded to Scarab Sweepers.
- (c) That subject to the approval of the fleet replacement element of the 2013/14 capital programme, the procurement of the two remaining sweepers (sweeper 6 and 7) carried out following consultation with the Portfolio Holder.

Reasons

- The current fleet of sweepers are coming up to five years old and it would be operationally and financially advantageous to replace these vehicles at this time to ensure the continuity of service provided within the Streetscene service.
- All the bids have been evaluated both on cost and quality. This evaluation indicates that Johnson Sweepers for Lot 1 and Scarab Sweepers for Lot 2 have provided the most economically advantageous tender and comply with the council's financial appraisal.

1. Background

- 1.1 The council has made a commitment to residents that Zone 1 areas such as Newcastle and Kidsgrove town centres will be cleansed daily and all residential roads within the borough four times a year. The current fleet of sweepers are coming up to five years old and it would be operationally and financially advantageous to replace these vehicles at this time to ensure the continuity of service within the Streetscene service.
- 1.2 The tender for the replacement of sweepers were split into two lots:-
- Lot 1 – Two sub-compact sweeping vehicles
Lot 2 – Three compact sweeping vehicles (with the option to purchase two further vehicles during 2013/14 if the capital budget is allocated)
- 1.3 The Council as part of the procurement process reserved the right to award each Lot to a different contractor.

- 1.4 As the value of the contract was likely to exceed the threshold for supplies as set out in the Public Contracts Regulations 2006 the Council elected to utilise a compliant framework issuing tender documents via Eastern Shires Purchasing Organisations (EPSO) in accordance with the call-off terms and conditions of the Pro5 framework agreement 324: Specialist Vehicles.
- 1.5 All tenders had to be received by 17:00hrs on 7 November 2012.
- 1.6 The tenders have been evaluated to determine the most economically advantageous tender (MEAT) based upon the following criteria and weightings, as shown in Table 1.

Table 1:

Criteria	Weighting (%)
Mandatory Requirements	
Compliant with contract conditions.	Pass/Fail
Meets minimum specification score	Pass/Fail
Willing to offer a warranty of 12m minimum	Pass/Fail
Willing to offer a demonstration vehicle	Pass/Fail
Costs	45%
Purchase price less buy back value	35%
Fuel consumption	5%
Servicing costs	5%
Quality	55%
Machine Suitability	25%
Training	7%
Vehicle Warranty	6%
Service & Repair	7%
Delivery	4%
Other Factors	6%

2. Proposal

Lot 1 – Sub-compact sweeping vehicles

- 2.1 For Lot 1 sub-compact sweeping vehicles we received 4 tenders.
- 2.2 All tenders have been evaluated and weighted in accordance with the values in table 1 above.
- 2.3 Table 2 provides the outcome of the combined quality and financial evaluation:

Table 2: Lot 1 sub-compact sweeping vehicles

Name	Total Quality Score (55%)	Weighted Cost (45%)	Total Score	Rank
Supplier A	39.6	42.2	81.8	2
Johnston Sweepers	42.2	42.9	85.1	1
Supplier C	44.2	35.8	80.0	3
Supplier D	43.5	35.6	79.1	4

- 2.4 The highest scoring tender based on the MEAT criteria was submitted by Johnston Sweepers for Lot 1 sub-compact sweeping vehicles

Lot 2 – Compact sweeping vehicles

- 2.5 For Lot 2 Compact sweeping vehicles we received 4 tenders
- 2.6 All tenders have been evaluated and weighted in accordance with the values in table 1 above.
- 2.7 Table 2 provides the outcome of the combined quality and financial evaluation:

Table 2: Lot 2 Compact sweeping vehicles

Name	Total Quality Score (55%)	Weighted Cost (45%)	Total Score	Rank
Supplier F	43.4	37.5	80.9	3
Supplier G	41.7	33.7	75.4	4
Supplier H	42.4	43.5	85.9	2
Scarab Sweepers	47.8	39.8	87.5	1

- 2.8 The highest scoring tender based on the MEAT criteria was submitted by Scarab Sweepers for Lot 2 compact sweeping vehicles

3. Reasons for Preferred Solution

- 3.1 There are a number of reasons why Johnson Sweepers are the preferred bidder for Lot 1 and Scarab Sweepers are the preferred bidder for Lot 2, these include:-
- They have provided a high quality bid.
 - They are experienced in providing this service to Local Authorities.
 - Their tender fulfilled the requirement of the tender specification, including practical demonstration.
 - Vehicles are affordable within cost envelope.
 - The opportunity to trade existing vehicles owned by the authority

4. Outcomes Linked to the Newcastle under Lyme Borough Council Plan 2013/14 to 2015/16

- 4.1 The proposal relates to the effective delivery of the Integrated Municipal Waste Management Strategy for Newcastle Borough Council, which would contribute to the following:
- Creating a Cleaner, Greener and Sustainable Borough
 - Our streets and open spaces will be clean, clear and tidy.
 - Town centres across the Borough will be sustainable and safe

5. Legal and Statutory Implications

- 5.1 The procurement process is being conducted to meet the requirements of the Public Contracts Regulations 2006.

5.2 The contract document pertaining to this service has been prepared by ESPO and agreed by Procurement Officer.

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. The capital cost of the tender submitted by Johnston Sweepers for Lot 1 is £91,692 (2 vehicles at £45,846). The capital cost of the tender submitted by Scarab Sweepers for Lot 2 is £223,515 (3 vehicles at £74,505). This amount falls within the amount provided for in the capital budget for 2012/13 for the delivery of replacement vehicles.

7.2 A further two vehicles will be required from the 2013/14 capital budget. The capital cost of the tender submitted by Scarab Sweepers for Lot 2 is £149,010 (2 vehicles at £74,505).

7.3 To mitigate and minimise risk to the authority third party credit checks have been undertaken on both suppliers 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 '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 a delay in supplying the vehicles.
- Contractors fail to provide required quality of vehicles.
- Contractors fail financial standing changes.

9. **Key Decision Information**

9.1 Cabinet and Council has approved the Capital Budget for 2012-13, spending for these vehicles will be delivered from this budget.

9.2 The correct European procurement procedure was followed in the procurement of these vehicles, via Eastern Shires Purchasing Organisations (EPSO) in accordance with the call-off terms and conditions of the Pro5 framework agreement 324: Specialist Vehicles.

9.3 Evaluation of the tenders has been completed and Johnson Sweepers and Scarab Sweepers have provided the most economically advantageous tender based upon price and evaluation of the tender submission.

9.4 The total cost of supplying the five vehicles under Lot 1 and 2 is £315,207 monies being available from the 2012/13 capital budget.

9.5 The total cost of supplying a further two vehicles as required from Lot 2 is £149,010, subject to approval of the 2013/14 capital programme budget.