

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 8 NOVEMBER 2022



Title of Report	AWARD OF CONTRACT TO PURCHASE FLEET VEHICLES	
Presented by	Andrew Woodman Community Services Portfolio Holder	
Background Papers	Fleet Management Strategy Agenda for Corporate Scrutiny Committee on Wednesday, 1 September, 2021, 6.30 pm - North West Leicestershire District Council (nwleics.gov.uk) Agenda for Cabinet on Tuesday, 21 September, 2021, 5.00 pm - North West Leicestershire District Council (nwleics.gov.uk) Please refer to Appendix One (confidential paper)	Public Report: Yes (apart from Appendix One which is confidential) Key Decision: Yes
Financial Implications	Signed off by the Section 151 Officer: Yes	
Legal Implications	Advice has been provided by the legal team. The report is satisfactory. Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To seek Cabinet approval to award preferred supplier fleet contracts following a recent tender exercise.	
Reason for Decision	To comply with the Council's contracts procedure rules. The award of a contract valued at more than £250,000 in total is a financial key decision requiring Cabinet approval. To comply with EU Contract Procedure Rules (which the UK is still subject to).	

<p>Recommendations</p>	<p>THAT CABINET:</p> <ol style="list-style-type: none"> 1) AWARDS THREE YEAR PREFERRED SUPPLIER CONTRACTS AT THE VALUE OF UP TO £2.5 MILLION TO: <ul style="list-style-type: none"> • PEUGEOT MOTOR CO PLC FOR ELECTRIC CARS • PEUGEOT MOTOR CO PLC & MODUS UK LTD FOR ELECTRIC VANS • MODUS UK LTD FOR CHASSIS CABS FOR THE PROVISION TO SUPPLY FLEET 2) APPROVES THE ORDER TO BE PLACED FOR YEAR ONE AT £555,124 3) DELEGATES AUTHORITY TO THE STRATEGIC DIRECTOR IN CONSULTATION WITH THE HEAD OF FINANCE AND THE PORTFOLIO HOLDER FOR COMMUNITY SERVICES TO ENTER INTO INDIVIDUAL CALL OFF CONTRACTS UP TO THE TOTAL VALUE APPROVED IN THE FLEET CAPITAL PROGRAMME
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1.0 BACKGROUND

- 1.1 The Council committed to produce a fleet management strategy report to demonstrate how its fleet can transition to a zero carbon/low carbon solution by 2030.
- 1.2 The fleet management strategy was presented to Corporate Scrutiny on 1 September 2021 and approved by Cabinet on 21 September 2021. Funding was approved as part of the capital programme in February 2022.
- 1.3 The previous reports focused on the first three years of fleet replacement, given the quickly changing technology, and considered vehicles, fuels and infrastructure.
- 1.4 This Cabinet report specifically focuses on the procurement contract for electric cars, electric vans and chassis cabs (electric or fuelled by Hydrotreated Vegetable Oil (HVO)). Any additional fleet funding requests will be submitted as part of the capital programme for February 2023.
- 1.5 The transition to electric vehicles will deliver emissions savings, contributing to the Council's zero carbon roadmap journey and will be reported to Corporate Scrutiny Committee and Cabinet.

2.0 PROCUREMENT PROCESS

- 2.1 In conjunction with Praxis Procurement, the Council's procurement provider, the initial procurement approach was via a public sector framework, however, there was no engagement from suppliers given the current market conditions.

- 2.2 A procurement invitation to tender process was subsequently undertaken, certified and supported by Praxis Procurement to ensure it was compliant with Council procurement processes. This process launched on 29 August 2021 and closed on 30 September 2022.
- 2.3 The tender exercise provided preferred suppliers for different vehicle categories over three years. Pricing framework is based on agreed discounts on base vehicle prices, the standard approach in the fleet sector.
- 2.4 Nine bidders submitted on-time tenders of which four fully met the compliance criteria and were evaluated against the specifications in the tender documents. The tender was split into three distinct lots:
- Lot 1 – Panel Van
 - Lot 2 – Chassis Cab
 - Lot 3 – Passenger Vehicle
- 2.5 The tender scoring process identified the preferred suppliers for each vehicle category. Further information is detailed in Appendix one.
- 2.6 Whilst there is still flexibility to procure vehicles from other suppliers by completing a new procurement exercise, this preferred supplier approach will simplify the fleet replacement process and provides best value for money.
- 2.7 This procurement process is dependent on vehicle availability in the marketplace. Lead times are varied due to current supply chain challenges. Indications are that there is currently up to twelve months lead time and as such there is no forecasted spend in this financial year.

3.0 RECOMMENDATION

- 3.1 Awarding a preferred supplier over three years, allows terms and conditions to be fixed and removes the requirement to go to tender for new vehicle acquisition, which will be advantageous to the Council, at a time of global economic uncertainty and disruptions to supply chains.
- 3.2 Appendix one, a confidential document submitted to support this report, details the scoring matrix.
- 3.3 If Cabinet decides to award the contracts as proposed, the Council and the bidders will enter a standstill period of ten days. This is a pause between the point when the contract award decision is notified to bidders, and the final contract conclusion, during which time the unsuccessful suppliers can challenge the decision. The standstill period is a legal requirement. If no challenges are received, a contract will be entered into with the successful bidders.
- 3.4 Peugeot Motor Co PLC and Modus UK Ltd submitted the highest scoring tenders for both quality and pricing. The contract value over the three years is forecast to be £2.5 million consisting of electric panels vans, both diesel and electric chassis cabs, and electric cars.

3.5 A summary of the fleet replacement plan (based on order date) is set out below:

Lot	Team						2022/23	2023/24	2024/25
	Environmental Protection	Grounds Maintenance	Fleet	Housing	Pool Car	Waste Services	Quantity	Quantity	Quantity
1 - Panel van	x	x	x	x		x	9	37	5
2 - Chassis cab		x					4	4	2
3 - Passenger vehicle	x				x		5		
Total							18	41	7

4.0 FINANCIAL IMPLICATIONS

- 4.1 Due to the value of the contract and the life of the assets (seven years), this expenditure meets the definition of capital expenditure and is included in the overall fleet capital programme.
- 4.2 The financial implications of the procurement are detailed in Appendix one.
- 4.3 The capital programme that was approved by Council in February 2022 included £1.6 million for fleet replacement associated with this procurement. The total value covered by this procurement contract is £2.5 million. The additional cost of £0.9 million will be considered as part of the capital programme planning process for 2023/24 and only if approved by Council in February 2023 will it be spent. The capital financing impact of the approved monies are reflected in the Council's revenue budget over the medium term.
- 4.4 The maintenance cost implications of the vehicles are being worked through but as the fleet transitions from Hydrotreated Vegetable Oil (HVO) to electric, it is expected that cost savings will be made and these will be factored into future budget plans.

Policies and other considerations, as appropriate	
Council Priorities:	Developing a clean and green district
Policy Considerations:	North West Leicestershire District Council Constitution – 4.7 Contract Procedure Rules 20190234-NWLDC Zero Carbon Roadmap-04-Main Report-Rev K - final.pdf (nwleics.gov.uk)
Safeguarding:	None
Equalities/Diversity:	None

Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	Fleet replacement comprises a key element of NWLDC Zero Carbon Roadmap and ambition.
Consultation/Community/Tenant Engagement:	Staff across a range of services have been engaged in the procurement exercise, and particularly the specification of vehicles.
Risks:	Risks will be managed as part of the contract monitoring carried out by officers.
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