

Report for Resolution

Report to	Cabinet 14 th March 2012	Item
Report of	Director - Regeneration and Development	17
Subject	Award of contract for renewal of the Council's pool car fleet	

Purpose

To advise Cabinet of the tender process for the replacement of the existing pool car contract to cover the Council's requirements for the next three year's.

Recommendations

Cabinet is recommended to:

- 1) approve the commitment to spend an estimated £421,000 from various Council budgets over three year term of the contract hire for pool cars; and
- 2) to delegate to the director of regeneration and development, in consultation with portfolio holder for resources, performance, and shared services, authority to award the contract subject to a satisfactory evaluation process and the successful tender price being within budget forecasts.

Financial Consequences

The financial consequences of this report is an estimated expenditure £421,000, over the three year term of the contract. This sum will be financed from existing council budgets. The majority of this expenditure will be financed from the Housing Revenue Account.

Risk Assessment

- 1) Risk of challenge from unsuccessful or other suppliers.

The tender is to follow a closed process using an existing framework of suppliers with evaluation criteria being published as part of the tender documents, but there is always a risk of challenge from unsuccessful suppliers.

- 2) Risk of supplier failure

There is a risk that the appointed supplier could fail during the life of the contract. This is a small risk as even though it will be a medium term contract. In addition to this the Council is not investing in the supplier and so the risk is one of service continuity rather than financial.

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority “Aiming for excellence – ensuring the Council is efficient in its use of resources, is effective in delivering its plans, is a good employer and communicates effectively with its customers, staff and partners”

Cabinet Member: Councillor Waters - Resources, Performance and Shared Services

Ward: All wards

Contact Officers

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Background Documents

None

Report

Background

1. In 2007 the council procured a total of forty nine VW Polo's on a three year contract hire for use as Council pool cars. After an additional one year extension these vehicles, plus a small number of other contract hire vehicles, are in need of replacement.
2. The forecast requirement for the next three years will consist of fifty one vehicles of which most will be small city cars appropriate for journeys in and around Norwich. The increase in the number of vehicles required is a reflection of a change in working arrangements. The most significant being a shift towards a mobile sheltered housing warden service.
3. As part of the overall requirement the specification will include four Electric/Hybrid vehicles of which a minimum of two will be completely electric. It is currently proposed that these vehicles will be based equally at City Hall and the Mile Cross Depot.

Tender process

4. The council has engaged Eastern Shires Purchasing Organisation (ESPO) to carry out a tender process using one of their framework agreements to provide the required vehicles ensuring the Council obtains value for money.
5. The ESPO framework consists of varying categories of vehicles of which cars are a specific category, and is the only one being used on our behalf. The 12 suppliers on the ESPO framework were chosen after a fully compliant Official Journal of the European Union tender process was completed. This identified appropriate suppliers who would be capable of supplying the vehicle requirements of any public sector body wishing to make use of the framework.
6. ESPO is running the tender using the Council's own specifications and will provide the final tender recommendations for our approval.

Tender evaluation

7. The supplier selection process requires suppliers to complete a questionnaire. The responses given are then evaluated against pre-determined criteria. This is a pass/fail evaluation and determines whether the tender submitted is compliant with the specification requirements.
8. The evaluation criteria are stated in the tender documents as lowest compliant tender, i.e. the lowest price that fully meets all the requirements of the specification.

Finance

9. Service budgets are recharged annually for the provision of the appropriate number/use of pool cars within their existing budgets.