

**Report to** Cabinet

**Item**

14 October 2020

**Report of** Director of people and neighbourhoods

**Subject** Vehicle lease and future contract awards for Norwich City Services Limited

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## KEY DECISION

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### Purpose

To seek approval to award a vehicle lease contract for Norwich City Services Limited and to delegate future contract awards.

### Recommendation

To delegate authority to the chief executive officer as shareholder, in consultation with the cabinet member for resources and the cabinet member for safe and sustainable city environment;

- 1) to award a vehicle lease contract for the delivery of environmental services by Norwich City Services Limited; and
- 2) enter into other such contracts, that are reasonable and necessary to ensure the successful delivery of services from 1 April 2021 by the company.

### Corporate and service priorities

The report helps to meet the corporate priority Great neighbourhoods, housing and environment

### Financial implications

The company business plan has been refreshed to reflect the additional costs associated with this lease for vehicles. The costs will be included as part of the NCSL business plan which will be reported to Cabinet for decision in December.

The contract offers fleet management services as well as repairs and maintenance, therefore enabling the transfer from these budgets to cover the additional lease contract costs.

It is important to note that there is a financial risk to the Council if the NCSL contract is not awarded in accordance with the planned timetable.

**Ward/s:** All Wards

**Cabinet member:** Councillor Kendrick - Resources

**Contact officers**

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## Report

1. A report to consider the target operating model and latest business case for the delivery of the council's environmental, repairs and maintenance and asset and estate management services by Norwich City Services Limited (NCSL), was presented to Cabinet in July 2020.
2. A number of recommendations were agreed including establishing a board of directors for the wholly owned company, approval of the business case and target operating model, a recommendation to council to increase the capital programme to establish a depot, budgetary provision for tools and equipment, as well as a number of delegations to relevant directors to award contracts in consultation with the cabinet member.
3. Council agreed in July 2020 to increase the general fund capital programme by £2.780m, this included loan and equity financing to the company to establish a depot as well as budgetary provision for the council to purchase IT, tools and equipment.
4. To ensure that the new company is able to deliver the council's environmental Services from the 1 April 2021, it is necessary for the company to award contracts prior to the formal approval of the company business plan scheduled for December 2020.

## Background

5. As part of the mobilisation of the environmental services contract the company will need to secure sufficient tools, equipment and vehicles to enable the services to be delivered.
6. The council is proposing to purchase some tools, equipment and vehicles from the current provider Norwich Norse Environmental Limited. However, the company will need to acquire new equipment including at this stage a number of vehicles the procurement of which is being undertaken by the council on behalf of the company.
7. Forty-five light commercial vehicles of various specifications are required all to be supplied on a contract lease basis for a five-year period, with service, maintenance and repair (SMR) and fleet management included. The fleet management services will be for a 12-month period initially, to be reviewed on an annual basis during the period of the lease.
8. The specification was developed in detail in conjunction with officers from Norwich Norse Environmental Limited and environmental services as the client side to ensure that the specification suited service delivery requirements.
9. An invitation to quote was issued by Norwich City Services Ltd (NCSL) using the Crown Commercial Services (CCS) framework. Of the seven suppliers on this framework two expressions of interest and one tender submission was received and assessed by a panel of officers.

10. The recommended supplier, Venson Automotive Solutions Limited was allocated a score of 85 out of a total of 100. Reassurance of the assessment process was provided by Crown Commercial Services who provided additional insight to the submission by Venson Automotive Solutions Limited. Through this process, confirmation was provided that the prices submitted were competitive and comparable with similar vehicles that could be secured.
11. As part of the development of the specification and tender, the use of electric vehicles was considered as an option.
12. At the current time, there are limited electric options for the specialist vehicles required for the environmental services contract and within the budget envelope to deliver the service contract and construct the depot. However, there is currently a pilot in progress with one electric vehicle with Norwich Norse Environmental which is receiving good feedback.
13. The team are looking into costs and options for procuring four of these vehicles and installing electric points at the depot - the ducting for charging points is being installed as part of the existing depot build contract. If the pilot is successful, we would be looking to introduce some electric vehicles into the fleet where it is financially viable to do so.
14. The use of electric vehicles does need to be trialled prior to any long-term commitment particularly given the range of work undertaken under this contract and that electric commercial vehicles, particularly for non-standard vehicles is still new, though new options are emerging. The vehicle in use in the parks already requires an adjustment as it is too quiet for use in public areas, so an additional function is required to allow them to be heard. As the technology continues to develop it is essential to take a measured approach to any fleet replacement programme based on battery power and cost.
15. The total cost of the award is £293,742 per annum with a total contract value for 5 years being £1,468,710.
16. As the company board is not as yet in place and prior to the NCSL business plan being approved, the council is required to authorise the Norwich City Services Limited company board to award a contract for the vehicle leasing contract and to underwrite the costs of that award.
17. In addition, cabinet are requested to delegate authority to the chief executive officer as shareholder, in consultation with the cabinet member for resources and the cabinet member for safe and sustainable city environment to award the necessary contracts for the provision of environmental services from 1 April 2021.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with the completion of the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	14 October 2020
<b>Director / Head of service</b>	Director of people and neighbourhoods
<b>Report subject:</b>	Vehicle lease and future contract awards for Norwich City Services Limited
<b>Date assessed:</b>	30 September 2020

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ensures the award of a contract is timely and achieves best value
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new vehicles will offer improvements in fuel consumption / emissions compared to the current fleet.
Sustainable procurement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The new vehicles will offer improvements in fuel consumption / emissions compared to the current fleet
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## Recommendations from impact assessment

### Positive

The procurement makes use of a procurement framework which achieves best value and contributes to the mobilisation of the environmental services contract by Norwich city services limited.

### Negative

### Neutral

### Issues