	REPORT TO CABINET TO BE HELD ON 15 OCTOBER 2019
	Key Decision YES Forward Plan Ref No: 16
Corporate Priority: Improving The Council	Cabinet Portfolio Holder : Cllr Janet Jefferson

REPORT OF: DIRECTOR (NE) – 19/172

WARDS AFFECTED: ALL

SUBJECT: VEHICLE PARTS FRAMEWORK

RECOMMENDATIONS

Cabinet is recommended to authorise officers to enter into a new four year framework contract with Fleet Factors Ltd for the purchase of vehicle parts and associated items through an EU compliant tender process.

REASON FOR RECOMMENDATIONS

To:

- (a) To ensure an uninterrupted supply of vehicle parts for essential service delivery.
- (b) Comply with EU Public Procurement Regulations;
- (c) Comply with the Council's Financial and Contract Procedure Rules;
- (d) Ensure the appointment of a competent supplier to provide the services;
- (e) Deliver the most cost effective procurement solution for the Council.

HIGHLIGHTED RISKS

- Risk of failing to comply with EU Public Procurement Regulations;
- Risk of failing to comply with the Council's Financial and Contract Procedure Rules;
- Interruption for supply of vehicle parts.

1. INTRODUCTION

- 1.1 The timely supply of vehicle parts reduces vehicle downtime and ensures Council services can be run efficiently.
- 1.2 The annual spend through the current framework on parts for Scarborough Borough Councils vehicle fleet and third party contractual obligations is in the region of £350,000 [exc VAT].
- 1.3 Fleet Factors Ltd was the sole provider on the previous framework and so was the primary route for the supply of vehicle parts for the duration of the previous contract. Competition in this area is limited due to the specialist nature of much of the parts consumed.
- 1.4 In quarter 1 Officers began the process of retendering the provision of parts. This process was completed in August with two suppliers submitting a bid for the work. Fleet Factors Ltd scored highest on a mix of price and quality measures.

2. CORPORATE AIMS

- 2.1 Effective procurement is identified as a key aim toward improving the Council.

3. BACKGROUND & ISSUES

- 3.1 The Council's in house vehicle workshop team undertake the vast majority of work at the Dean Road Depot. As part of the contract for the supply of parts it is expected that the service provider has a physical presence at the site and holds a quantity of stocked parts. This inventory and performance is reviewed periodically between the Vehicle Workshop Manager and our Account Manager. This relationship has worked well for a number of years, with minimal errors and a quick turnaround on parts.
- 3.2 The spend on parts for Scarborough Borough Council is well above EU thresholds and so an EU compliant tender process was conducted.

4. CONSULTATION

- 4.1 Consultation has taken place between other local authorities and other parts suppliers to ensure our arrangements incorporate industry best practice.

5. ASSESSMENT

- 5.1 The Council maintains its operational fleet of vehicles at Dean Road Depot vehicle workshops. A supply of vehicle parts is required to support this maintenance programme.

- 5.2 It is a requirement of the Council's Operator Licence to undertake effective vehicle maintenance, inspection and repair to ensure that operational vehicles are roadworthy. Failure to undertake such works may result in legal implications for the Council and the named Transport Manager.
- 5.3 An effective framework contract for the supply of parts is integral to both maintaining vehicle roadworthiness and reducing vehicle downtime.
- 5.4 The tender process was undertaken in conjunction with the Council's Procurement Team to ensure both the delivery of Best Value together with compliance with the Council's procurement rules.

6. IMPLICATIONS

6.1 Policy

There are no policy issues arising from this report.

6.2 Financial

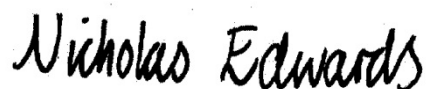
The cost of parts is a large revenue commitment for the Council, and so prudent monitoring of spend is key. The ongoing monitoring of this contract is undertaken by the Workshop and is a key budget heading for regular review by the Service and Corporate Finance.

6.3 Legal

The award of an EU compliant framework contract complies with the Council's Financial and Contract Procedure Rules and with EU Public Procurement legislation.

6.4 Other

There are no other implications arising from this report.



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Risk Matrix

Appendix C

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	Sep 2019	Failure to comply with the Council's Financial and Contract Procedure Rules.	Legal issues, potential impact on image of the Council.	Enter into a new framework in full compliance with procedural rules.	B3	A1	Operations, Transport and Countryside Manager	All
2	Sep 2019	Failure to agree new parts purchasing regime.	Operational issues; failure to undertake repair and maintenance of the Council's fleet; loss of Operator Licence; health & safety breaches; reputational impact	Enter into new framework	E5	A1	Operations, Transport and Countryside Manager	All

Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

Likelihood:

A = Very Low

B = Not Likely

C = Likely

D = Very Likely

E = Almost Certain

Impact

1 = Low

2 = Minor

3 = Medium

4 = Major

5 = Disaster