

CABINET MEETING 15 JUNE 2021

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Procurement of tyres and associated services

Author(s):

Report of the Executive Director of Neighbourhoods

Purpose of Report:

To seek approval to utilise the NEPO Framework for the supply of tyres and associated services.

Description of Decision:

Cabinet is recommended to:

- i) approve the use of the North East Purchasing Organisation Framework for the supply of tyres and associated services; and
- ii) authorise the Executive Director of Neighbourhoods, in consultation with the Portfolio Holder for a Dynamic City and the Executive Director of Corporate Services, to appoint supplier(s) and enter into the necessary contractual documents.

Is the decision consistent with the Budget/Policy Framework?

Yes

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

To ensure that the Council has in place appropriate tyre and associated service arrangements for vehicles so that they can be maintained and operational quickly to ensure effective and efficient service delivery for residents across the City. In accordance with the Constitution, Cabinet approval is required as the contract value exceeds £250,000 in value

Alternative options to be considered:

To go out to tender for a separate contract - this option was considered and rejected as the NEPO framework offers the Council greater choice of tyre suppliers that are in the location of our existing depots and the set pricing of the individual tyres and services is more attractive and value for money.

Impacts analysed;

Equality ☒ Privacy ☒ Sustainability ☒ Crime and Disorder ☐

Is the Decision consistent with the Council's co-operative values? Yes	
Is this a "Key Decision" as defined in the Constitution?	Yes
Is it included in the 28 day Notice of Decisions?	Yes

PROCUREMENT OF TYRES AND ASSOCIATED SERVICES**Report of the Executive Director of Neighbourhoods****1.0 Purpose of the Report**

To seek approval to utilise the North East Purchasing Organisation (NEPO) Framework for the supply of tyres and associated services.

2.0 Recommendations**2.1 Cabinet is recommended to:**

- i. approve the use of the North East Purchasing Organisation Framework for the supply of tyres and associated services; and
- ii. authorise the Executive Director of Neighbourhoods, in consultation with the Portfolio Holder for a Dynamic City and the Executive Director of Corporate Services, to appoint supplier(s) and enter into the necessary contractual documents.

3. Background

- 3.1 The Council has a transport fleet of around 500 vehicles and is responsible for ensuring that a system is in place to ensure that the tyres on all vehicles are legally compliant and are checked and changed when required.
- 3.2 All tyres for the Council's large goods vehicles (LGV's) are checked and changed by the Council's in-house tyre fitters. A rolling imprest stock of tyres is kept at South Hylton Depot.
- 3.3 The light commercial vehicles (LCV's) and horticultural equipment are managed by external sub-contractors who were awarded the contract through a framework established by the Council's Procurement Team.

4.0 Current Position

- 4.1 The Council's vehicles need to be maintained and operational to ensure effective and efficient service delivery. One of the key services that the Council relies on in maintaining its vehicles is the supply of tyres and associated services (i.e. puncture repairs, wheel balancing, replacing valves). It is essential that Council's tyre supplier can respond to service requests quickly and efficiently to keep downtime to a minimum.
- 4.2 During the Covid pandemic the Council's current tyre supplier moved their operation to Gateshead. This change impacted upon the service with poorer response times that increased vehicle downtimes.

- 4.3 A contract review has taken place and has indicated that another alternative option is available through the NEPO Framework. If the Council changes its supplier arrangements to the current NEPO Framework it would allow the Council to have wider options of tyre suppliers whilst ensuring improved value for money and in some instances secure fixed prices for tyres.
- 4.4 The Council currently spends approximately £131,000 per annum on tyres and associated services. The intention is to use the NEPO Framework for the procurement of the contract for next 3 years commencing 1st November 2021. Therefore, the estimated spend through the NEPO Framework will exceed £250,000 and requires Cabinet approval

5.0 Reasons for the Decision

- 5.1 To ensure that the Council has in place appropriate tyre and associated service arrangements for vehicles so that they can be maintained and operational quickly to ensure effective and efficient service delivery for residents across the City.
- 5.2 In accordance with the Constitution, Cabinet approval is required as the contract value exceeds £250,000 in value

6.0 Alternative options to be considered:

- 6.1 To go out to tender for a separate contract – this option was considered and rejected as the NEPO framework offers the Council greater choice of tyre suppliers that are in the location of our existing depots and the set pricing of the individual tyres and services is more attractive and value for money.

7. Impact Analysis

(a) Equalities -

An assessment of Equalities Impact has been undertaken by NEPO as part of the Framework evaluation.

- (b) Sustainability** – All materials will be sourced and managed in line with best practice environmental and waste management practices

8. Other Relevant Considerations / Consultations

- (a) Financial Implications.** Provision exists within the Council's revenue budget for the costs associated with supply of tyres and associated services. The contract costs will be met from this provision.

- (b) Legal Implications** – The Assistant Director of Law and Governance has been consulted. Legally compliant procedures are being pursued.

- (c) Health & Safety Considerations** – All health and safety implications connected to this contract will have been evaluated as part of the NEPO Framework tender evaluation

- (d) Procurement** –The Corporate Procurement Team has been consulted on this and agree that the NEPO Framework is suitable and available to use by the Council for the proposed purpose