

Report to Cabinet

Thursday, 28 September 2023

By the Cabinet Member for Environmental Health,
Recycling and Waste

DECISION REQUIRED

Partially Exempt (Appendix not for publication –
exempt under Paragraph 3 of Part 1 of Schedule 12A
to the Local Government Act 1972)



**Horsham
District
Council**

Supply of Tyres and associated Parts & Services for Horsham District Council & Crawley Borough Council

Executive Summary

The Council is acting as the Lead Authority to undertake a procurement process for the supply and fitting of tyres for all Council vehicles, in collaboration with Crawley Borough Council. This procurement exercise went out as one collaborative tender with two contracts that will be awarded separately.

The contract will commence on 1st November 2023 for a specified term. The purpose of this report is to seek authority to award the contract to the winning bidder following a robust procurement process.

Recommendations

Cabinet is recommended to:

- i) approve the award of the contract for the supply and fit of tyres to the highest scoring bidder on the terms contained in exempt background papers; terms and conditions of the contract and legal clarification log one and three; and
- ii) delegate authority to the Director of Resources in consultation with the Head of Legal & Democratic Services to finalise the terms and conditions of and to enter into the contract with the highest scoring bidder for the supply and fit of tyres; and
- iii) recommend to Council to increase the recycling and waste tyre budget in 2023/24 by £6,600 to cover the expected higher costs under the new contract.

Reasons for recommendations

i) & ii) To obtain authority to award the subject contract to the winning bidder pursuant to a legally compliant procurement process.

iii) Full Council must approve budget changes

Background Papers

Terms and conditions of the contract (exempt)

Legal Clarification log Version one (exempt)

Legal Clarification Log Version three (exempt)

Wards affected: All Wards

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Background Information

1 Introduction and background

- 1.1 There is currently no formal arrangement in place for the supply and fitting of tyres. Therefore, the recommendations contained in this report will regularise the position.
- 1.2 Accordingly, the Council has now affected a legally compliant procurement exercise which has resulted in officers reviewing arrangements to (i) improve contract management, and, (ii) assess the quality of suppliers' provision of goods/services. Improving these arrangements will lead to a greater control over costs during the contract term.
- 1.3 Given that both Horsham District Council and Crawley Borough Council have a need to source a supplier for the supply and fitting of tyres, a collaborative procurement exercise has been undertaken to benefit from aggregation of expenditure.

2 Relevant Council policy

- 2.1 The approaches are compliant with the Council's Procurement Code and supporting policies such as the Sustainable Procurement Charter and achieve value for money.
- 2.2 As part of the procurement process, the organisations which submitted a tender for each contract were assessed on the basis of their approach to a number of factors including health and safety and sustainability.

3 Details

- 3.1 The contract will commence on 1st November 2023 for a specified term.
- 3.2 A full tender process has been conducted. A PIN (Prior Information Notice) was released in July. The intended procurement processes were presented to the Environmental Health, Recycling and Waste PDAG on 13 July 2023. The tender was released 14 July 2023 with a deadline of Friday 18 August 2023.
- 3.3 During the tender preparation process, suppliers raised clarification questions, which were answered. Clarification information was shared with all bidders through the procurement portal.
- 3.4 The Council received bids prior to the deadline of 18 August 2023.
- 3.5 Bids for were evaluated on the basis of the Most Economically Advantageous Tender (MEAT), which combines price and quality. The financial viability of the bids received was assessed by authorised officers from each authority. In addition, service representatives from the councils independently evaluated each bidder's quality submission.
- 3.6 The individual quality scores were presented at a moderation meeting by the service representatives from the Council, which was attended by a Senior Solicitor, and Senior Procurement Officer. The scores were moderated and agreed at this meeting.

- 3.7 The price scores were added to the quality scores to identify the winning Tenderer, who will be awarded the contract should the subject recommendation be approved.

4 Next steps

- 4.1 The contract will be awarded to the winning bidder and all necessary legal documentation will be completed to reflect the award.

5 Views of the Policy Development Advisory Group and outcome of consultations

- 5.1 Key managers including the Transport Manager and Workshop Supervisor responsible for overseeing the contracts were part of the project team and were responsible for defining the requirements. Managers from both collaborating authorities were consulted on the approach to each tender and assisted in the development of the tender documents.
- 5.2 The Director of Community Services and Cabinet Member for Environmental Health, Recycling and Waste were consulted and supportive of the procurement exercise.
- 5.3 The Environmental Health, Recycling and Waste PDAG were briefed on the subject procurement exercise on 13 July 2023 and all attendees were supportive.
- 5.3 The Head of Legal and Democratic Services (Monitoring Officer) and Director of Resources have been consulted, and any recommendations have been incorporated into the report.

6 Other courses of action considered but rejected

- 6.1 A direct award through a framework was considered, but a framework agreement could not be found that included both the incumbent suppliers of the two councils. Therefore, the decision was made to award through an open tender process to ensure either of these suppliers were not discounted entirely from the process. The open route was also considered to provide better value for money and quality. It was also a concern that the Council's specific requirement for access to a 'tyres service portal' online would not be within the scope of any of the Frameworks' specifications.

7 Resource consequences

- 7.1 Collaborating with Crawley Borough Council has the benefit of enabling a larger purchasing consortium that may have the potential to reduce costs for the two Councils.
- 7.2 The resource implications are assessed in exempt Appendix A. The report recommends that an additional £6,600 is added to the waste budget in 2023/24.
- 7.2 The Council will now have the ability to ensure better tyre management by using the digital monitoring portal, tyre positions swapped to even out wear across all tyres, tyres turned on rims and tyre treads re-cut. The Council will be able to monitor work carried out in real-time from the office. This has added on some costs to the contract but will benefit from improved tyre management and security and the extended wear will help pay for this higher cost.

- 7.3 The Council is not expecting any significant cost increases in the future, but external market factors may lead to an increase in the cost of raw materials. Any request for a price increase due to inflationary increases or increases in the pricing of raw materials outside of the supplier's control will be on an annual basis and any increase will be at the Council's discretion and subject to requisite internal approval, where required.

8 Legal considerations and implications

- 8.1 The Monitoring Officer is satisfied that (i) the Council has affected a legally compliant procurement process, (ii) the Cabinet has the authority to approve the award of the contract to the winning bidder, and, (iii) the decision to procure the supply and fitting of tyres sits within the Council's budget and policy framework.

9 Risk assessment

- 9.1 It is considered that there is a low risk of suppliers being unable to supply tyres due to industry wide limitations such as sourcing raw materials. However, we think this has been addressed robustly by the winning contractor.

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes have been overseen by the Council's Senior Procurement Manager and Senior Solicitor ensuring compliance.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 The tender documentation and contract ensure that the resulting contractor has a duty to comply with all equalities legislation and pays due regard to any possible future impacts on human rights.

12 Environmental implications

- 12.1 Suppliers were assessed on their approach to sustainability (for example carbon reduction and neutrality, waste, etc.) as part of the quality evaluation process for each tender. Bidders were also assessed on their provision for Tyre Disposal and any recycling or re-use of the components of your tyres.

- 12.2 The Tyres tender has been designed to reduce the impact on the climate by specifying the use of remoulded tyres where possible. Remoulded tyres save roughly 80% of the materials required to manufacture a new tyre, equating to approximately 68 litres of oil, 44kg of rubber, and 63kg of CO₂ on every casing. The Council purchased 172 remould truck tyres last financial year which saves approximately 11,500 litres of oil, 7,500 kg of rubber and 10,800 kg of CO₂ per annum using remoulded tyres.

13 Other considerations

- 13.1 Prospective suppliers had to demonstrate robust Safe Working Method Statements and successfully demonstrate how they would manage any sub-contractor relationships.