

Executive Decision Making by an Officer with Delegated Powers

Decision to be taken by: Colin Chick and Wayne Bowcock

Report title: Vehicle disposals

The decision	<p>i) To undertake a competitive procurement process, under lot 1 of the North Yorkshire Vehicle Disposal Framework (Reference No: 1174-2015), the purpose of awarding a three year contract for the supply of disposal services in respect of roadworthy emergency vehicles, and to award such contract to the successful tenderer. Such contract shall include an option to extend its term by a period not exceeding two years</p> <p>ii) To undertake a competitive procurement process, under lot 1 of the North Yorkshire Vehicle Disposal Framework (Reference No: 1174-2015), the purpose of awarding a three year contract for the supply of disposal services in respect of roadworthy non-emergency council vehicles, and to award such contract to the successful tenderer. Such contract shall include an option to extend its term by a period not exceeding two years</p>
Background documents	Independent Internal Audit Investigations – Gloucestershire Fire and Rescue Service (GFRS) – 12 th October 2018
Reasons for the decision	<p>The Council is addressing the issues raised in the Audit report regarding the disposal of assets. The procurement proposal set out in this paper is designed, in conjunction with the new Council disposals process being developed by The Council's Finance team, to address the matter of disposing of vehicles that are no longer required by GCC or GFRS. It will provide a straightforward, compliant and transparent process for managing vehicle disposals and achieving best value for money for the Council. Currently the Council has ad hoc arrangements to cover the disposal of assets. In line with Council Standing Orders and Audit recommendations, these arrangements now need to be regularised and a formal documented Policy and process published.</p> <p>The proposed procurement of the two contracts described in this report will enable a transparent and fair disposal process to be adopted in respect of all GCC owned vehicles. It is proposed that, once the two new contracts described in this report have been awarded, officers will produce a detailed step-by-step guidance on the required process for Asset disposal following which a copy of such guidance shall be published on Staffnet to support the council's revised Disposals policy.</p> <p>It is proposed that the new process will also replace internal competitive bidding (which sometimes occurs at present), which has proved to be</p>

	<p>resource intensive and has formed part of the Internal Audit scrutiny. In future any service areas who wish to purchase a surplus vehicle will be informed of the auction and vehicle details and will be required to place bids via the external auction process.</p>
<p>Resource implications</p>	<p>The proposed disposal services contracts will result in income generation for the council. GFRS anticipates that it will sell up to £40K worth of emergency and non emergency vehicles per annum using the proposed new contracts, while GCC's Integrated Transport Unit anticipates that it will sell up to £10K worth of non-emergency vehicles per annum (totalling up to £250,000) over the 5 year term of the proposed two contracts.</p>
<p>Who has been consulted?</p>	<ul style="list-style-type: none"> • Strategic Procurement • Legal • Finance • GFRS • ITU
<p>What were their comments?</p> <p>GCC Procurement view is that it is wholly appropriate to conduct a further competition via the North Yorkshire framework as it will allow minimal resource impact for GFRS & ITU, conducting a further competition for the provision of this service in order to achieve value for money and compliance for procurement goods, services and works.</p> <p>GCC ITU department were asked to review the ITT pack and comments and considerations were fully taken into account and amendments were made where appropriate, ITU fully approve of the further competition.</p> <p>GFRS workshop department were asked to review the ITT pack and comments and considerations were fully taken into account and amendments were made where appropriate, GFRS workshops fully approve of the further competition.</p> <p>Legal Services were satisfied that the procurement route described in this paper is public procurement law compliant provided it is carried out in accordance with the rules of the relevant framework agreement. GCC Strategic finance understand the urgent need for a disposal process and have been working closely with procurement to ensure legal compliance.</p>	
<p>Background/Context</p> <p>The Council has a fleet of vehicles managed by Gloucestershire Fire and Rescue Service (GFRS) and its Integrated Transport Unit (ITU). In line with recent Audit recommendations a legally compliant process is required to dispose of vehicles. The Council may choose to dispose of vehicles which are (a) still roadworthy and have an MOT; or (b) no longer roadworthy and should therefore be sold for scrap value only. This decision paper relates to the disposal by the council (including GFRS) of roadworthy vehicles.</p> <p>Currently both ITU and GFRS dispose of vehicles in an ad hoc fashion with no overarching contracts in place. Following on from the recent Audit report an asset disposal process and vehicle fleet policy is being developed and this procurement will support this.</p>	

The Council has approx. 92 vehicles (correct at 03/03/20) in its fleet and need a compliant route to market for the Disposal of Vehicles that are no longer required or have reached the end of their life.

A separate Procurement exercise will be undertaken later on in the year for the scrapping of vehicles and equipment.

The contracts to be procured will enable disposal of vehicles across the whole of GCC including in particular, GFRS and ITU. This mini competition is expected to deliver the following benefits:

- Providing all GCC & GFRS users with an easily accessible, single source and cost effective means of procuring vehicle disposal by auction
- Achievement of better value for money through the new contracts by aggregating the potential demand across the whole of GCC over a number of years.;
- Promoting sustainability when disposing of vehicles;
- Ensuring traceability and transparency when disposing of vehicles.

Alternative options considered and why they were rejected

Full Open tender – Suitable for a wide range of procurements. This tendering option provides for an open competition with all potential suppliers in the market. All bidders may apply and must be evaluated; potential for the evaluation stage to be resource intensive if a large number of bids are submitted although the procurement timeline can be shorter overall. Do Nothing –Internal Audit (IA) carried out an extensive investigation that included the review of relevant policies, practices, systems and processes, testing the adequacy of those procedures against the requirements of the Council's Constitution and policies and undertook a suite of audit interviews with key officers involved in the disposal of a vehicle which was the subject of a whistle-blower complaint. IA recommended reviewing the effectiveness of the governance arrangements, including the decision making processes, for the disposal and/or transfer of the GFRS's surplus vehicles, seeking advice from GCC as necessary. The proposal to procure contracts for the disposal of vehicles is an output of that review.

Risk Analysis

Having been the subject of an internal Audit investigation it is not an option to carry on disposing of vehicles under ad hoc arrangements.

The proposed procurement will enable the Council to minimise future risks with vehicle disposal by putting in place a contract that underpins a compliant and transparent vehicle disposal process in future.

Equalities considerations

N/A

<p>Has a Due Regard Statement been completed? No</p> <p>A due regard statement has not been prepared, but consideration of the likely equalities impact of the recommended option indicated that there is no disproportionate effect on persons within the protected characteristics groups given that apprenticeships will be open to all groups of staff. Both permanent and fixed term staff will have access to the apprenticeship.</p> <p><i>If 'Yes', please attached the signed Due Regard Statement.</i></p>	
<p>Has any conflict of interest been declared by any Cabinet Member consulted on the decision?</p> <p><i>The council's Monitoring Officer should be consulted, in the first instance, if any conflict of interest is declared by a Cabinet Member.</i></p> <p>If any conflict of interest declared, was a dispensation granted by the Audit and Governance Committee of the Council?</p>	<p>No</p> <p>Date of dispensation:</p>
<p>Does this decision report form or any supporting papers provided contain confidential or exempt information?</p> <p><i>(Refer to Democratic Services Unit for advice if necessary)</i></p>	<p>Yes Independent Internal Audit Investigations – Gloucestershire Fire and Rescue Service (GFRS) – 12th October 2018 <i>If Yes, please provide details of document(s) that are confidential or exempt</i></p>
<p>Does this decision need to be published on the GCC website?</p> <p><i>(Refer to guidance on "Executive Decisions taken by Officers").</i></p>	<p>Yes</p>

In coming to this decision I have given due and full regard to the requirements of the Public Sector Equality Duty contained in section 149 of the Equality Act 2010 ("the Act") by reference to the law itself and also the relevant Due Regard Statement, which was/were prepared in accordance with the requirements of the Act.

Having fully considered all available information, I have decided to reject any alternative options and take the recommended decision(s), for the reasons set out in this report.

Signed

Colin Chick

Director of Economy, Environmental & Infrastructure

Signed



Wayne Bowcock

Chief Fire Officer

Date 07.08.2020

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