


REPORT TITLE: The Purchase of Various (GFRS) Light Fleet Vehicles

<https://glostext.gloucestershire.gov.uk/mgDelegatedDecisions.aspx?&RP=0K=0&DM=0&HD=0&DS=1&Next=true&H=1&META=mgforthcomingdecisions&V=1>

Dates between which decision will be taken	<p>Earliest date: 1st February 2024</p> <p>Latest date: 29th February 2024</p>
Cabinet Member	Cllr Dave Norman - Cabinet Member for Fire, Community Safety and Libraries
Key Decision	Yes
Purpose of Report	To seek approval for the Corporate Fleet Unit (CFU) to use the Crown Commercial Services (CCS) Framework for the purchase of Standard and Specialist vehicles (RM6244), to shortlist, evaluate, and procure the best vehicle option to meet the Council's requirement(s).
Recommendations	<p>That the Cabinet Member for Fire, Community Safety and Libraries delegates authority to the Executive Director of Economy, Environment, and Infrastructure (EE&I) in consultation with the Chief Fire Officer and the Cabinet Member for Fire, Community Safety and Libraries:</p> <ol style="list-style-type: none"> 1. to use the Crown Commercial Services (CCS) Framework for the Purchase of Standard and Specialist Vehicles (RM6244) to select suitable vehicles which meet the Council's specification, using an established CCS selection process to shortlist up to five lowest price vehicle models and to evaluate these and select the best value option(s) for the Council. 2. to award without further competition the various call-off contracts for the supply of these lower volume/value vehicles selected using the process described in Recommendation 1. 3. By way of a reserved option, to use the Crown Commercial Services (CCS) Framework for Standard and Specialist vehicles (RM6244) to conduct mini-competition processes to deliver call-off contracts for the supply of higher volume Gloucestershire Fire and Rescue Service (GFRS) light vehicle types as appropriate. 4. Award such call-off contracts described under Recommendation 3 above to any preferred tenderer(s) as required in respect of any call-off contract(s). 5. To use CCS Framework RM6244 following the expiration of CCS Framework RM6060 and its replacement with CCS Framework RM6244 in early 2023.

	<p>The maximum number of vehicles procured shall not exceed 41 and the maximum total value of that procurement shall not exceed the £1,160,000 of already approved capital funding, without further approval.</p>
<p>Reasons for Recommendations</p>	<p>On 21st September 2022 Cabinet took a decision to procure various GFRS Light Fleet Vehicles through the Crown Commercial Services Framework. Cabinet agreed to:</p> <ol style="list-style-type: none"> 1. Conduct a series of mini-competition processes under the Crown Commercial Services (CCS) Vehicle Purchase RM6060 Framework Agreement in respect of a series of call-off contracts for the supply of up to 41 various type of fleet vehicles, such as Officer, 4x4, ICT, Combi & Maintenance, to meet the business requirements, ensuring that the replacement of vehicles is economically advantageous and meets the requirements of the Council's Climate Change Strategy during the two-year period commencing September 2022. 2. Award such call-off contracts to any preferred tenderer(s) as required. <p>The Framework expired soon after the original approval and was replaced with RM6244. In addition, the original decision paper had multiple projects of differing vehicle types and volumes. Since this decision was taken officers have established that the process agreed by Cabinet could not be implemented using RM6244 as intended because a mini-competition approach would not be suitable.</p> <p>Approval is now sought to:</p> <ol style="list-style-type: none"> a) revise the procurement route to use the updated framework RM6244. b) alter the council's approach to ensure that the authorised procurement approach is compatible with RM6244. Under the revised approach the council will establish a short-list of vehicles, the 'lowest price / most effective match' that meet the core specification will be evaluated and the vehicle assessed as being the most suitable will be procured.
<p>Resource Implications</p>	<p>£2.410 million of capital funding was approved by Council in February 2022 this was to fund the provision of 41 light fleet vehicles (budgeted at £1.160 million) and 3 specialist vehicles (budgeted at £1.250 million).</p> <p>This report relates to the procurement of the 41 light fleet vehicles at a cost of up to £1.160 million.</p> <p>The latest estimate is that this budget is likely to be exceeded by £36k due to the decision to purchase a higher proportion of fully electric vehicles (rather than plug in hybrids) compared to the original assumptions. The capital financing costs associated with this additional borrowing will be funded by a £9k reduction in the</p>

	<p>Corporate Fleet Unit fuel and maintenance cost budget. The cost of fuel and maintenance will reduce as the fleet moves towards more electric vehicles.</p> <p>Electric Vehicle Charge Point (EVCP) installations at Fire Stations will be funded through the EE&I Electric Vehicle Infrastructure Project of £755,000 capital funding. GFRS have 26 site opportunities consisting of an average of 2 double chargers anticipated at each site at approximately £20,000 per site including ground works for the GFRS EVCP's. The remaining budget will be used to install EV charging points at other GCC sites.</p>
Background Documents	<p>Cabinet Decision (21/09/2022)</p> <p>Procurement of Various GFRS Light Fleet Vehicles</p>
Statutory Authority	Statutory duties and functions under the Fire and Rescue Services Act 2004.
Divisional Councillor(s)	All
Officer	<p>Any representations should be sent to:</p> <p>Name: John Townsend (Corporate Fleet Unit Manager) Tel. no: 07557 213424 Email: john.townsend@gloucestershire.gov.uk</p> <p>By 5pm on: 31st January 2024</p>
Timeline	Subject to approval, all vehicle evaluations will be concluded March 2024 for approvals, with orders raised through Feb, March & April 2024. Delivery of service vehicles (subject to availability from suppliers) is anticipated by end of 2024.

Background

- On the 21st of September 2022 Cabinet agreed to authorise the procurement of Various GFRS Light Fleet Vehicles consisting of Response Officer Vehicles, 4x4 Pickup vehicles, Workshop Maintenance Vehicle, Fire IT vehicle & Station Combi Vehicles.
- The vehicle types, numbers and specifications required to meet the operational needs of Gloucestershire Fire and Rescue Service (GFRS) have been confirmed by the Chief Fire Officer. Which the Corporate Fleet unit will aim to deliver to the service as effectively, efficiently, and sustainably as possible. New vehicles will be purchased taking into account whole life cost considerations to ensure they provide best value for money, are the most fit for purpose vehicle and support the aims of the Gloucestershire ULEV, Climate Change and Air Quality Strategies by reducing operational greenhouse gas emissions.
- Business case justification was prepared by GFRS as part of the MTFs process prior to funding being approved by Council in the budget.
- The original route to order the vehicles was to run a series of mini-competition processes under the Crown Commercial Services (CCS) Vehicle Purchase RM6060 Framework Agreement and to award call-off contracts to preferred tenderer(s) as required.

5. This has proved impossible to do, due to the nature of the variety and different numbers of vehicle types required and the format in which RM6244 (Formally RM6060) is set up to be used. However, the Framework Agreement does include an express mechanism which allows the council to shortlist, select and award call-off contracts for the purchase of vehicles which meet our defined criteria.
6. The competition element is achieved by vehicles being made available to us on the framework following input of our requirements and then further evaluation of these vehicles by council officers.
7. The need to run any future mini competitions under the framework would only be required as reserve option for the higher value, higher volume quantities of some of these vehicle types, as necessary.

Options

8. Three options have been considered. Option 1 and Option 2 were rejected for the reason set out below:

a) Option 1 – Do Nothing

To do nothing and continue with current route to purchase would cause further delays and impact on front line services due to the nature of the framework and the way vehicles are purchased not matching our current requirements. Procuring all vehicles in accordance with just the current mini competition route on the CCS Framework RM6244, would restrict the ability to procure and conflict with the process agreed by Cabinet in September 2022.

b) Option 2 - Use of an open competitive procedure

This would mean that any eligible supplier could submit a bid for the work. However, due to the value of the projects and the different types of vehicles required this would require a separate procurement process, involve greater staff resources, and add further time and expense compared with procurement than would be required if the proposed vehicles were to be procured using a framework agreement.

c) Option 3 – To use the Crown Commercial Services RM6244 Framework (as recommended for this report)

- To use the Crown Commercial Services (CCS) Framework for the purchase of standard and specialist vehicles (RM6244) to select various vehicle types, which meet the council's specification by using an established CCS selection process to shortlist up to five lowest price vehicles and to evaluate these and select the best value option(s) for the Council.
- To award without further competition one or more call-off contracts for the supply of these lower volume/value vehicles selected using the process described in Recommendation 1.
- By way of a reserved option, to use the Crown Commercial Services (CCS) Framework (RM624444) to conduct mini-competition processes to deliver call-off contracts for the supply of higher volume/value GFRS light vehicle types as appropriate.
- Award such call-off contracts described under Recommendation 3, to any preferred tenderer(s) as required in respect of any call-off contract(s).

- To use CCS Framework RM6244 following the expiration of CCS Framework RM6060 and replacement with CCS Framework RM6244.
9. The Vehicle Purchase RM6244 Crown Commercial Services Framework Agreement has been specifically developed for use for Local Authorities and Emergency Services and replaces RM6060 which has expired as an option.
10. Using the CCS Framework promotes value for money due to the large discounts on offer. It provides economies of scale that the council may not be able to achieve in isolation if we were to run our own competitive tender process. Using the framework reduces procurement timescales whilst complying with public sector procurement regulations.
11. Option 3 is the preferred option because:
- Option 3 still provides the best value for money and is compliant with public contract regulations. The proposed framework agreement has been developed with aims of best value and increased collaboration to achieve greater efficiencies.
 - Option 3 allows for the council to go forward and procure the vehicles as first identified in the original proposals for the project.
12. The Crown Commercial Services Framework was identified as being the most suitable for the following reasons:
- a simple solution for low cost, low volume, low complexity requirements.
 - a flexible route to market where suppliers can join at any time.
 - it supports the government's Small to Medium size Enterprise (SME) policy.
 - it contributes to the Social Value outcome of increasing supply chain resilience and capacity by creating a diverse supply chain to deliver contracts including new businesses and entrepreneurs, SMEs and VCSEs.
 - it uses a dynamic filtering system, giving customers flexibility based on the common goods and services they want, their SME status, and their location.
 - its dynamic filters ensure that the right suppliers are notified about opportunities relevant to the common goods and services they are able to provide.
 - it is fully compliant with the Public Contracts Regulations 2015, and it aligns with Procurement Policy Note 11/20: Reserving Below Threshold Procurements.

Risks

13. Under the Fire and Rescue Service Act 2004, the Fire Authority has a legal requirement to provide responses to fires, road traffic collisions and promote fire safety.
14. If the ICM is unable to support recommendations for the procurement of replacement of these fleet vehicles, the existing fleet vehicles will become harder to maintain, operational readiness will decline, and they could suffer a terminal failure due to their age exposing the Service and the public and vulnerable users to unacceptable levels of risk.
15. Further delays in procurement of these vehicles will commit higher than necessary maintenance resources and could result in higher vehicle purchase costs, through price index rises, when procurement is ultimately carried out.
16. Not replacing the vehicles would be at odds with our vision & values and would not align with our strategic aims for response and resilience whereby we aim to respond promptly and efficiently to deal with fires and other emergencies when they occur.

17. Operating older and more polluting diesel vehicles would be at odds with the council's climate and public health strategies at a time when the council has agreed targets to reduce its own carbon emissions and support the switch to electric vehicles.
18. Procurement of council fire vehicles through a specialist framework, reduces the risk to the council and GFRS by maintaining legal compliance with Public Contracts Regulations 2015.
19. Vehicle manufacturing lead times are significantly longer than has been the case historically and there is a medium to high risk that the delivery period will be longer than expected.
20. External factors behind this are outside of our control have recently included a worldwide microchip shortage and the impact of the Ukraine conflict on the supply of steel and other internal vehicle components.

Financial implications

21. Funding has already been approved at Full Council in February 2022 as part of the 22-23 MTFS process. The total funding available is £1,160,000 for these vehicles to include any additional equipment and fitments.
22. It is estimated that based on current CCS prices this budget is likely to be exceeded by £36k due to the decision to purchase a higher proportion of fully electric vehicles rather than plug in hybrids. The move to more electric vehicles will result in lower fuel and maintenance costs so this budget will be reduced by £9k pa to fund the capital financing costs associated with this additional capital requirement.
23. There are no charges for using the Crown Commercial Services Framework. There are efficiency savings derived from its use in relation to resources, time, and the management of the tender process. It also satisfies the council standing orders and procurement regulations.
24. All obsolete vehicles will be disposed of in accordance with the council's Asset disposal Policy & Procedure. Large capital receipts are extremely unlikely from very old vehicles and sale process can range from approximately £500 to £8,000. Blue light obsolete vehicles must be disposed using an approved auction method. The vehicles are asset stripped prior to auction for anything that is reusable or could pose a public security risk.
25. The council has agreed £755k of capital funds to invest in electric vehicle charge points on its premises. £20,000 per site from this total budget has been allocated to conduct this at GFRS sites, it will top this up by applying for government workplace charging grants towards installation costs – in effect the provision of, and investment in, charge points will keep pace with the procurement of operational electric vehicles.

Climate change implications

26. The council's vehicle fleet generates a significant proportion of its overall corporate greenhouse gas emissions, so this procurement is a good opportunity to deliver on its 2019 Climate Change Strategy commitment to reduce its own emissions to net zero by 2030. In recent years, the automotive industry has launched many electric and hybrid models in the light fleet segment of the market, providing customers with more choices. The council will be including vehicle emissions in its selection criteria on the CCS Framework and will be seeking to maximise the number of Ultra Low Emission Vehicles in its fleet in order to reduce tailpipe and greenhouse gas emissions.

Ecological implications

Has an Ecological Impact Assessment (EclA) been produced, or will one be undertaken at a later stage?

27. An Ecological Impact Assessment will be produced during 2024.

Equality implications

Has an Equalities Impact Assessment (EqIA) been completed? Yes

28. An Equality impact assessment has been completed and there are no additional Equality Implications with this ICM decision. Cabinet Members should read and consider the Equalities Impact Assessment in order to satisfy themselves as decision makers that due regard has been given.

Data Protection Impact Assessment (DPIA) implications

29. Following a DPIA decision checklist, there are no additional DPIA implications associated with this ICM decision.

Social value implications

30. The Crown Commercial Services contract allows for Social Values and use of electric vehicles improving the environment which form part of the evaluation.

Consultation feedback

31. The Corporate Fleet Unit Manager has consulted the council's strategic procurement and Governance teams on how to procure these vehicles in compliance with CCS Framework rules, and how to re-align the original Cabinet report decision to enable the project to progress. They have helped to flag risks with the original course of action and have provided advice to identify alternative options and shape the recommendations.

Officer recommendations

32. The Chief Fire Officer and Executive Director of Economy, Environment and Infrastructure, based on all the available evidence and subsequent analysis, support the recommendation that the Cabinet member should approve this proposal and the identified procurement route to enable the CFU to continue the process to procure the new light fleet vehicles to replace and supplement ageing vehicles in GFRS.

Performance management/follow-up

33. Regular Project performance management is conducted by GFRS Project Management Group. The project team meet regularly, and it is regularly reviewed and discussed, including highlight reports showing status with actions.

34. The call-off contract that will be drawn up under the CCS Framework will include a number of Service Level Agreements held with the Supplier.

35. Performance will be monitored and discussed at regular meetings with the Suppliers designated Customer Relationship Manager. Underperformance is highlighted and reviewed

with resolution sought and remedial measures put in place by the Supplier as and when necessary.

36. The establishment of a Corporate Fleet Unit means that the council has the capability to:

- provide independent and impartial technical advice and guidance to support the development of a fleet replacement programme and the procurement of vehicles to meet its business requirements, best value for money and social value objectives.
- competitively procure the requirement, as detailed in paragraph 6; and
- provide appropriate challenge to the requirement where necessary; and
- to ensure that climate change and social value are considered in every decision.

37. As part of the CFU Fleet Asset Management plan a number of measures are regularly monitored to assess the age, reliability, emissions, costs, and overall value for money of the council's fleet.