

Item 3

8th November 2018



Glasgow City Council

Contracts and Property Committee

Report by Director of Governance and Solicitor to the Council

Contact: Elaine Galletly Ext: 74653

The Provision of Vehicle and Plant Equipment Recovery Services

Tender Reference :- GCC004487CPU

Purpose of Report:

To submit details of the tenders received for the Provision of Vehicle and Plant Equipment Recovery Services and recommend acceptance of the most economically advantageous tender as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the award of a contract for the Provision of Vehicle and Plant Equipment Recovery Services to the supplier listed below.

MTS Recovery & Repairs Ltd

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Background and Tender

- 1.1 Glasgow City Council's current annual spend for the recovery of vehicles and plant equipment across the city of Glasgow is £90,000 per annum. Following a review of the current contract spend, it was found that this budget was insufficient to cover the full scope of the contract, as the scope did not account for other services required by the council and its ALEOs.
- 1.2 There are approximately 1,100 vehicles and 650 pieces of plant equipment relating to this requirement on the council's fleet list, all of which may require accident or breakdown transport.
- 1.3 The current service provision is covered via an existing council contract (reference GCC003473CPU), which has an option to extend until September 2019. However, due to the increase in expected volumes and the change to the commercial approach, it was considered that the council would achieve better value for money by going back out to tender. Further detail on this is set out in the following paragraphs.
- 1.4 Previously, the commercial model included a fixed priced list based on the type of recovery service, for example the recovery of a car, recovery of a small van or the recovery of an abandoned trailer or caravan. However, following market engagement the decision was taken to change the commercial model to an hourly rate, to be charged based on: the weight of the vehicle; the uplift area (inside or outside the Glasgow City boundary); and for the hire of a recovery vehicle and crew for public safety services or vehicle removal for events within the city, such as the Santa Dash, the Great Scottish Run or concerts or football matches at Hampden, Celtic Park and Ibrox.
- 1.5 The new commercial model provides the same cost control as the current fixed price jobs list as the Council is aware of the costs of the recovery in advance. However, the new model covers additional recovery services that were not accounted for previously, while at the same time aligning more with standard industry practice and supplier cost drivers such as fuel costs, vehicle costs and employee wages.
- 1.6 The additional service provision includes the removal of public vehicles impeding works or access across the city, as well as public safety services for events such as concerts and football matches. The majority of the service provision relates to the latter of these services, movement of vehicles for work or events and public safety services. This can be seen in the historical data on the existing contract, and is reflected in the estimated spend for the new agreement.
- 1.7 The contract will cover the following elements, but does not cover any repair works:
 - Recovery of council vehicles or plant machinery following accident or breakdown and transport to one of the council's strategic depots, or to a facility belonging to one of the council's existing contractors for repair;

- Recovery and moving of public vehicles prior to council works (for example, road repairs) being carried out, or prior to public events taking place;
 - Recovery, storage and disposal of abandoned or un-taxed vehicles from public roads;
 - Provision of hire of vehicles for public safety services and vehicle removal at events, concerts, sports fixtures;
 - Recovery of all council-owned vehicles to a designated council address, or public-owned vehicles to the council's vehicle pound;
 - The supplier must attend all notified locations and recover the vehicle within 1.5 hours of receiving notification, irrespective of when and where the vehicle is broken down, or at what time the call is received by the supplier; and
 - All associated record keeping, communication and police liaison required as part of the services outlined above.
- 1.8 The contract will cover the full fleet list for the council and its ALEOs and can be used by any service within the council family, with the exception of City Building Glasgow who have their own contract arrangement.
- 1.9 A commodity team consisting of stakeholders from LES, LES Parking, City Parking, Cordia and Community Safety Glasgow (CSG), along with a representative of the CPU, was formed to develop the strategy and deliver a new contract.
- 1.10 Given the nature of the recovery services required and the value against the contract, it was decided that a single lot was the most appropriate route for the tender. Jobs under the contract will be carried out on an as required basis and the volume is such that it would be possible for SMEs to have the capacity to meet the contract requirements. On this basis, a single lot would therefore not preclude SMEs from bidding for the work.
- 1.11 It was agreed that an open tender process would be the most appropriate method to deliver this contract. The opportunity was advertised via the Official Journal of the European Union and Public Contracts Scotland.
- 1.12 The period of the contract is 3 years. There is an option for one extension for a period of up to 12 months. This is reflective of the need for greater budgetary control and ensuring that all work carried out on the contract falls under the scope of the contract, as well as the potential for these services to be carried out either in house, or as part of another contract in the future.
- 1.13 As part of the open tender process, 9 suppliers accessed the tender on Public Contracts Scotland – Tender. Of the 9, 2 suppliers submitted a response to the tender, with the remaining 7 not responding.
- 1.14 Of the 7 suppliers, only 2 formally gave feedback on why they did not bid, citing that the work fell outside of their core business and an uncertainty that they would be able to meet the full scope of requirements for the contract. This related to the range of vehicle sizes, weights and types covered by the contract

and the requirement for varied recovery equipment and vehicles to meet the scope of the contract. In these cases, the suppliers who declined to respond were small- and micro-sized organisations, without the type of equipment required.

1.15 The award evaluation was based on the following criteria:-

Price	Quality	Quality Sub Criteria
60%	40%	Service Delivery – 20%
		Sustainability – 10%
		Fleet Profile – 5%
		Fair Work Practices (including the Glasgow Living Wage) – 5%

1.16 The lot will be awarded on the basis of a sole supplier appointment.

1.17 The evaluation of award criteria and the scoring of the supplier recommended for award is shown in the table below:-

Description	Supplier	Total Evaluation Score	Value (per annum)	Rank
Vehicle and Plant Equipment Recovery Services	MTS Recovery & Repairs Ltd	78.5	£133,000	1

A summary of the unsuccessful tender evaluation results can be found at Appendix A.

1.18 The contract will commence on 3 December 2018. LES will monitor the supplier's day to day operational performance. Overall contract and supplier performance will be managed by the CPU.

1.19 The new contract should result in reduction in costs against the current contract. These can be seen in Section 3. Any savings will be tracked against historical spend data for all the services within the scope of the contract and against the overall budget of £133,000 per annum.

1.20 Further savings are more difficult to estimate due to the change in approach of the commercial model for the new contract. Given the charge against an hourly rate for individual jobs instead of a fixed price, there may be additional savings where jobs take a shorter time, and are therefore cheaper than the fixed price. Although there are jobs that may be charged for longer than from the jobs list, the average price of the individual job will be in line with the new hourly rate, based on historical data.

2 Policy and Resource Implications

Resource Implications:

Financial:

There is a financial reduction in rates from the previous contract, as detailed in section 1.19-1.20, though it is difficult to determine the overall net gain due to the changing commercial model and services.

The estimated savings are 4% on the current hourly rate for recovery vehicle hire, as well as an estimated £18,000 saving for the event hire services themselves.

The new contract makes provision for the supplier to generate and provide Management Information for the contract on a monthly basis which will assist with spend reporting and tracking.

The contract will be funded from the LES revenue budget.

The council will work closely with the supplier and client to ensure best value and to reduce future costs against the contract.

Legal:

The Contracts and Property Committee will be required to conclude the Contract.

Personnel:

There are no direct personnel implications for this project.

Procurement:

An open tender process as outlined in section 1.11 of this document.

Council Strategic Plan:

The project supports the following themes:

- 1 A Thriving Economy (Priorities 4 and 5)
- 2 A Sustainable and Low Carbon City (Priority 61)

The preferred bidder is classed as an SME (small company) with 40-50 employees.

The specification and the contract will both monitor supplier performance in the area of sustainability and reduce environmental impact. The sustainable elements that will be monitored during the contract will include the age profile of the supplier's fleet, improvements in sustainability performance of the supplier's overall operation and the environmental performance of recovery vehicles. The supplier will also be invited to take part in the council's fleet recognition scheme ECO Stars, which assists organisations in promoting and maintaining more efficient & cleaner operations for HGVs.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-22

The proposal supports best practice in the procurement of goods and services.

<https://www.glasgow.gov.uk/CHttpHandler.ashx?id=43289&p=0>

What are the potential equality impacts as a result of this report?

There are no significant impacts identified at this point. As noted below under sustainability we encourage our suppliers to adhere to Fair Work practices.

Please highlight if the policy/proposal will help address socio economic disadvantage.

For the social benefits of this tender, please see the section below.

Sustainability Impacts:

Environmental:

Suppliers were evaluated as part of the Quality criteria on their sustainability processes for both their operations and how they would carry out the services on the contract. A further criteria evaluated the current fleet profile of the supplier to understand the environmental performance of vehicles to be used on the contract.

The supplier will be expected to work closely with the council to streamline current working practices and to reduce environmental impact of the contract.

Social, including Article 19 opportunities:

Community Benefits were added to the tender as a mandatory, non-evaluated criteria. The recommended supplier offered the following outcomes:

- New Entrant – Modern Apprentice x 2
- New Entrant – New Job x 1
- Careers Event, Industry Awareness Days or Workshops for school pupils or college students x 1
- Workplace Visits for school pupils or college students x 1
- School Mentoring or Enterprise Programme x 1
- Vocational Training (S/NVQ or equivalent) x 1
- Non-financial support for communities x 1

In addition, suppliers were evaluated on Fair Work Practices as part of the tender.

The recommended supplier will be required to ensure that Fair Work Practices are adhered to throughout the contract, including statutory employment legislation such as the Equality Act 2010, the Working Time Regulations 1998, the Health & Safety at Work etc. Act 1974, and the Pensions Act 2014.

The winning bidder has confirmed that they and any other organisations involved in the delivery of the contract do not use zero hour contracts, have equal opportunity policies in place and exceed the Glasgow Living Wage for all of their employees.

Economic:

A streamlined service for vehicle recovery and for the movement of vehicles for works and events across the city will enable services to be carried out

efficiently and in the most cost effective manner possible.

Privacy and Data Protection impacts:

No data protection impacts identified.

3 Recommendations

The Contracts and Property Committee is requested to approve the award of a contract for the Provision of Vehicle and Plant Equipment Recovery Services to the supplier listed below.

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Appendix A: Unsuccessful Tenderer`s Scores

Supplier	Total Evaluation Score	Rank
M8 Recovery Ltd	76.4	2