

Report to Cabinet

23 March 2022

Subject:	Contract for tyres and tyre related services
Cabinet Member:	Cabinet Member for Environment Councillor Ahmad Bostan
Director:	Director of Borough Economy Alice Davey
Key Decision:	Yes Above £250,000
Contact Officer:	Waste and Fleet Service Manager Gary Charlton Gary_Charlton@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to access the Yorkshire Purchasing Organisation (YPO) Framework 001009 Tyres for Motor Vehicles, Plant and Related Services to conduct a further competition and put in place a call off contract for 4 years, starting 01/07/2022 and ending on 30/06/2026, at a cost of approximately £345,000 over the next 4 years funded from the annual transport budget of £1.2m.
- 1.2 That in connection with 1.1 above, the Director of Borough Economy be authorised to award contracts for the provision of Tyres and tyre related services.
- 1.3 Authorise the Director Law and Governance – Monitoring Officer to execute any documentation necessary to enable the course of action referred to in 1.1 above to proceed.
- 1.4 That any necessary exemptions be made to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to in 1.1 above to proceed.





2 Reasons for Recommendations

- 2.1 Yorkshire Purchasing Organisation (YPO) will conduct a further competition on behalf of the Council, offering a quick route to market and reducing the amount of resources required when compared to conducting a full internal procurement exercise, whilst maintaining compliance with procurement regulations. This will allow resources to be deployed elsewhere as the council continues its recovery from COVID.
- 2.2 The Council will maintain the ability to fully customise the contract specification, requirements and length, to the same extent as if it were to conduct an internal procurement exercise. This will ensure the contract meets the needs of the Council for the full term of the call off contract.
- 2.3 A four-year call off contract will ensure costs are kept consistent for a good length of time and allow for accurate long-term cost projections of current and new vehicles, plant or machinery. Consistent prices allow for accurate fleet life costs.
- 2.4 The Council operates and maintains just in excess of 1,200 vehicles, plant and equipment. Of these items, 700 require tyres of various types or a tyre related service to remain compliant with legislation, operational and safe to use. These vehicles, equipment and plant require 24/7 callout coverage at locations across and outside of Sandwell borough, from the vast road network (motorways, 'A' roads and town roads) to depots and off-road locations such as Sandwell Valley, Forge Mill and various cemeteries.
- 2.5 When benchmarking the current contract expenditure to the three accessible frameworks (YPO, ESPO and CCS), the following annual savings were identified:
- ESPO - £4,225 (10%)
 - YPO - £12,820 (31%)
 - CCS - £13,038 (32%)

Although CCS has the highest savings, the framework only has 3 accessible suppliers when compared to the 7 of YPO, making the YPO framework a more competitive arena.



3 How does this deliver objectives of the Corporate Plan?

	<p>Strong resilient communities – Clean and Green This contract encompasses items of fleet that maintain Sandwell’s greenspaces and parks. Minimising the downtime of these items due to punctures and tyre repairs enables the sections to maintain Sandwell’s greenspaces and parks.</p> <p>Ensuring all tyres that are removed early in their service life due to punctures, cuts and damage are repaired (where possible) and returned into service, maximising their service life and reducing the number of tyres for disposal.</p>
	<p>Quality homes in thriving neighbourhoods – A home for Everyone This contract encompasses items of fleet that are used for housing repairs. Ensuring a consistent high-quality service will minimise downtime of these items, giving services areas and the Council the fleet, they require to deliver this objective to the residents of Sandwell.</p>

4 Context and Key Issues

- 4.1 The current contract with Direct Tyre Management was put in place following a further competition conducted by Eastern Shires Purchasing Organisation (ESPO). This contract has been very successful in delivering the services required and maximising value for money by ensuring tyres are used for their full-service life through methods of repair and re-use.
- 4.2 Contract monitoring will be undertaken by Fleet Services in consultation with the Corporate Procurement Services.

5 Alternative Options

- 5.1 The Council could undertake an internal procurement exercise. This would require the allocation of resources from Procurement Services and will take additional time due to current workloads.



- 5.2 Fleet Services could undertake the replacement of tyres and tyre related services internally. This would require purchase of equipment and specialised vehicles, the procurement of a tyre supplier, the creation of new posts, recruitment for the new posts as well as training for current employees to undertake this duty.
- 5.3 The Council could make use of the direct award option available within the frameworks. This would not ensure best value for money is obtained and will not ensure a consistent level of service.

6 Implications

Resources:	The cost of the tyre and tyre related services is estimated at £86,250 per year over the next four years funded from the £1.2m Transport budget.
Legal and Governance:	The further competition through YPO will ensure the contract awarded will be in compliance with all current Public Contract Regulations, the Council's Procurement and Contract Procedure Rules.
Risk:	The corporate risk management strategy has been complied with to identify the risks associated with the recommendations being sought. No red risks have been identified. For the risks that have been identified, measures have been/ will be put in place to mitigate the risks to acceptable levels.

7 Appendices

None

8 Background Papers

None

