



Executive
17 August 2011

**Report from the Director of
Environment and Neighbourhood
Services**

For Action

Wards Affected: ALL

Authority to establish a framework agreement for the provision of a leased maintained vehicle fleet and to establish call off arrangements

Appendix 3 of this report is not for publication

1.0 Summary

- 1.1 This report requests authority to establish a single-supplier Framework Agreement for Brent Transport Services for the provision of vehicle maintenance services and for the supply and maintenance of new vehicles, as required by Contract Standing Order No 88. This report summarises the process undertaken in tendering these requirements and, following the evaluation of the tenders, recommends which supplier should be appointed to the Framework Agreement.
- 1.2 The report also advises Members of a short review presently being undertaken to confirm Brent's future requirement for the passenger transport services provided by Brent Transport Services (BTS).

2.0 Recommendations

- 2.1 That the Executive agrees to the establishment of a four-year Framework Agreement with Translinc Ltd as sole supplier for (1) maintenance of existing fleet (2) supply and maintenance of new vehicles, which can also be accessed by other members of the West London Alliance group of local authorities.
- 2.2 That the Executive delegate to the Director of Finance and Corporate Services in consultation with the Director of Environment and Neighbourhood Services the decision to approve the award of a 4-year call-off contract for the maintenance of the existing Brent fleet to Translinc Limited in the estimated contract sum of £1.1million following completion of the review of future requirements described in paragraphs 3.39 – 3.41 of the report.
- 2.3 That the Executive delegate authority to the Director of Environment and

Neighbourhood Services to approve individual call-off contracts with Translinc Ltd for the supply and maintenance of new leased vehicles during the course of the framework agreement.

3.0 Detail

Background

- 3.1 Brent Transport Services (BTS) provides passenger transport services for children and young people with Special Educational Needs and for Adult Community Care clients. These services are provided using a mix of contracted and in-house transport services, procured and managed by BTS, with BTS also being responsible for the maintenance of the in-house fleet. In addition, BTS is responsible for the procurement, provision, fleet management and maintenance of vehicles used by various Council departments (eg Parks, Library Services, Highways etc).
- 3.2 All maintenance of BTS vehicles - including those loaned/leased to other Council departments is currently carried out at the BTS workshop at Hirst Hall by the BTS Workshop Manager and 3 fitters. The workshop outsources work which it cannot undertake within its own capability/resources.
- 3.3 Historically, new vehicles have been acquired by BTS through a variety of means, including outright purchase and leasing through prudential borrowing, according to the availability of funding at the time. However, this approach - whereby, typically, only 5 new vehicles were acquired each year - has not kept pace with the need to replace an average of 15 vehicles each year (allowing for an average service life of 10 years across a fleet of 150 vehicles). The BTS fleet currently comprises 144 vehicles of which 122 are owned outright and 22 leased. More than 40% of the fleet has exceeded its normal service life, being more than 10 years old, and is in urgent need of replacement. An additional 33 vehicles, outside the BTS fleet but used in various Council departments, were also included within the scope of this procurement exercise to provide an alternative supply and maintenance option for these departments in future if it proved advantageous.
- 3.4 61 of the current BTS fleet are not compliant with the London Emission Zone (LEZ) regulations that come into effect on 1 January 2012. The LEZ regulations will impose a cost penalty of £250 per day of operation for each non-compliant vehicle used on London's roads after 1 January 2012.
- 3.5 All non-compliant vehicles for which there is a continuing requirement must therefore either be replaced or modified at an estimated cost of £4,000 per vehicle, where this is possible. Clearly it would not be cost effective to modify vehicles that are at the end of their service life and which will have a residual value with the modification of less than £4,000 to meet this deadline only then to replace them shortly thereafter.

Options Appraisal

- 3.6 Northgate Public Services (NPS) were appointed by the Council in July 2008 to implement the Modernising Transport project. In their initial review, NPS highlighted the need for a structured and informed vehicle replacement strategy adopting strategic sourcing methodology to ensure value for money. NPS recommended that a full Options Appraisal for the future provision and maintenance of the fleet should be undertaken. This Options Appraisal was carried out in 2009 and considered a range of options from outright purchase of new vehicles, to leasing and in-house maintenance, and leasing with outsourced maintenance. The Appraisal was completed in June 2009 and recommended that the fleet should be replaced progressively on a lease-with-maintenance basis (otherwise known as contract hire), with the maintenance of the existing fleet also being outsourced until the fleet was fully replaced under the new arrangements.
- 3.7 Analysis of the BTS in-house maintenance costs indicated that these were higher than could be expected if maintenance was outsourced to a lease provider. It was also noted that whilst the lease option was only marginally cheaper than outright purchase on a 10-year discounted cash flow basis, the leasing option would avoid the need for a large initial capital investment to replace the large number of vehicles that had already exceeded their service life. The appraisal concluded that it was essential to take a long-term strategic view of the management and replacement of the fleet to ensure that BTS could continue to meet its service obligations with a properly-funded, efficient, modern fleet. The lease-with-maintenance option was subsequently endorsed by the Strategic Steering Group for the Modernising Transport Project as the preferred procurement option and was agreed by the Executive on 14 December 2009.

Authority to Tender

- 3.8 In preparing a request to the Executive for Authority to Tender, consideration was given to making the proposed vehicle sourcing and maintenance arrangements available to other Borough members of the West London Alliance. It was decided that this could be achieved by seeking the establishment of a Framework Agreement in 2 Lots:

Lot 1 - Maintenance of Existing Fleet

Lot 2 - Supply and Maintenance of New Vehicles

This configuration would enable WLA members with an existing fleet to access both Lots to manage the transition from an existing fleet maintained in-house to a new contract hire fleet, as required in Brent, if they wished to do so. Alternatively, WLA members could access Lot 2 only where only contract hire was required. Unfortunately, it was not possible to configure the proposal to also allow for the supply of vehicles only without maintenance provision, although this was not a Brent requirement in any case. It was decided that both Lots should be provided by the same provider such that maintenance could be provided efficiently for both existing vehicles and those acquired under contract hire. Moreover, this arrangement would facilitate decisions about the optimal point at which to replace existing vehicles.

- 3.9 The need to seek a Framework Agreement to enable WLA members to access the terms offered dictated that the length of the Agreement could not exceed 4 years. However, this would not dictate the length of vehicle leases which would be optimised on a 'best value' basis and could be for periods ranging from 3 to 10 years. At the end of the 4-year period a new Framework or contract could be let for the ongoing maintenance of vehicles remaining from the existing fleet, for maintenance of vehicles supplied by the initial Framework provider, and for the supply and maintenance of new vehicles procured by BTS.
- 3.10 A report was presented to the Executive on 14 December 2009 seeking approval for the proposed Future Acquisition Strategy for the Brent Transport Services Fleet and Authority to Tender for Provision of a Leased Maintained Fleet, based on the arrangements described at paragraph 3.7 above. In addition, the report noted the following key points:
- a. Operating Leases. It would be essential to ensure that leasing terms proposed by tenderers passed the CIPFA/IFRS tests for consideration as operating leases rather than finance leases. This would ensure the fleet could be funded from revenue rather than being treated as assets in the Council's balance sheet.
 - b. TUPE. It would be likely that TUPE would apply in relation to the 4 Council staff employed in the BTS workshop as the proposed Framework Agreement would require the provider to carry out maintenance services for the existing fleet and for new vehicles on a contract hire basis.
 - c. Funding. It was noted that the indicative costs of the proposed leasing and maintenance of the BTS fleet would rise progressively over a 10-year period as the existing fleet was replaced by new vehicles and the legacy of failure to fund the regular replacement of the fleet in previous years was overcome.
 - d. Workshop Location. It was not intended to mandate the use of the existing BTS workshop at Hirst Hall by the contracted provider, although the operational benefit in having some or all of the required maintenance activity carried out on-site was recognised. Nevertheless, in considering where the maintenance activity would be conducted in future, tenderers would need to take account of the likely TUPE obligation with regard to the transfer of BTS workshop staff to the provider.
- 3.11 The recommendations of the report to the Executive were agreed and authority to proceed to tender was granted.

Tender Requirements

- 3.12 Tender documents were prepared by NPS and BTS in conjunction with the Council's Legal and Procurement departments to take account of the requirements described above.

- 3.13 Specification. A detailed Specification was prepared covering the requirements of both Lots, and taking into account the extensive operating knowledge of BTS drivers, passenger attendants and workshop fitters, and the broader experience contributed by NPS. Wherever possible the Specification was not prescriptive so as to enable and encourage tenderers to offer optimal best-value solutions. Other requirements such as the need to meet the latest current and known future emissions standards were mandated as considered necessary.
- 3.14 Vehicle Availability. The Specification stressed the importance of a high level of vehicle availability to the efficient operation of BTS' passenger services and placed the onus on the contractor to provide replacement vehicles as required to ensure this without additional cost to BTS, except where vehicles had to be withdrawn due to misuse, accidents etc. The Specification required the contractor to adhere to service levels contained in a schedule of Key Performance Indicators to be agreed at the pre-contract stage.
- 3.15 Lease Period. Tenderers were invited to recommend a lease period for vehicles that would offer optimum value for the Council in terms of monthly leasing charges within an allowable span of 3-10 years. The Specification and Evaluation Document also made it clear that tenders would be evaluated in terms of whole-life cost to the Council, taking into account excess mileage charges and early termination penalties, as well as the monthly leasing charge, maintenance charges and additional cost charges for unfair wear and tear.
- 3.16 Pricing. Tenderers were required to complete a number of pricing schedules as follows:
- a. Generic monthly maintenance prices for a range of common vehicle types. These prices were required to provide a basis for pricing maintenance of existing fleets in Brent and in other WLA member Boroughs if required.
 - b. Specific monthly maintenance prices and additional cost charges for the vehicles in the existing Brent fleet.
 - c. Monthly prices for contract hire of vehicles required by Brent using conventional diesel engines.
 - d. Monthly prices for contract hire of vehicles required by Brent using 'alternative' fuels (see para 3.17 below).
- 3.17 Environmental Considerations. Brent Council wishes to minimise the adverse impact of its activities on the Environment and to minimise its carbon emissions wherever it can. BTS has already contributed to this through more efficient use of its fleet by better routing and scheduling and increasing vehicle utilisation. However, the current fleet, particularly those vehicles at the end of their service life do not meet the latest standards for fuel efficiency or emissions. In considering the required Specification for replacement vehicles, a high-level review of current vehicle technologies was undertaken by BTS. This review

noted that improvements in what might be called 'conventional' diesel-powered light commercial vehicles – of the type comprising the majority of the BTS fleet - were being made continuously, driven by ever tighter EU and UK emissions standards. On the other hand, there remained significant comparative cost penalties in acquiring, operating and maintaining almost all light commercial vehicles powered by 'alternative' fuels – such as electricity, biogas, hydrogen, compressed natural gas etc - that were becoming increasingly available in the market place and developing at considerable pace. Moreover, it was also clear that whole-life operating cost comparisons between such competing technologies are highly sensitive to the prevailing subsidies and tax regimes that may be applied by Government. Therefore, the Specification required tenderers to offer 'conventional' vehicles to meet the Council's general requirements and that would meet the highest current and anticipated EU (Euro V) and local emissions standard and, in addition, to offer such 'alternative' vehicles that they considered to be viable solutions for the Council's requirements, albeit at possible additional cost. It was made clear that the Council would take tenderers' offers of 'alternative' vehicles into account in the evaluation of tenders, that it would reserve the right to request the supply of such alternatives in lieu of conventional vehicles if it wished to do so, and that it reserved the right to specify new 'alternative' vehicles that might become available in the market during the period of the Agreement, if it was advantageous to do so.

- 3.18 Use of BTS Workshop. Tenderers were offered the use of the BTS workshop at Hirst Hall on a sub-lease basis at a proportionate rent, this having been agreed with the site landlords. Additionally, tenderers were offered the use of equipment and tools in the workshop on a licence basis.

The tender process

- 3.19 It was originally proposed to tender for a 4-year Framework Agreement, commencing in July 2010, by using a two-stage restricted tendering process and in accordance with the provisions of the Council's Contract Standing orders, Financial Regulations, and the provisions of the EU Public Procurement Regulations.
- 3.20 Advertisements were placed in the Official Journal of the European Community (OJEU), the trade press and the local paper in January 2010 to seek initial expressions of interest. Pre-Qualification Questionnaires (PQQ) were sent out and 16 companies returned completed PQQs.
- 3.21 Eight companies were shortlisted in March 2010 to receive Invitations to Tender (ITT).
- 3.22 Issue of ITTs was then delayed by the need to consider options for the future provision of drivers and passenger attendants for BTS, taking account of the potential financial impact of implementation of the Agency Workers Regulations in October 2011. As one possible option was to consider outsourcing the entire provision of BTS services, it was not possible to proceed with the issue of ITTs for the fleet procurement until the way forward for future staffing of BTS was determined. It was later agreed to tender for a Managed Service Provider for

staff at BTS and this tender was awarded following Executive approval in May 2011. As a result of this and the later need to develop an acceptable approach to pricing and tender evaluation, the issue of ITTs was delayed until 3 December 2010 with a return date of 21 January 2011.

3.23 As required by Standing Order 89, the December 2009 Executive approved the headline evaluation criteria. As the procurement progressed it became necessary to supplement these in relation to lot 2 especially to ensure that sufficient detail was received. The tendering instructions stated that the Framework Agreement would be awarded on the basis of the most economically advantageous offer to the Council and that, in evaluating tenders, the Council would have regard to the following:

- Price - weighting 60%
- Quality - weighting 40%

These criteria were further sub-divided as follows:

Price:

- Repair & Maintenance Monthly Charge (Lots 1&2)
- Additional Cost Charge (Lots 1&2)
- Vehicle Lease Monthly Charge (Lot 2 only)
- Excess Mileage Charge (Lot 2 only)

Quality

- Service Levels
- Environmental Issues
- Clear Management Procedures
- Fleet Maintenance Procedures

The first table in appendix 1 shows the headline criteria together with the more detailed sub-criteria that were decided upon following the Executive meeting, and this table was communicated to tenderers within the Council's evaluation methodology document. The second table in appendix 1 show the sub-criteria as presented on the evaluation sheets used for marking the tenders, and again this was communicated to tenderers within the evaluation methodology.

3.24 For the quality evaluation, tenderers were required to submit vehicle specifications to meet the Council's requirements (including environmental alternatives) additional information providing details of their proposed arrangements for performing the services in the form of Method Statements covering:

- Inspection, Maintenance and Repair
- Workshop Staff Availability, Competence and Training
- Contract Management

The information within the method statements was then to be used to feed into each evaluation criterion listed above.

3.25 Tenderers were invited to visit BTS in the course of preparing their tenders for the specific purposes of viewing the BTS workshop and facilities and inspecting the current BTS fleet and associated vehicle documentation and service records.

Evaluation process

3.26 The tender evaluation was carried out by a panel of officers from the Council with representatives from Finance and Procurement as well as BTS and NPS.

3.27 All tenders had to be submitted no later than 21 January 2011. Tenders were opened on 21 January 2011 and 4 tenders were received. Copies of the tender submission were made available to each member of the evaluation panel. Each member of the panel evaluated the tenders using evaluation sheets (Appendix 1) to assess how well each of the award criteria was addressed.

3.28 During the course of the evaluation it was deemed necessary to seek written clarification from each of the tenderers regarding matters such as lease agreements, TUPE proposals and pension arrangements. In assessing the tenderers' responses it was decided by the panel that the tender submitted by one of the suppliers, was non-compliant and was not considered further. This was because the tenderer had not submitted a bid on the basis that TUPE applies.

3.29 Prices. Prices for Lot 1 were evaluated by summing the maintenance costs proposed by each tenderer over the period of the contract for each vehicle in the current BTS fleet until its due replacement date and scoring each total proportionately. Additionally, the proposed additional cost charges for each tenderer were scored proportionately. The scores for each price element in Lot 1 were then added according to a preagreed weighting. For Lot 2, prices were evaluated by summing the contract hire costs proposed by each tenderer for each vehicle that would be replaced during the life of the Agreement and scoring each total proportionately. The proposed additional cost charges for each tenderer were scored proportionately. Additionally, the excess mileage charges proposed by each tenderer were applied to historic mileage data for each vehicle to provide a relative indication of excess charges that was then scored proportionately. The scores for each price element in Lot 2 were then added according to an agreed weighting. Finally, the scores for each Lot were added in proportion to the anticipated contract value for each Lot to arrive at a single total score for each tenderer.

3.30 Quality. The panel met on 1 February 2011 and each submission was marked by the whole panel against the Quality criteria using the table shown at Appendix 1. For the purpose of the evaluation, the ratio of Lot 1 value to Lot 2 value was calculated on a ratio of 1:5.

3.31 Scores. The scores received by the tenderers are tabulated at Appendix 2. The scoring was carried out in accordance with the evaluation methodology communicated to tenderers

3.32 Workshop. During the course of the evaluation it was noted that all 3 compliant

tenderers proposed to use the BTS workshop to carry out maintenance activity.

- 3.33 Maintenance Costs. In addition to stating the monthly maintenance cost of maintaining Brent's existing vehicle fleet, tenderers were required to show the monthly cost of maintenance for replacement vehicles separately from the lease costs and to state the additional cost charge for unfair and wear tear repairs and maintenance. These maintenance costs were used to validate the recommendation of the previous Options Appraisal to seek an outsource solution for vehicle maintenance. The analysis showed that, whilst the initial cost of maintenance of the existing fleet undertaken by Translinc will only be slightly lower than the current maintenance costs in the first year of the Agreement, these costs will fall rapidly as the vehicle fleet is progressively replaced from mid-way through the first year of the contract. Over the life of the contract, the total outsourced maintenance costs are estimated to be 10-15% lower than the current in-house maintenance cost even when the more limited servicing and maintenance requirements of the newer vehicles are taken into account. Finally, it is considered that placing the maintenance responsibility with the lease provider has the added benefit that the contractor has a vested interest in maintaining the vehicles to a high standard to preserve the resale value when the leases expire. Taken together it is concluded that outsourcing the servicing and maintenance of the existing and replacement vehicles to the vehicle lease provider remains the preferred solution.
- 3.34 'Alternative' Vehicles. It was noted that two of the three compliant tenderers had not proposed any 'alternative' vehicles (see para 3.14 above) - one stating that their own market researches suggested that there were currently no such 'alternatives' that could be considered as viable alternatives for the Council's requirements. Translinc has offered a small number of electric vehicles as 'alternatives' to some smaller vehicles in the fleet. However, these vehicles carry monthly contract hire charges which are 4-5 times higher than the 'conventional' vehicle offered. Even allowing for minimal fuel costs for the electric vehicles, the total annual cost of operating such vehicles would still be 3-4 times higher than that of the 'conventional' alternative (typically, £14,000 versus £3,000 for a small estate car). Nevertheless, the options are available within the Framework if the Council wishes to bring such vehicles into use for environmental reasons. Moreover, the Framework Agreement allows the Council to opt for other 'alternative' vehicles that may become available at more advantageous rates during the life of the Agreement if it wishes to do so.
- 3.35 The Translinc Limited tender scored highest in the quality assessment; the submission demonstrated advantages as follows:
- **Early Termination Policy and Excess Mileage Charges:** Translinc Limited offered the most flexible solution which represented the best value for money to the Council in regard to early termination of the vehicle leases and excess mileage charges.
 - **Inspection and Repair:** Translinc's proposal detailed how they would meet all Legal requirements as well as manufactures recommendations on servicing. Additionally vehicle spot checks would be carried out to identify

misuse/neglect of vehicles at an early stage to prevent further damage. .

- Competence/continuity of workshop staff. Translinc Limited provided details of additional training and qualifications for existing staff if required in order to meet the service standards; skills gaps will be identified during induction process and staff will be required to achieve NVQ L3.
- 90 minute breakdown policy: Translinc Limited guarantee a 90 minute response time for breakdown recovery's, utilising a combination of workshop resources during usual business hours, RAC provision on a 24/7, 365 days basis or for larger or more specialised vehicles, a specialised 3rd party contractor.

3.36 Accordingly the Executive is requested to approve the appointment of Translinc Ltd (Supplier B) to the Framework Agreement for the supply and maintenance of vehicles.

3.37 The framework will commence in September 2011 subject to the Council's observation of the requirements of the mandatory standstill period.

3.38 In relation to the Council calling off from the framework for its own requirements, the Executive are being requested to approve a call-off contract for the maintenance of the existing Brent fleet, to start at the same time as the framework. This will run for 4 years so as to be co-terminous with the framework. In relation to lot 2, for supply and maintenance of new vehicles, there will be a number of call-offs over the life of the framework. If any of those individual call-offs exceed £500,000 in value, then Executive approval would normally be required. However it is proposed that such approvals are delegated to the Director of Environment and Neighbourhood Services.

Independent Review

3.39 The options appraisal for this project was undertaken in 2009 and approved by the Executive on 14 December 2009. The work undertaken during the tender appraisal process has validated the conclusions reached during the options appraisal and has concluded that the lease with maintenance option was the best choice for the Council (paragraph 3.33 refers).

3.40 In view of the time that has elapsed since the agreement of the options appraisal, the potential for change in market circumstances including West London Alliance initiatives, and potential changes in demand as a result of initiatives such as personalisation and independent travel, it has been considered prudent to commission a short review of the council's current plans to ensure that the present proposals remain the best option, and to forecast future demand for passenger transport so that no unnecessary vehicles are ordered through the proposed contract.

3.41 The time pressures associated with the introduction of the LEZ together with ordering deadlines for the coach built vehicles in the fleet require a decision on contract award before the September Executive. Members are therefore

recommended to agree to delegate the decision on award of a four year call off contract for the maintenance of the existing Brent fleet to the Director of Finance and Corporate Services on the basis that he should be satisfied that the award represents value for money and is in the best interests of the council before the award is made. That confirmation should be based on the conclusions of the independent review.

4.0 Financial Implications

- 4.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.
- 4.2 The estimated value of this contract is £4.3M (comprising £3.7M lease and maintenance costs during the 4-year life of the Framework plus £0.6M ongoing lease only costs beyond the end of the Framework (assuming all vehicles retained until the end of their lease period)).
- 4.3 Adding in the costs of maintaining existing vehicles until they are replaced, the total costs would exceed the currently available budget. However, in practice not all of the vehicles included in the leasing schedule would be required, due to a review in the usage of vehicles for day care and community centres, which is expected to lead to a reduction of about 20 in the number of vehicles required. Taking this in to account, the contract will be affordable within the current budget, and officers will ensure that this is the case, by continually reviewing the actual requirement for vehicles over the period of the contract.
- 4.3 A representative of Brent Financial Services attended the evaluation panel.
- 4.4 The cost of the contract will be funded by the existing BTS budget. The following profile of vehicle reduction has been proposed to fit in with the expected future of BTS and its customers and to ensure the fleet procurement is affordable; shown over a ten year period. This profile will be reviewed by the independent review.
- Year 1 – 3 : Reduction of 10 vehicles
 - Year 3 – 7 : Further reduction of 13 vehicles
 - Year 7 – 10 : Further reduction of 9 vehicles

The reduction in vehicles demonstrated, is a reflection of the presently expected future service requirement of BTS customers. The anticipated reduction in the fleet size will be driven by a number of Council changes and initiatives, some of which will include:

- a) Combining and simplifying transport to Adult Day Centres – Stonebridge DC and Albert Rd DC to close, John Billam site to open June 2012
- b) Flexible Operation Times – Aligning School and Day Centre operating times, increased utilisation of current fleet as vehicles can be shared,

- c) Transport Eligibility Policies – Greater focus on requirement of transport and formal assessments,
- d) Independent Travel Programme – Train, develop and support existing and new users to travel independently,
- e) Cross Border Route Sharing – Collaboration with neighbouring authorities, increased vehicle utilisation, fleet reduction,
- f) West London Alliance – Potential for LB Brent to share routes, back office functions, workshops, vehicles, etc with members of the WLA.

5.0 Legal Implications

5.1 The estimated value of this contract over its lifetime is higher than the EU threshold for Supplies and the award of the contracts therefore is governed by the Public Procurement Regulations. The award is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.

5.2 As advised in the Executive Report requesting authority to tender this contract in December 2009, the Council must observe the EU Regulations relating to the observation of a mandatory minimum 10 calendar day standstill period **before** the framework can be awarded.

Therefore once the Executive has determined which tenderer should be appointed to the framework, all tenderers will be issued with written notification of the Executive's award decision together with the scores and characteristics of the successful tender. A minimum 10 calendar day standstill period will then be observed before the framework is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the regulations.

As soon as possible after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the framework and lot 1 call-off contract can commence.

5.3 In considering the recommendations for this report, Members need to be satisfied that the framework appointment are being made to the tenderer who submitted the most economically advantageous tender. It will need to be made clear to the successful tenderer on appointment to the framework that there is no guarantee of the volumes of call-off to be made, in view of the fact that the Council will not be ready to call-off any services until the conclusion of the independent review described in the report.

6.0 Diversity Implications

6.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 Staff Implications

7.1 As anticipated in the Options Appraisal and in the previous report to the Executive seeking approval to tender this requirement, outsourcing the maintenance of the existing and replacement vehicle fleets to the lease provider represents the most cost effective solution. It follows that the 4 existing Council employees in the BTS workshop will transfer to the contractor under the TUPE provisions. Staff and the trade unions will be consulted on the transfer arrangements. In accordance with Council policy, the successful tenderer will be seeking admission to the Council's pension fund in order to secure on-going pension provision for the transferring employees.

8.0 Accommodation Implications

8.1 Translinc has indicated that it would wish to take a sub-lease on the BTS workshop on the terms indicated in the draft sub-lease provided with the Invitation to Tender documents. Although the BTS lease on its premises at East Lane expires in 2013, it is likely that the lease, and the sub-lease, can be renewed. However, if it is decided to relocate BTS on the expiry of the lease, then it will be necessary to re-provide appropriate workshop facilities to enable the contractor to discharge its responsibilities under the Framework.

9.0 Background Papers

9.1 Executive Report - Future Acquisition Strategy for the Brent Transport Services Fleet and Authority to Tender for Provision of a Leased Maintained Fleet - 14 December 2009.

Contact Officers

David Furse
Senior Category Manager Legal & Procurement Department
Tel: 020 8937 1170
Email: david.furse@brent.gov.uk

Michael Read
Assistant Director (Environment & Protection) Environment and Neighbourhood Services
Tel: 020 8937 5302
Email: michael.read@brent.gov.uk

Sue Harper
Director of Environment and Neighbourhood Services
Tel: 020 8937 5192 Email: sue.harper@brent.gov.uk

EVALUATION CRITERIA

Tenders will be evaluated on the basis of the most economically advantageous proposal using the following criteria and sub-criteria for each Lot, respectively. Each criterion has been assigned a weighting to reflect the relative importance of such criterion to the Evaluation Panel members.

No	Evaluation Heading	Evaluation Criterion	Evaluation Sub-Criterion	Lot 1 Weighting	Lot 2 Weighting
1	Price	Price	Fleet Prices (Monthly Charges) & Hourly Rates	60%	60%
2	Quality	Service Levels	Compliance with Vehicle Specification (including lease terms)	-	12%
3	Quality	Service Levels	Alternative Offers of Vehicles	-	4%
4	Quality	Service Levels	Breakdown/Recovery Arrangements	4%	2%
5	Quality	Service Levels	Early Termination	-	2%
6	Quality	Environmental Issues	Impact on Environment	-	4%
7	Quality	Clear Management Procedures	Contract Management Arrangements	8%	3%
8	Quality	Fleet Maintenance Procedures	Inspection, Repair & Maintenance Arrangements	20%	10%
9	Quality	Fleet Maintenance Procedures	Competence/Continuity of Workshop Staff	8%	3%
Total				100%	100%

TENDER EVALUATION SHEET

Scores will be awarded for each Lot against each criterion using the following general marking regime and taking into account the considerations described in the commentary for each criterion:

Assessment	Score	Interpretation
Unacceptable	0	Fails to meet requirement - major omissions/weaknesses
Weak	1	Limited evidence of ability to meet requirement - omissions/weaknesses in key areas
Adequate	2	Meets requirement but with some minor omissions/weaknesses
Good	3	Fully meets requirement
Excellent	4	Fully meets requirement demonstrating added value in proposals for delivery of service

LOT 1

Criterion	Evaluation	Score	Weighting	Weighted Score
Inspection, repair and maintenance arrangements	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)		50	
Breakdown/recovery arrangements	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)		10	
Competence/continuity of workshop staff	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section B)		20	
Contract management arrangements	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section C)		20	

LOT 2

Criterion	Evaluation	Score	Weighting	Weighted Score
Compliance with vehicle specification (including lease terms)	Compliance with all requirements of the Specification for 'conventional' vehicles as evidenced in supporting manufacturer's literature/brochure for each vehicle offered, and including evaluation of lease terms offered		30	
Impact on Environment (from the Conventional vehicles offered).	Compliance with all requirements of the Specification as evidenced in supporting manufacturer's literature/brochure for each vehicle offered with regard to emissions standards		10	
Alternative Offers ¹ for vehicles - ie not diesel	Assessment of the range/viability of alternatives offered - not price.		10	
Inspection repair and maintenance arrangements	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)		25	
Breakdown/recovery arrangements	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section A)		5	
Competence/continuity of workshop staff	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section B)		7.5	
Contract management	Compliance with all requirements of the Specification as evidenced in the Method Statement (Section C)		7.5	
Early termination	Assessment of early return terms including fees and charges and the likely impact on service should early termination be deemed necessary.		5	

APPENDIX 2

QUALITY SCORES

LOT 1		Supplier A	Supplier B	Supplier C	
Headline criteria	Sub-criteria				
Service Levels	Compliance with Vehicle Specifications				Not assessed for lot 1
Service Levels	Alternative Offers of Vehicles				Not assessed for lot 1
Service Levels	Early Termination				Not assessed for lot 1
Service Levels	Breakdown/recovery arrangements	20.0	35.0	30.0	
Environmental Issues	Impact on Environment				Not assessed for lot 1
Fleet Maintenance Procedures	Inspection, repair and maintenance arrangements	125.0	200.0	150.0	
Fleet Maintenance Procedures	Competence/continuity of workshop staff	50.0	70.0	50.0	
Clear Management Procedures	Contract management arrangements	60.0	70.0	70.0	
	TOTAL SCORE	255.0	375.0	300.0	
	FINAL WEIGHTED SCORE	27.2	40.0	32.0	

LOT2		Supplier A	Supplier B	Supplier C
Headline criteria	Sub-criteria			
Service Levels	Compliance with vehicle specification (including lease terms)	90.0	90.0	90.0
Service levels	Alternative Offers of Vehicles	0.0	25.0	0.0
Service levels	Breakdown/recovery arrangements	10.0	17.5	15.0
Service levels	Early Termination	5.0	20.0	5.0
Environmental Issues	Impact on Environment (from the Conventional vehicles offered).	30.0	30.0	30.0
Clear Management procedures	Contract Management Arrangements	22.5	26.3	26.3
Fleet Maintenance Procedures	Competence/continuity of workshop staff	18.8	26.3	18.8
Fleet Maintenance Procedures	Inspection repair and maintenance arrangements	62.5	100.0	75.0
	TOTAL SCORE	238.8	335.0	260.0
	FINAL WEIGHTED SCORE	28.5	40.0	31.0

COMBINED PRICE AND QUALITY SCORES		LOT 1			LOT 2			FINAL SCORE	
		SCORE PRICE	SCORE QUALITY	TOTAL SCORE	SCORE PRICE	SCORE QUALITY	TOTAL SCORE		
	Supplier A	39.5	18.8	58.3	47.7	0.0	47.7	49.5	THIRD
	Supplier B	54	22.5	76.5	55.3	0.0	55.3	58.8	FIRST
	Supplier C	45.9	5.0	50.9	46.1	0.0	46.1	46.9	SECOND

