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REPORT TO:	Cabinet Member for Finances and Resources
SUBJECT:	Pool Car (Car Club) Service Contract Award
LEAD OFFICER:	Shifa Mustafa ,Executive Director – Place Ozay Ali, Interim Director of Homes & Social Investment
CABINET MEMBER:	Councillor Hall, Cabinet Member for Finances and Resources
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The delivery of a high quality Pool Car Club has a positive impact on staff members and residents alike. The provision of this services meets the following priorities:

GROWTH:

Creating growth in our economy

- An excellent transport network that is safe, reliable and accessible to all

Improve the transport network across the borough, providing genuine alternatives to the private car/taxis, and strengthening links with Gatwick airport.

IMPROVED AIR QUALITY:

- A Cleaner and More Sustainable Environment in accordance with the Air Quality Action Plan 2017-2022.

The council's adoption of pool cars has already reduced the impact of business travel on air quality and carbon dioxide emissions. This has been achieved through reduced mileage and improved vehicle efficiencies. The future service provision will provide a greater proportion of electric vehicles. This proportion will increase to 100% as the necessary electric charging infrastructure is installed. The Council's air quality action plan (AQAP) core aim is to move towards more environmental sustainable vehicles, so the longer term procurement strategy is a key action within the AQAP.

FINANCIAL IMPACT

The pool car service contract 3 years with the option to extend 1 + 1 + 1 (a maximum 6 year term).

Following a soft market test the pre-tender estimate has been revised down from £334,000 to £207,000.

The existing budget for the Croydon Pool Car Service is £210,000 and this estimate is projected to be sufficient for the new service due in June 2020 without growth in Revenue.

FORWARD PLAN KEY DECISION REFERENCE NO.: 1320FR

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This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Nominated Cabinet Member for Finance and Resources the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 The Nominated Cabinet Member for Finance and Resources is recommended by the Contracts and Commissioning Board to approve the award of a contract for the Croydon Pool Car (Car Club) Service to the provider named in the Part B report for a contract term of 3 years, with the option to extend 1+1+1 years, and for a maximum contract value detailed in Part B.

2. EXECUTIVE SUMMARY

- 2.1 The Pool Car service provides the council a greener approach and continues to provide the following for its officers and residents:
- A quality essential travel service for Council staff
 - A service which works within the Council's budgetary restraints
 - A green car pool service, moving from hybrids to a fully electric fleet within the contract term.
- 2.2 The service was set up to lower the number of essential car users with staff, which lowered costs for the Council and helped with the green agenda for the borough.
- 2.3 The Council needs a flexible service that works for the officer's business needs. Over the last 8 years, the service has enabled positive operational management and has built a successful scheme for staff and residents.
- 2.4 Croydon Council Pool Car Service with Plugin Hybrid Electric Vehicles fits within existing Croydon Pool Car budget of £210,000. Croydon Council have tendered for a 3 year contract with an option to extend for a further 1+1+1 years for the supply of 23 Hybrid/Plug-in Hybrid Electric Vehicles (PHEV) for hire (i.e. pool cars).
- 2.5 The Council are looking to move to a fully electric fleet for the Pool Car service. As the EVCPs are not in place yet, the procurement is for Hybrid/Plug-in Hybrid Electric Vehicles (PHEV) with the option to switch in fully electric cars in the future. There are 23 vehicles in total. 22 vehicles for council staff during the hours of 8am to 6pm and 1 vehicle provided for 24/7.
- 2.6 The EVCP procurement was put on hold due to the growth bid process. It is also now delayed by Covid-19 as none of the providers in the market will be installing points for the foreseeable future.

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- 2.7 The procurement strategy for this report is to continue to provide an essential travel service (pool car club) for staff and residents. This was presented to CCB on CCB1267/17-18 (14/09/17). There are no changes to the strategy of this report.
- 2.8 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1568/20-21	14/04/2020

3. DETAIL

- 3.1 The procurement process was an open competition in accordance with the Public Contract Regulations 2015. This tender opportunity was advertised on the London Tenders Portal. In accordance with the regulations, an OJEU notice and tender documents were issued to market on 15th January 2020 with a respond date of 6th March 2020 and 4 providers responded.
- 3.2 The ITT stage deadline was extended from 18th February 2020 to 6th March 2020 to allow tenderers sufficient time to respond following published clarification responses.
- 3.3 The scoring mechanism was weighted in line the current Tender and Contract Regulations (60% Quality, 40% Cost). The suppliers were ranked by their total score with the highest ranked supplier being the preferred supplier.
- 3.4 The qualitative criteria consisted of 6 questions relating to the tenderers' technical and professional abilities and a social value method statement.
- 3.5 The tender closed on 6th March 2020. 4 suppliers responded to the tender. The tender responses were evaluated by the Interim Head of Corporate Facilities, Facilities Management and Support Services, Facilities Operations Manager and Workplace Facilities Officer. Moderation took place on 18th March 2020, chaired by the Category Manager – Environment.
- 3.6 The breakdown of quality and cost; is 60% and 40%. The combined scores of price and quality give the total score for each tenderer (in the table below). The winning provider, Provider A received an overall total score of 87%.

	Provider B	Provider C	Provider D	Provider A
QUALITY (60%)	40	47	46	47
PRICE (40%)	24.9	23	22	40
TOTAL	64.9	70	68	87

4. CONSULTATION

4.1 There was no consultation for this decision as there are no changes to the service.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Revenue Budget available	210	210	210	210
Expenditure				
Income				
Effect of decision from report				
Expenditure	Detailed in			
Income	Part B			
Remaining				
Capital Budget available				
Expenditure				
Effect of decision from report				
Expenditure				
Remaining				

5.2 The effect of the decision

The effect of the decision is a revenue spend detailed in Part B against the core schedule of rates, which fits in with the existing service budget. The budget for the service is £210,000 a year. The service cost is based on usage, so the current budget allows for the variable costs of usage and additional users of the scheme across the year.

5.3 Risks

Risk	Potential impact	Detail
Costs for the new contract are higher than allocated budget.	Medium	Pre-market engagement has taken place to ensure an informed budget is allocated.
Delayed or lack of capital investment to install support EVCP (Electric Vehicle Charging Points)	High	Unable to use and operate partial/fully electric vehicle fleet to provide low/zero emissions. Reduced improvement of local air quality targets.

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Short Mobilisation period with no tolerance for delays in award and contract engrossment.	Medium	Short period to transition from current supplier to new supplier, including the exchange of vehicles and user DVLA checks.
Financial standing of the Contractor is inadequate to meet the needs of the programme of service.	The Contractor has inadequate financial standing and is unable to 'finance' the supply chain resulting in poor provision of materials and replacement parts-risk of the Contractors failing and entering 'administration' or similar.	Financial standing of the Council's partners are regularly checked on an annual basis with the publication of their yearly accounts.
Impact of trading with EU post Brexit environment	Low	Suppliers are redistributing existing fleets to provide service to Croydon Council and suppliers have built within their own business plans the impact of trading with EU.

5.4 Options

The options are detailed below (Section 12).

5.5 Future savings/efficiencies

Overall performance and costs will be reviewed annually to allow the option to benchmark in advance of the contract extensions (1+1+1 years).

Further potential for savings through the reduction of "Staff Essential Car users" in the costs of payments to staff (supplement and mileage) and any associated parking costs on other departmental budgets. This could be achieved by transitioning more staff onto the Pool Car Service. This also improves the potential to reduce emissions from older staff vehicles onto low/zero emission pool cars.

Approved by Felicia Wright, Head of Finance - Place

6. LEGAL CONSIDERATIONS

6.1 There are no additional legal considerations directly arising from this report

6.2 Approved by Sonia Likhari on behalf of the Director of Law and Governance & Monitoring Officer

7. HUMAN RESOURCES IMPACT

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- 7.1 There are no considerations in relation to staffing levels, restructuring/regrading, recruitment, employee relations, the Council's personnel policies or other human resources matter.

Approved by: Jennifer Sanker on behalf of the Director of Human Resources

8. EQUALITIES IMPACT

- 8.1 An Equality Analysis has not been undertaken because the practice is not relevant to equality. There are no known equalities matters arising from the recommendation to continue with this model of delivery.

Approved by Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 All vehicles are required to be minimum Euro VI emissions compliant. This will ensure the emissions from the vehicles are reduced and journeys will be optimised to reduce work travel patterns.
- 9.2 The service specification document requires that the successful tenderer holds ISO 14001 Environment Management Systems or equivalent standard.
- 9.3 The council is procuring for hybrid vehicles phasing over to full electric within the contract period

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder impacts related to this procurement.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The recommended solution will offer the greatest value for money over the course of the contract, the new pool car service will continue to offer an excellent travel service to the LBCs residents and officers. The supplier was able to meet a greater number of the requirements specified in the invitation to tender and was able to provide more detailed answers which gives assurances that the attention to detail from this supplier will deliver the product the Council needs and this is reflected in the pricing for the project.

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12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Other options for the service were discussed in the CCB strategy paper, 14th September 2017.
- 12.2 **Option 1** – Extend the Current Contract - Material change under Regulation 72 PCR 2015 – risk of challenge and damages being sought from aggrieved bidders.
- 12.3 **Option 2** – Bring the service in-house. This option is 124% more expensive and would need considerable time to in-source
- 12.4 **Option 3** – use an existing framework – as this will be a short term contract (12-24 months) to fill a gap whilst the electric charging infrastructure is put in place. It will reduce timescales and costs.
- 12.5 **Option 4** – go out to tender – this will take time and money to go through a tender process. However, due to the council's commitment to meet its AQAP targets this is the preferred option. When the charging infrastructure is put in place, it allows for the Council to move to a fully electric fleet within the contract period.
- 12.6 **Option 5** – Do nothing - The current contract will expire on 31st March 2019 therefore the Council needs a new competitive and compliant solution.

13. DATA PROTECTION IMPLICATIONS

13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES

The successful tenderer will be considered the data controller for this contract and will be responsible for handling the personal data on the LBC's officers and residents. The following data will be required for any user who signs up to use this service:

Full name and address

DOB

Proof of Identity

Contact Information

Disabilities (If any)

Licence Details

Billing Information

13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

NO

The DPIA is not required as the only data the council will be sharing with provider will be the name of the employee. The employee would then be entering into their own agreement with the provider to contact DVLA or other organisations and therefore consent is provided by the employee directly to the

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provider, making the 'provider' the 'data controller'. We have consulted with the information management team and it has been agreed that a DPIA is not needed for this procurement

Approved by: Ozay Ali, Interim Director of Homes & Social Investment

CONTACT OFFICER: Shelley Williams, Interim Head of Corporate Facilities Management

BACKGROUND DOCUMENTS: None