

Contracts & Commissioning Board (CCB)

Contract Award Report

Date of meeting	1st April 2021
By	Lyndon Jones - Risk & insurance Manager Finance, Investment & Risk Daniel Shepherd – Head of Independent Travel
Title	Fleet & Bodywork Repairs
Project Sponsor	Chris Buss, Interim Director of Finance, Investment & Risk Steve Iles, Director of Public Realm
Lead Member	Cllr Muhammad Ali, Cabinet Member for Sustainable Croydon Cllr Callton Young, Cabinet Member for Resources and Financial Governance
Key Decision	N/A

1. Recommendations

The Cabinet Member for Sustainable Croydon in consultation with the Cabinet Member for Resources and Financial Governance to:

1. approve the award of a contract to L&M Body Repairs to deliver vehicle body repairs for a term of 5 years (with a break clause after 3 years) with a total contract value of £750,000.

2. Background & strategic context

Croydon Council operates a fleet of 282 vehicles many of which are utilised seven days per week.

In the financial year 19/20 there were 111 incidents that required vehicle body work repair, these incidents included Own Drivers, Third Party Damage and Property Damage. If any fleet vehicle is damaged repairs need to be arranged quickly to avoid depreciation of the asset and to maintain a good reputational image (as many of the vehicles are used for public transport). Also where negligence of a Council Driver has occurred and a Third Parties Vehicle is damaged an offer for the Council to arrange repairs is made, this benefits the Third Party as they do not need to incur any excess payments to their vehicle insurer (which often leads to a premium increase), and Council also benefits from this service in both its reputation and financially.

There is no existing contract for these works and a small local repair business has been utilised over a period of time to provide the service as there is no facility to insource the works and not financially viable to sustain an in-house service due to skill base and set up costs.

However it has been recognised that to provide and evidence value for money and levels of service a procurement exercise should take place.

The supplier would supply a fixed hourly labour rate for all the types of vehicles listed in the table below, this would be fixed for 5 years and could be reviewed at the end of year 3 (where the break clause is).

The supplier would offer free courtesy vehicles to all Third Party repair works.

The supplier will provide written estimates for the repairs within 36 hours of the vehicle being made available for viewing – in the cases of Third Parties it would be expected that contact to arrange sight of the vehicle would be made within 24 hours and written estimates for repairs be available 24 hours after this viewing.

The supplier will carry out all repair works in house and using his own work force, with no subcontracting, this is to ensure consistent levels of workmanship.

The procurement strategy was approved by CCB on 19th August 2020 (ref: CCB1602/20-21). The procurement strategy was followed and there were no deviations.

Commissioning strategy

It is the intention to award a contract to L&M Body Repairs for vehicle body repairs.

The procurement route followed the 'open tender' process under regulation 27 of the PCR 2015. The tender was advertised through OJEU and the Council's procurement portal.

6 suppliers applied through the London Tenders Portal, one of which only supplied prices. 5 suppliers submitted the full tender response documents and were evaluated.

3. Financial implications

Details	Internal		Period of funding	External		Period of funding
	Capital	Revenue		Capital	Revenue	
Existing activity		£123,384.00 (Insurance spend = £111,865.00 of which approx 30% is claimed back Transport spend = £11,519.00)	May 2019 to May 2020			
Proposed activity		£750,000 or £150,000 per annum	5 years with a break clause after 3 years			

Essential Spend Criteria:

Following the Council's previous Section 114 notices (now lifted), in accordance with the S115(6A) Local Government Finance Act 1988 grounds for 'new' expenditure, this project falls under the following criteria: improve the situation because:

The expenditure will enable the Council to quickly put back into use vehicles required to deliver the council's statutory services.

4. Supporting information

The contract offered is for vehicle body repairs for fleet and insurance. The contract was procured using the open procedure of the Public Contract Regulations 2015 since the nature of the contract was not available to be procured via a framework. In accordance with the regulations and OJEU notice and Standard Selection Questionnaire was issued to market on 4th February 2021.

The scoring mechanism was weighted 60% cost and 40% quality. The suppliers were ranked by their total score with the highest ranked supplier being the preferred supplier.

5 suppliers responded to the tender. The scores are laid out below:

	Davies Group	L&M	London Hire	Mitcham Arc Ltd	Vanos
QUALITY (40%)	22	40	23	19	10
PRICE (60%)	43	51	60	38	23
TOTAL	65	91	83	57	33
RANKED PROVIDER	3	1	2	4	5

The quality evaluation was carried out by

1. Lyndon Jones – Risk & Insurance Manager
2. Daniel Shepherd – Head of Independent Travel
3. Gordon Grinham – Fleet Supervisor

Lyndon Jones (for insurance) and Daniel Shepherd (for fleet) will be responsible for project Contract management and are best placed to evaluate the tender.

A moderation panel was held on 22nd March 2021 chaired by the Category Manager for Environment.

Social Value

L&M Body Repairs were evaluated on social value outcomes for Croydon.

Examples of the work they will (and already do) carry out are:

- Supporting key workers with different discounts on MOTs, body repairs, etc
- Work with St Christopher's Hospice
- Offer work experience to local schools
- 100% of the staff are residents of Croydon.

London Living Wage

L&M Body Repairs confirm they pay London Living Wage.

Equalities Analysis

There are no known equality matters which will arise from the award of this contract. The contract is for body repairs for all fleet vehicles, as and when needed.

The Equalities Policy was requested during the tender process and reviewed.

GDPR

The outcome of this project does not require any transfer of personal data and therefore GDPR implications will not be applicable.

Risks

- The main risks in procuring the contract is that the supplier may go out of business or from a reputational basis that works are not carried out to the required standard leaving vehicles not corporately acceptable. To mitigate this risk, one of the KPIs will be; the Supplier must inform the Council within 24 hours if the job will take longer or cost more than quoted and this will be monitored. However, the company that came second on the tender are already a supplier to us (vehicle leasing), and could with our permission, undertake some bodywork repair in the event that the successful tenderer could not continue to meet the contract requirements – (the second placed supplier already undertakes some of the bodywork repairs on the buses which are returned to them at the end of the leasing contracts).
- There are no timescale risks associated with this project.
- There are no known risks with HR / TUPE/ Pension.

The contract would be managed via regular meetings with the supplier and by evaluating standard of workmanship and documents.

Options Considered

- Do nothing (not recommended) – there is no current contract in place, so doing nothing is not an option.
- Use a Framework (not recommended) – there are no frameworks for body repairs, so the Council are unable to call from one.
- Open Procurement (recommended) – this option is recommended as it will allow local suppliers to apply for the contract. It will also give the Council best value for money. Engage with the local market prior to tender release to ensure transparency to the market in and around Croydon supporting local business.
- Direct Award (not recommended) – this would not allow the Council to go to the market and explore the value for money element of the contract

5. Conclusion and reasons for recommendations

This report recommends the contract award for vehicle body repairs to L&M Body Repairs for 5 years.

6. Outcome and approvals

Outcome			Date agreed	
			Service Director – Steve Iles/Chris Buss	26.03.21
			Legal Services – Kiri Bailey	01.04.21

	Head of Finance – Geetha Blood	29.03.21
	Human Resources (if applicable)	N/A
	C&P Head of Service – Scott Funnell	25.03.21
	Lead Member - Cllr Ali	06.04.21
	CCB	CCB1679/21-22 21/04/2021

7. Comments of the Council Solicitor

Approved by Kiri Bailey on behalf of the Council Solicitor and Monitoring Officer

8. Chief Finance Officer comments on the financial implications