

REQUEST FOR DMPC DECISION – PCD 05

Title: Contract Renewal for the Supply and Fitment of Tyres

Executive Summary:

This report requests approval to initiate procurement activity and award a 4 year call off contract for the supply and fitment of tyres.

Recommendation:

That the DMPC approves the request to initiate procurement and award a 4 year call off contract for the supply and fitment of tyres with an investment of £1.85m.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Edward Henden

Date

23/6/16

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The MPS operates a diverse range of vehicles within its Retained Vehicle Fleet and has a legal obligation to ensure the safety of its drivers and other road users. The replacement of tyres forms part of that obligation.
- 1.2. To meet demand, the majority of tyres are purchased and fitted at the MPS retained vehicle workshops. If a tyre is damaged during operational deployment and requires roadside replacement, a rapid fit service is available, with nation-wide coverage.

2. Issues for consideration

- 2.1. The quantity and cost of new tyres is determined by the number of vehicles on fleet and their operational demands. The call off contract does not commit the MOPAC/MPS to any volume or expenditure and therefore benefit from any reduction in fleet size that may be achieved.

3. Financial Comments

- 3.1. The 4 year call off contract will have a value of £1.85m and will be funded from within existing revenue budgets.

4. Legal Comments

- 4.1. The recommendation can be lawfully approved in accordance with MOPAC Contract Regulations and EU/UK Procurement law.
- 4.2. In accordance with the MOPAC Scheme of Delegation and Consent (4.8), the DMPC must approve all requests to go out to tender for contracts that exceed £500,000.

5. Equality Comments

- 5.1. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract.
- 5.2. Suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.

6. Background/supporting papers

- 6.1. MPS Paper

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – No

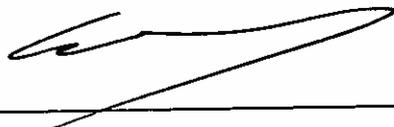
ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: The Director of Strategy has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 23/6/16.

Business Justification

Contract Renewal for the Supply and Fitment of Tyres

Freedom of Information Act Publication Scheme

Protective Marking	Commercial - Protected
Publication Scheme Y/N	No
Title	Contract Renewal for the Supply and Fitment of Tyres
Version	1.0
Summary	Approval is sought to proceed with call off contracts for the purchase of replacement tyres for the MPS Retained vehicle fleet
(B)OCU or Unit, Directorate	Fleet Services
Author	Jiggs Bharj, Acting Head of Fleet Services
Review Date	25 th May 2017
Date Issued	25 th May 2016

Decisions Required

Approval is sought to proceed with call off contracts for the purchase of replacement tyres for the MPS Retained vehicle fleet*, given that the existing contract ends in November 2016.

This report was approved by Portfolio and Investment Board on 18th May 2016.

To proceed with this contract action approval is sought for:

- **The MPS to continue purchasing replacement tyres, required for its Retained vehicle fleet of circa 1,250 vehicles. Call-off contracts will be put in place with selected suppliers, on a 2 plus 2 year contract for the supply of tyres over 4 years, up to a total value of £1.85m, funded from existing revenue budgets.**

The key issues to take account of are:

- **The replacement of worn or damaged tyres is a legal requirement and the MPS could not perform its operational duties if replacement tyres weren't available**
- **The MPS services, repairs and fits tyres to circa 1,250 vehicles, on its Retained vehicle fleet**
- **The existing contract for purchasing tyres expires on the 20th November 2016. It is a call-off contract that authorises the MPS to spend up to £1.4m, over 3 years but does not commit us to any volume or expenditure.**
- **This paper requests permission to enter into new contracts with selected suppliers on a 2 plus 2 year basis, up to a value of £1.85m, commencing November 2016. Again, this would be on a call-off basis with no volume or cost commitment to the MPS, if tyres aren't purchased.**
- **The Director of Procurement Services has delegated authority to approve the award of all contracts with the exception of those called in through the agreed call in procedure.**

*** The Retained vehicle fleet is the name given to a fleet of 'discreet' vehicles maintained by the MPS (rather than being outsourced to Babcock, for maintenance).**

Strategic Case

The MPS operates a diverse range of vehicles within its Retained vehicle fleet, including:

- Cars
- 4x4's
- Vans
- Heavy Goods
- Motorcycles
- Specialist equipment carriers

The MPS has a legal obligation to ensure the safety of its drivers and other road users. The replacement of tyres forms part of that obligation

Tyre selection is based on the recommendations of either: the vehicle manufacturer, the tyre supplier or Fleet Services approved range. Where operational performance requires, Fleet Services undertake extensive testing for safety and performance.

To meet demand, the majority of tyres are purchased and fitted at the MPS retained vehicle workshops. If a tyre is damaged during operational deployment and requires roadside replacement, a rapid fit service is available, with nation-wide coverage.

There have been occasions when national tyre suppliers and vehicle manufacturers have been subject to a shortage of supply. When this has happened, the MPS has sourced tyres more locally and thereby maintained operational efficiency. The need to ensure continuation of this level of flexibility is included in this business justification.

In summary, to ensure continued operational support the tyre supply contracts will enable the MPS to access:

- A national rapid fit tyre network, offering roadside assistance
- The range of tyres required for the diverse range of vehicles that are managed
- A specialist tyre supplier(s) for the motorcycles
- A local supplier of tyres to satisfy any requirements that can't be met by the national supply network e.g. in times of tyre shortage
- Supply of tyres directly into the MPS retained vehicle workshops, for fitment by the MPS

Economic Case

The key objective of this Business Justification is to ensure that the MPS continues to obtain access to:

- A national rapid fit tyre network, offering roadside assistance
- A wide range of tyres to support all vehicles, including:
 - Cars
 - 4x4's
 - Vans Trucks
 - Heavy Goods
 - Motorcycles
 - Specialist equipment carriers
- A local supplier of tyres to satisfy any requirements that can't be met by the national supply network e.g. in times of tyre shortage
- The supply of tyres directly into the MPS retained vehicle workshops, for fitment by the workshop

Given the range of tyres and the nature of the operational support that is required, the MPS Procurement Services will identify the most cost effective procurement route. Where possible, this will be achieved by utilising Crown Commercial Services frameworks.

Management Case

The quantity and cost of new tyres is determined by the number of vehicles on fleet and their operational demands. This business justification does not commit the MPS to any volume or expenditure and therefore we will benefit, fully, from any reduction in fleet size that may be achieved.

MPS retained vehicle workshops employ qualified Technicians to identify when new tyres are required based on predetermined wear and damage limits. This ensures that we only fit tyres when necessary to meet operational demands.

There are no equality or diversity implications arising from this procurement process.

Environmental Considerations

Used tyres are sold for recycling or disposal, under a contractual arrangement with A1 Group and Rubber Recycling Solutions. These companies ensure that the environmental impact is minimised and that, as a minimum, the MPS meets its obligations, as set out in the legislation detailed below:

- Environmental Protection (Duty of Care) Regulations 1991 (as amended)
- Landfill Tax Regulations 1996 (as amended)
- Landfill (England and Wales) Regulations 2002 (as amended)
- List of Wastes Regulations 2005
- Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations 1997
- The Controlled Waste (England and Wales) Regulations 2012
- The Waste (England and Wales) Regulations 2011
- End-of-Life Vehicles Regulations 2003