

Report title

Award Report for the Contract to Supply, Deliver and Collect Depolluted Vehicles

Report to

Fire and Resilience Board

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Report by

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Summary

This report seeks approval to award the contract for the Depolluted Vehicles and associated services to the Supplier named in Appendix 1 – Confidential Tender Evaluation.

The proposed contract award will ensure the provision of a range of vehicles that have been depolluted for use by fire station personnel for local and area training exercises whilst achieving best value for money for the London Fire Commissioner (LFC). A full Open OJEU procurement process was undertaken to ensure it was open to as many suppliers as possible. The tender evaluation included rigorous evaluation of quality, price, financial standing with the quality evaluation being conducted by officers from Central Operations.

Recommended decision

That the London Fire Commissioner approves a 5 year contract for the provision of Depolluted Vehicles and associated services to the supplier named in Appendix 1 – Confidential Tender Evaluation at a cost of £611,691.00.

Background

1. London Fire Brigade is required to attend road traffic collisions (RTC's) to extricate persons from vehicles in the event that they are unable to exit the vehicle or it is unsafe for them to do so. It is a requirement that Firefighters are trained in how to do this safely, efficiently and quickly.

2. The purpose of the proposed contract is to deliver a service to supply, deliver and collect depolluted vehicles for familiarisation and continuing professional development of operational personnel in the application of extrication techniques for road traffic collisions. Firefighters undertake this familiarisation exercise at Fire Stations or outside training venues. Vehicles therefore need to be representative of those currently on the roads across London boroughs and fully de-polluted to ensure health, safety and environmental risks are mitigated.

3. Fire Stations raise orders according to their training requirements, 3 weeks in advance through the purchase order management system (PoMS). The ordered depolluted vehicle is delivered via flatbed truck by the contractor to the station yards designated RTC training area. Subsequently, the contractor picks up the cut up vehicle on the date specified by the Fire Station on the original order. The vehicle remains the legal property of the contractor at all times.

Considerations

4. Within the procurement there was a need to balance LFB requirements to provide a range of vehicles which are encountered operationally that challenge crews knowledge and ability against realistic expectations that could be met by the supplier in delivering the vehicles e.g. a double decker bus. It was also considered that the intended contractor would need to meet a number of specific criteria set against basic Health and Safety and Environmental and legislative requirements, namely:

- That all vehicles supplied must meet End-of-Life Vehicle Regulations (ELV) 2003 (as amended);
- That the contractor possess all relevant licences and evidence those licences prior to the contract starting; and
- That all vehicles will be supplied and collected within specific timescales.

Procurement options

5. Two procurement options were considered:

Option 1 - Multi lot procurement based on 4 area commands.

6. Consideration was given to splitting the four area commands into individual Lots in order to attract a wider pool of contractors from the local areas. Other Fire and Rescue Services had chosen this type of lot service structure due to their inability to find a supplier that could deliver vehicles to their entire area. For London however, market research showed that many suppliers were unable to meet the mandatory requirements within the specification, particularly on having the necessary licenses to fully depollute vehicles. Therefore this option was not considered viable.

Option 2 - Single source supplier procurement covering all areas

7. Consideration was given to award a contract to a single pan London supplier. This option was chosen because market research had indicated there were experienced SME suppliers who are capable of delivering this service across London. The single source route also offered best value for money from an aggregation of demand benefiting from the potential for economies of scale. There would also be less costs associated with implementation of the contract when compared to option 1.

8. Additional benefits of option 2 included a single point of contact for any contract management issues and improvement suggestions, lower purchasing costs associated with sending orders and receiving invoices.

Procurement Process

9. Procurement investigated collaborating on this requirement with other Fire and Rescue Services. Greater Manchester FRS advised this service was delivered through arrangements with local scrap car suppliers and on a lot basis as they struggled to find a supplier who could service their wide range of locations. Surrey FRS met their requirement through an SME who delivered to a restricted area. The regional nature of the business prevented collaborative contracts within the fire sector and the size of

the LFB precluded many collaborations and severely limited the final market suppliers. Engaging with other members of the GLA family was considered, and specifically the Metropolitan Police Service (MPS) exploring their vehicle removal contractors. However, the contract for the MPS does not cover provision of de-polluted vehicles, only collection / removal of fleet vehicles when repaired and illegal vehicles on the roadway, this would not therefore meet the stringent Health and Safety, Environmental and legislative requirements detailed in this paper (section 4. considerations, page 2).

10. A Prior Information Notice on Tenders Electronic Daily (TED) – the European public procurement journal and an advertisement on Contracts Finder were issued on the 20 July 2018 and was accepted by four potential suppliers. Market engagement was conducted with interested suppliers and large vehicle recovery service providers. This provided a valuable insight into the market.

11. Although there was interest it was found that the market is small as there were few suppliers who had the necessary logistical resources and correct environmental accreditations to meet Brigades specification for fully depolluted vehicles. A lack of understanding of the OJEU tendering process was also found with potential SME suppliers.

12. Due to the restricted market and value of the contract exceeding the OJEU threshold, an Open OJEU procurement was undertaken. Efforts were made to make the tendering document as simple as possible to ensure it was not overly onerous for potential tenderers.

13. The award criteria used in the procurement process was as follows:

Criteria	Item	Section Weighting	Overall Weighting
Price	Total Price	60%	
Quality	Specification met	Pass/Fail	
	Delivery and Collection	20%	35%
	Management of the contract	10%	
	Improving training	5%	
Social Value	Sustainable Transport	5%	

A detailed breakdown relating to the tender evaluation are stated in Appendix 1 - Confidential Tender Evaluation to this report.

Conclusion

14. Following the completion of the procurement exercise, it is recommended that this contract be awarded to the supplier named in Appendix 1 - Confidential Tender Evaluation as this will ensure that the Brigades requirement of depolluted vehicles are met.

15. The recommended supplier has established that they have the appropriate infrastructure for servicing the contract throughout the proposed term.

16. Despite a detailed process to attract a range of suppliers, only one tender for the contract was received from the original two which applied. Although a thorough process to attract bidders was conducted, the challenges of providing vehicles in the volume required across a geographically complicated city the size of London provided a difficult environment to service.

17. Central Operations, in consultation with Procurement, believe that the supplier recommended within this report offers the most appropriate, sustainable and best value provision for the Brigade.

Finance comments

18. This report seeks approval to award the contract for the Depolluted Vehicles and associated services at an estimated cost of £611,691.00 over the next five years i.e. £120k pa. The budget for scrap cars is incurred from the operational equipment budget of £269k pa and it is expected that the cost of £120k pa for scrap cars will be contained within the existing resources available.

Workforce comments

19. There are no direct workforce implications associated with the contents of this report requiring staff side consultation.

Legal comments

20. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

21. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").

22. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

23. The Deputy Mayor's approval is accordingly required for the Commissioner purchase Depolluted Vehicles and associated services at a cost of £611,691.00.

24. The statutory basis for the actions proposed in this report is provided by section 5A of the Fire and Rescue Services Act 2004 under which the Commissioner must procure services they consider appropriate for purposes incidental to their functional purposes.

25. Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.

26. The General Counsel also notes that the proposed procurement of the goods and service provider is in compliance with the Public Contracts Regulations 2015.

Sustainability implications

27. The report details the Environmental considerations that were taken into account within the procurement, including all vehicles supplied must meet the End-of-Life Vehicle Regulations 2003 (as amended) and that the contractor possesses all relevant licences, which have been provided and verified

28. The following sustainment procurement issues were considered and had a 5% weighting in the evaluation criteria. ACE Vehicle Services Limited demonstrated compliance within its method statement, however it has also been identified that there are still elements which they are working to achieve.

Criteria	Tender Response
Steps taken to reduce air emissions (PM, NOx and, CO2) when delivering the services in regards to transportation and any other sources of emissions.	- Approached company offering various Transport Programs that promotes efficient driving through fuel savings rewards. - Drivers struggling will be sent on a course on how to become an efficient driver. - Deliveries and collections in the same areas will be combine and drivers will ensure that no unnecessary journeys are made.
Working towards ULEZ compliance for Central London from 8 April 2019 and inner London (bounded by the North and South Circular roads) from 25 October 2021.	- By March 2019 will have three vehicles that meet the standard for ULEZ and this will be increased to six by March 2020. All vehicles for this contract will meet the required emission standard. - By April 2019 all HGV Vehicles will be fitted with Full 360 Degree Vision Cameras in addition to Side Scan Sensors and Turning/Reversing Audible Warnings.
Additional social value benefits, for example improving safety measures for cyclists and deliveries in low emission vehicles out of peak hours.	- All drivers will be attending a Vulnerable Road User Training Course. - A quantity based discount for some of the vehicle classes will be offered, reducing costs and reducing environmental impacts.

Equalities implications

29. The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions.

30. The duty requires us to have regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.

- c. Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
31. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
32. The supplier named in Appendix 1 - Confidential Tender Evaluation provided their tender based on the LFC standard terms and conditions which will be used to form the subsequent contract. Clause 22 of LFC standard terms and conditions ensures that the Supplier shall not itself, or through a servant or agent, discriminate against any person on any grounds contrary to the provisions of the Equality Act 2010; and the Supplier shall comply fully with the terms of the Commissioner's Equalities Protocol, as set out in Schedule 6 Part B (Protocols). Such compliance is a condition of the Agreement. In the event that the Supplier fails to comply in any material respect with any of the terms (1) – (7) of the Equalities Protocol, the Commissioner shall have the right to terminate the Agreement.
33. An Equality Impact Assessment was conducted and considered how those with protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sexual orientation, marriage or civil partnership status may be impacted both positively and negatively. Because of the nature of this procurement, it was deemed that there were no adverse impacts identified on any particular characteristic in a negative way. It was however considered that the use of this procurement does contribute, in its finality, to good community relations by way of delivering continuing efficiency to operational response by ensuring staff have an awareness of the diverse population of London, all of which may suffer the misfortune of becoming trapped due to accident within a vehicle or other transportation by road. Operational staff also become aware of the challenges in preserving the dignity amongst those with beliefs, race or religion and disabilities within minority groups across the response area who may have become trapped and require extricating in a sensitive and more mindful way. No data is currently available to determine identification of protected characteristics at RTC's although a number of internal and external sites were visited, TFL, <https://tfl.gov.uk/corporate/publications-and-reports/road-safety> and internal LFB data collection sources. The provision of this spend to maintain LFC is satisfied that arrangements meet the requirements of Equality Act 2010 and LFC responsibilities within Public Service Equality Duty.

List of Appendices to this report:

Appendix 1 – Confidential Tender Evaluation

Appendix 1 – Confidential Tender Evaluation

Recommendation

1. That London Fire Commissioner gives approval for a five year contract to ACE Vehicle Services Limited at a cost of £611,691.00 for Depolluted Vehicles and associated services.

Evaluation Process

2. The Commissioner received a total of one tender which was from ACE Vehicle Services Limited.
3. Efforts were made to determine why other potential suppliers did not submit a tender response to ensure that any future procurements for this requirement will take them into consideration when determining procurement strategy. Tenderers cited factors of not having the required resources to deliver pan London or costs would be so great that they could not give a competitive price.
4. ACE Vehicle Services Limited passed the Supplier Questionnaire as they provided valid environmental licenses and have the requisite economic and financial standing.
5. Quality was scored independently by two Central Operations officers, followed by a consensus meeting to agree final scores given to the tender. Commercial evaluation was conducted by a procurement officer.
6. The scores awarded to each bidder for each section of the award criteria are as follows:

Criteria	Sub-criteria	Sub criteria Weight	Scores
Price	Total Price	60%	60%
Quality	Specification met	Pass/Fail	Pass
	Delivery and Collection	20%	20%
	Management of the contract	10%	10%
	Improving training	5%	5%
Social Value	Social value	5%	4%
	Total	100%	99%

7. ACE Vehicle Services Limited provided a compliant tender, scoring 39% out of a potential 40% for quality.

8. ACE Vehicle Services Limited's solutions provides the Commissioner with:
 - a. A clear and detailed order, delivery and collection process that ensures minimal disruption to operational duties of station personnel, including provisions for urgent deliveries and what will be done in various unforeseen circumstances such as an unattended station or restricted access to a station.
 - b. Contract management arrangements including the complaints procedure, monthly reporting requirements, internal monthly management meetings, and 6-monthly contract review meetings with the LFB.
 - c. Provision of vehicles that reflect the majority of vehicles currently used on roads. If a specific vehicle type is required efforts will be made to accommodate this, but if it unable to be done, the specific station will be consulted to achieve the best alternative.
 - d. Extensive experience in deforming and positioning vehicles to simulate crash damage to ensure realistic scenarios and improving Road Traffic Collision training.

Financial implications

9. Actual net spend for the provision of depolluted vehicles over the last 5 years was £594,625. This has come from Station budgets.
10. Over the next 5 years the total contract cost based on estimated order quantities is £624,751 (£124,950.2 per annum), a detailed breakdown is attached in appendix 1. This cost has been calculated using the estimated annual order quantities over the last 5 years per property area.
11. It should be noted the new contract specification includes a new process for collection of vehicles from site. This process aims to reduce failed collection charges to zero and therefore the estimated total cost of the contract is £611,691.00 (£122,338.2 per annum).
12. In line with the Mayor's 'Vision zero' strategy to reduce road deaths, a collaborative process is being undertaken to link into TFL to utilise both new and old buses for familiarisation and training for staff Pan-London. This will be at zero cost to the LFB and will assist in further reducing the overall contract cost with regards to the need for larger vehicles.

Risk/Contract management

13. Robust contract management procedures will be in place to ensure that ACE Vehicle Services Limited delivers what they are required to under the contract. Central Operations will be responsible for the day-to-day running of the contract and the commercial contract management of the agreement.
14. The current contract for the supply of depolluted vehicles was novated from E & S.P. Davis Ltd to Ace Vehicle Services Limited in December 2018. This is due to the fact that the company decided to change its name as it was changing hands from father to son as it is a family business and to give the company a more modern name.
15. ACE Vehicle Services Limited is the incumbent supplier and so a strong relationship already exists. The supplier has been very willing in the past to work collaboratively to resolve issues and deal with difficult removals of vehicles from site.
16. The incumbent has been supplying the Brigade with de-polluted vehicles since October 2010, successfully winning the re-procurement of the contract in December 2015. They have performed very well over these two contracts. The supplier is understanding of the Brigade's operational duties and

that therefore fire stations may not be able to take delivery if they have been called out to an incident. The supplier is able to deliver to specific requests made to them by Fire Stations for impacted cars to aid familiarisation training.

17. An already strong relationship will be further developed with ACE Vehicle Services Limited to ensure that key elements of the specification are met. A KPI regime has been developed around meeting delivery times, completed collection of vehicles within the time agreed, and attendance at contract review meetings on a 6-monthly basis. Poor performance will result in a financial penalty.

Appendix 1 – Break down of Estimated Order Quantity and Cost

North East Area

Class of Vehicle	Fixed price Delivery & Collection per vehicle (ex VAT)	Estimated annual quantities	Estimated 5 yr. Contract cost
Small Passenger Vehicles (i.e. cars)	£320.00	89.35	£142,960.00
People Carrier (7-9 seater)	£350.00	1.25	£2,187.50
Passenger Service Vehicles (i.e. bus 7-16 seater)	£750.00	0.25	£937.50
Small Van (car derived van)	£320.00	1.05	£1,680.00
Medium van (e.g. Panel van)	£460.00	0.55	£1,265.00
Large Van	£700.00	0.55	£1,925.00
Small Heavy Goods Vehicles (i.e. 7500kg - 12000kg)	£3,000.00	1.05	£15,750.00
Large Heavy Good Vehicles (i.e. 13000kg - 32000kg)	£8,000.00	0.20	£8,000.00
Newer Vehicles (i.e. newest cars available at time of request)	£1,100.00	0.90	£4,950.00
Total	£15,000.00	95.15	£179,655.00

Failed collection	Charge	Estimated annual quantities	Estimated 5 yr. Contract cost
Car	£60.00	10.50	£3,150.00
Van	£80.00	1.00	£400.00
HGV	£300.00	1.00	£1,500.00
Total	£27,540.00	12.50	£5,050.00

North West Area

Class of Vehicle	Fixed price Delivery & Collection per vehicle (ex VAT)	Estimated annual quantities	Estimated 5 yr. Contract cost
Small Passenger Vehicles (i.e. cars)	£320.00	72.15	£92,352.00
People Carrier (7-9 seater)	£350.00	1.25	£1,750.00
Passenger Service Vehicles (i.e. bus 7-16 seater)	£750.00	0.25	£750.00
Small Van (car derived van)	£320.00	1.05	£1,344.00
Medium van (e.g. Panel van)	£460.00	0.55	£1,012.00
Large Van	£700.00	0.55	£1,540.00
Small Heavy Goods Vehicles (i.e. 7500kg - 12000kg)	£3,000.00	1.05	£12,600.00
Large Heavy Good Vehicles (i.e. 13000kg - 32000kg)	£8,000.00	0.20	£6,400.00
Newer Vehicles (i.e. newest cars available at time of request)	£1,100.00	0.90	£3,960.00
Total	£15,000.00	77.95	£121,708.00

Failed collection	Charge	Estimated annual quantities	Estimated 5 yr. Contract cost
Car	£60.00	6.50	£390.00
Van	£80.00	1.00	£80.00
HGV	£300.00	1.00	£300.00
Total	£27,540.00	8.50	£770.00

South East Area

Class of Vehicle	Fixed price Delivery & Collection per vehicle (ex VAT)	Estimated annual quantities	Estimated 5 yr. Contract cost
Small Passenger Vehicles (i.e. cars)	£320.00	116.95	£149,696.00
People Carrier (7-9 seater)	£350.00	1.25	£1,750.00
Passenger Service Vehicles (i.e. bus 7-16 seater)	£750.00	0.25	£750.00
Small Van (car derived van)	£320.00	1.05	£1,344.00
Medium van (e.g. Panel van)	£460.00	0.55	£1,012.00
Large Van	£700.00	0.55	£1,540.00
Small Heavy Goods Vehicles (i.e. 7500kg - 12000kg)	£3,000.00	1.05	£12,600.00
Large Heavy Good Vehicles (i.e. 13000kg - 32000kg)	£8,000.00	0.20	£6,400.00
Newer Vehicles (i.e. newest cars available at time of request)	£1,100.00	0.90	£3,960.00
Total	£15,000.00	122.75	£179,052.00

Failed collection	Charge	Estimated annual quantities	Estimated 5 yr. Contract cost
Car	£60.00	10.50	£2,520.00
Van	£80.00	1.00	£320.00
HGV	£300.00	1.00	£1,200.00
Total	£27,540.00	12.50	£4,040.00

South West Area

Class of Vehicle	Fixed price Delivery & Collection per vehicle (ex VAT)	Estimated annual quantities	Estimated 5 yr. Contract cost
Small Passenger Vehicles (i.e. cars)	£320.00	77.75	£99,520.00
People Carrier (7-9 seater)	£350.00	1.25	£1,750.00
Passenger Service Vehicles (i.e. bus 7-16 seater)	£750.00	0.25	£750.00
Small Van (car derived van)	£320.00	1.05	£1,344.00
Medium van (e.g. Panel van)	£460.00	0.55	£1,012.00
Large Van	£700.00	0.55	£1,540.00
Small Heavy Goods Vehicles (i.e. 7500kg - 12000kg)	£3,000.00	1.05	£12,600.00
Large Heavy Good Vehicles (i.e. 13000kg - 32000kg)	£8,000.00	0.20	£6,400.00
Newer Vehicles (i.e. newest cars available at time of request)	£1,100.00	0.90	£3,960.00
Total	£15,000.00	83.55	£128,876.00

Failed collection	Charge	Estimated annual quantities	Estimated 5 yr. Contract cost
Car	£60.00	7.00	£1,680.00
Van	£80.00	1.00	£320.00
HGV	£300.00	1.00	£1,200.00
Total	£27,540.00	9.00	£3,200.00

	Charge	Estimated annual quantities for all stations	Estimated 5 yr. Contract cost
Deformity to per vehicle	£50.00	12.00	£2,400.00

Total Price - Evaluated (Estimated price of 5 year contract)	£624,751.00
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Total Price - Without Failed Collection charges (Estimated price of 5 year contract)	£611,691.00
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