



**Author/Lead Officer of Report:** Michael Hague

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**Report of:** Laraine Manley  
**Report to:** Robert Johnson  
**Date of Decision:** TBC  
**Subject:** The Provision of Self-Drive Vehicle Hire

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <b>Transport and Development</b> Which Scrutiny and Policy Development Committee does this relate to? <i>(Insert name of Committee)</i> <b>Economic and Environmental Wellbeing Scrutiny Committee</b>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

**Purpose of Report:**

To outline the proposed creation of a Framework procurement route for self-drive vehicle hire for use by the Council's Transport Service.

**Recommendations:**

Following review of the Council's retendering strategy; the recommendation is to re tender for the provision of Self-Drive Vehicle Hire via a Framework Agreement which will include a number of suppliers for the Council's Transport Service to use. The Framework will include the supply of various vehicles on an "as required basis", to be delivered full of fuel to various addresses throughout Sheffield and other locations by exception.

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**Background Papers:**

**Vehicle Hire Procurement Strategy**  
**Vehicle Hire Procurement Timetable**

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <b>Chloe Parker</b>
		Legal: <b>David Cutting</b>
		Equalities: <b>Annemarie Johnston</b>
<p><i>There are no equality implications from the creation of the framework. The framework will specify that in order to be considered for inclusion in the tendering process, companies will need to demonstrate that they have a robust policy for equality, diversity and inclusion.</i></p> <p><i>Creating our own framework gives us the ability to include hire of wheelchair adapted minibuses, which are not in any of the existing contract specs. This will help to provide security to the disability services provided by the council.</i></p>		
2	<b>EMT member who approved submission:</b>	<i>(Insert name of relevant Executive Director)</i> <b>Lorraine Manley</b>
3	<b>Cabinet Member consulted:</b>	<i>(Insert name of relevant Cabinet Member)</i> <b>Terry Fox</b>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name: Michael Hague</b>	<b>Job Title: Assistant Transport Manager</b>
	<b>Date: 08/07/2020</b>	

## **1. PROPOSAL**

- 1.1 Provision of Council services necessitates the use of a large number of vehicles. There are always a number of vehicles which are unavailable due to maintenance/repair or accident damage. Also services require extra vehicles to enable them to meet short term demands such as seasonal workers or work back logs. To complement our small spare vehicle pool, short term hire vehicles are utilized which negates the need for a large spare pool which may stand idle for long periods, this is a more cost effective method to address this issue. The previous contract for supply of Self Drive Vehicle Hire was awarded for the period from 24/04/14 to 23/04/17, therefore this has now expired. The Council's Transport Services continue to use some of the appointed providers due to the necessity to maintain a service, although this practice is now non-compliant with EU Procurement requirements and the Council's CSO procedures. The Council have a duty to obtain value for money and the best way to achieve this is by tendering: the result being a framework agreement probably across several suppliers. This Contract has been Non-Compliant for this long period of time due to resource constraints in Commercial Services
- 1.2 The key outcome of the project is the Provision of a Compliant Self Drive Vehicle Hire service. The key benefit of this procurement is the establishment of a fully compliant contractual arrangement, which has been subject to a "value for money" assessment. The contract expired over 12 months ago so it is important we retender this service to reduce the risk of challenge from the market.
- 1.3 We are proposing a 4 year contract (Framework) with break clauses after years 2 & 3 in order to review our position and requirements due to the ongoing Vehicle Fleet Replacement Programme. It is likely that the quantity of vehicles hired will reduce as the fleet is replaced with new, more reliable vehicles.

We will be tendering via a Single Stage Open Tender Process. The Evaluation criteria will be as follows:

- 60%- Price (Early Payment Discount will be offered as part of the Tender Process and be part of the evaluation)
- 40%- Quality ( including mandatory 10% Social Value & 5% Local Economic Impact criteria)

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 Although several frameworks for this supply already exist, history has shown that it is possible for the council to obtain better value by local open tendering. This method also benefits local rather than national

businesses. As a valued customer, the council could also exert pressure on the suppliers to move more quickly to zero emission vehicles, with corresponding air quality improvement implications.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 There is no mandatory consultation required. Implementation of a short term proposal such as this may have consequences limited to employment and business revenue in the city, but on a small scale and we do not feel that community engagement would provoke meaningful response.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality of Opportunity Implications**

- 4.1.1 There are no equal opportunity implications from the creation of the framework, however the framework will specify that in order to be considered for inclusion in the tendering process, companies will need to demonstrate that they have a robust policy for equal opportunity.

- 4.1.2 Creating our own framework gives us the ability to include hire of wheelchair adapted minibuses, which are not in any of the existing contract specs. This will help to provide security to the disability services provided by the council.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 A locally based framework will allow cost savings. The plan for a 4 year contract period with reviews at years 2 and 3 will allow flexibility for future developments.

#### **4.3 Legal Implications**

- 4.3.1 The Localism Act 2011 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. The creation of the proposed procurement Framework can be delivered through the Council using its general power of competence.

- 4.3.2 The creation of the proposed Framework must comply with the Public Contract Regulations 2015 and in doing so will thereby ensure compliance with the Councils CSO's.

- 4.3.3 The Framework will specify that in order to be considered for inclusion in the tendering process, companies will need to demonstrate that they comply with minimum wage and health & safety requirements including public safety (e.g. delivery drivers' license checks) thereby ensuring that

the Council meets its own standards and those obligations imposed by statute.

#### 4.4 Other Implications

4.4.1 There are no other implications arising from this proposal.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 We have looked at a number of framework agreements that are currently available for this area of operation, examples are given below:-

- **Crown Commercial Services (CCS)**
- **Eastern Shires Purchasing Organisation (ESPO)**
- **The Procurement Partnership (TPPL)**
- **Yorkshire Purchasing Organisation (YPO)**

None of these frameworks provide the full range of vehicles we require, and the locally agreed rates are more competitive in every case.

### 6. **REASONS FOR RECOMMENDATIONS**

6.1 The creation of a local purchasing framework for vehicle hire will permit competitive tendering amongst local businesses and will drive down the cost and increase availability of hired vehicles to the City Council. A local framework is preferred to any of the existing frameworks as a better and more economic fit for the needs of Sheffield Transport. It is expected that the framework will develop over the 4 year period, delivering a responsive structure as vehicle needs change.