

<b>(Acting) Chief Fire Officer</b>	<b>Ref No: OKD14 19/20</b>
<b>August 2019</b>	<b>Key Decision: Yes</b>
<b>Award of Contract for the purchase of 35 vehicles to support a Flexi Duty System (FDS) in Fire and Rescue Service</b>	<b>Part I</b>
<b>Report by (Acting) Deputy Chief Fire Officer and County Fleet Manager</b>	<b>Electoral Divisions: All</b>

### Summary

The County Council operates a Fleet Asset Management Plan that details the vehicles and equipment due for replacement over a rolling five year period.

As part of Decision [SSC14 17.18](#) the authority was delegated to the Chief Fire Officer to award contracts as part of the delivery of the Fleet Asset Management Plan.

Decision [OKD03 19/20](#) approved the commencement of a procurement for 35 vehicles to support a Flexi Duty System (FDS) operated by the Fire and Rescue Service.

This report seeks the approval of the Chief Fire Officer to award the contract for the purchase of 35 vehicles with emergency response conversion.

### West Sussex Plan: Policy Impact and Context

The provision of modern and fuel-efficient vehicles ensures the workforce is supported in its role to provide emergency response but also that the impact on the local environment is kept to a minimum.

This outcome supports the objective of making West Sussex a strong, safe and sustainable place.

### Financial Impact

The financial implications of the outcome of the procurement process are follows:

- Price per vehicle with emergency response conversion: £26,289.82
- Total value of capital purchase: £920,143.70 (Purchase + 3Yr software licence)
- Capital funds have been assigned for the purchase of the vehicles via the Council's Capital Programme.
- The proposal is that the Council finances the purchase of the vehicles using a sale and leaseback arrangement. There will be lease costs to fund from revenue over a 5 year' period. These are expected to be approximately £3,500 per vehicle per year.
- There will be revenue costs to the vehicles during Yr4 and Yr5 of their operational life to support the software licences for the in-vehicle Information Communication Technology (ICT)/Communications solution. This will be £13,236.00 p.a (based on 35 vehicles) and payable to Opses Limited which provides the system.

## **Recommendation**

That the Chief Fire Officer approves the award of the contract to purchase 35 vehicles (with emergency response conversion) from Volkswagen Group United Kingdom Ltd trading as Skoda UK.

## **Proposal**

### **1. Background and Context**

- 1.1 Replacement vehicles form part of the Council's Fleet Asset Management Plan.
- 1.2 Following a review of the need and requirement of this vehicle type it was agreed that the procurement of a replacement FDS vehicle will:
  - Seek to minimise environmental impact;
  - Equal or improve current stowage capacity;
  - Integrate an ICT/Comms solution into the vehicle's existing hardware;
  - Undergo external livery and lighting conversion as part of a 'turn-key' solution (where the supplier provides the completed vehicle with associated emergency response conversion and technology for the Council to use as soon as it is delivered).
- 1.3 The route to market used was Lot 6 of the Crown Commercial Services (CSS) Framework Agreement for Vehicle Purchase (RM6060) which went live in December 2018.
- 1.4 A further competition was published on the Council's e-sourcing portal on 20 May 2019 to the 22 suppliers on Lot 6 of the Framework Agreement.
- 1.5 The evaluation approach (as stated in the tender documents) was to identify the supplier submitting the most economically advantage tender (MEAT), with a weighting of 50% Quality and 50% Price.
- 1.6 Six tender responses (across 9 vehicle models) were received from vehicle manufacturers by the closing date of 10 June 2019.
- 1.7 The tender was evaluated by range of internal subject matter experts for compliance against the specification and post-sale support.

### **2. Proposal Details**

- 2.1 It is proposed that the contract to purchase and convert 35 vehicles is awarded to Volkswagen Group United Kingdom Ltd trading as Skoda UK.
- 2.2 The response submitted by Volkswagen Group United Kingdom Ltd using the Skoda Kodiaq 2.0tdi 150ps SE 4x4 Manual vehicle model met the agreed specification and scored well on post-sale support.

- 2.3 The contract will expire on acceptance of the final vehicle into the Service. It is anticipated that 30 vehicles will be delivered before 31 March 2020. The remaining 5 vehicles will be delivered during 2020/21.
- 2.4 The total value of the contract for the vehicle purchase (payable to Volkswagen Group United Kingdom Ltd) will be £920,143.70.
- 2.5 The expected operational life of the vehicles is 5 years.
- 2.6 Included in the purchase price is 3 years warranty on the vehicle and 3 years on the conversion.
- 2.7 The vehicle model offers improved emissions compared to the current batch of vehicles as well as improved load-space to assist staff with the range of kit they carry.

### 3. Consultation

- 3.1 Consultation on the final bid response has been carried out with the following parties:
- FRS Senior Leadership Team
  - Council's Procurement Board
  - Fleet Manager
  - Solicitor (Commercial)
  - Procurement and Contract Manager
  - Electronic Services Group and Principal IT consultant
  - Representative Bodies

### 4. Financial (revenue and capital) and Resource Implications

- 4.1 The purchase of the vehicles will be funded from capital secured through the Council's Capital Programme.
- 4.2 The following table shows the impact on capital spend to support the vehicle purchase.

	<b>Current Year 2019/20 £m</b>	<b>Year 2 2020/21 £m</b>	<b>Year 3 2021/22 £m</b>	<b>Year 4 2022/23 £m</b>	<b>Year 5 2023/24 £m</b>
Capital budget (for all Fleet Replacement)	2.000	1.405	2.300	3.800	4.800
Value of spend	0.788	0.131	0	0	0
Remaining budget	1.212	1.274	2.300	3.800	4.800

- 4.3 The following table shows the impact on revenue spend (assuming sale and lease back option is the most economic financing option).

	<b>Current Year 2019/20 £m</b>	<b>Year 2 2020/21 £m</b>	<b>Year 3 2021/22 £m</b>	<b>Year 4 2022/23 £m</b>	<b>Year 5 2023/24 £m</b>	<b>Year 6 2024/25 £m</b>
Revenue budget	0.026*	0.122	0.122	0.133	0.135	0.098
Change from Proposal	0	0	0	0	0	0
Remaining budget	0.026	0.122	0.122	0.133	0.135	0.098

\* Assumes 30 vehicles are delivered in January 2020, with a 5-year lease starting at that date.

- 4.4 During Yr4 and Yr5 of the vehicle's operational life, licence costs will be paid to Opses Limited (and not the vehicle manufacturer) which provides the software to support the integrated ICT/Comms solution.
- 4.5 The conversion process and vehicle testing and will be overseen by members of the Fleet team as well as other internal subject matter experts as required.
- 4.6 The vehicles will be maintained by the Council using existing resource.

## 5. Legal Implications

- 5.1 The procurement was undertaken in accordance with the Public Contract Regulations 2015 and WSCC Standing Orders for Contracts and Procurement ensuring the principles of transparency and equal treatment were maintained, ensuring acceptable time limits were applied and details of the award procedure made clear in the tender documents.

## 6. Risk Assessment Implications and Mitigations

- 6.1 The following risks and mitigations have been considered:

<b>Risk</b>	<b>Mitigations</b>
The vehicles are not fit for purpose	Extensive engagement with the service has identified the core requirements of the vehicles and these have been incorporated into the specification
Delay in delivery of vehicles	Delivery timescales have been evaluated as part of the further competition and will be monitored by the Fleet Team post-award. The current vehicles are leased. Should a delay occur leases can be extended to cover the delay

Uncertainty around exit from European Union (EU)	The pricing submitted is firm. Any possible delays with supply chains will be managed with the supplier.
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## 7. Other Options Considered

7.1 The following options have been considered:

- a) Re-run the tender exercise without the proposed turn-key solution;
- b) Re-run the tender exercise on the same Framework Agreement to seek further bids and other hybrid options;
- c) Re-run the tender exercise using the Open procedure under Public Contract Regulations 2015.

7.2 Option a) has been discounted on the basis that it will require the Council to manage the free-issue of vehicles to emergency response convertors. This will extend the lead times of the vehicles.

7.3 Option b) was been discounted on the basis that it is not certain the opportunity would attract further interest without affecting other areas of the specification and would delay to the vehicle replacement programme.

7.4 Option c) is unlikely to create more interest from suppliers who are not already part of the UK vehicle manufacturer sector.

## 8. Equality and Human Rights Assessment

8.1 The Equality Duty does not need to be address as part of this report which is dealing with replacement vehicles for a small group of individuals in the Fire and Rescue Service and which will not impact on any individuals with a protected characteristic.

## 9. Social Value and Sustainability Assessment

9.1 The proposed vehicle purchase supports the Council's commitment to continually reduce vehicle emissions and minimise the impact on air quality.

## 10. Crime and Disorder Reduction Assessment

10.1 Not applicable

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**Appendices:** None **Background papers:** None