

Report to CABINET

Report to approve Fleet Factors LTD to manage the stores function for Fleet Management.

Portfolio Holder:

Cllr B Brownridge, Cabinet Member for Neighbourhoods

Officer Contact: Helen Lockwood, Deputy Chief Executive – People & Place

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Reason for Decision

A re-procurement was undertaken via the YPO Fleet Managed Services framework (921) as the current contract with Fleet Factors had expired. After evaluation Fleet Factors met all the criteria of the tender competition and Fleet Management are looking to award the contract to Fleet Factors for the next 2 years with an option to extend for a further 2 years.

Executive Summary

The main vehicle maintenance workshop is situated on Moorhey Street, Oldham. The site is a base for a number of frontline services including Fleet, Waste Management and Highways. There is a dedicated stores facility based within the vehicle workshop at Moorhey Street depot, containing Impress stock, supplied and managed by an outside provider, (Currently Fleet Factors Ltd).

Oldham's Fleet consists of over 100 vehicles and around 500 items of plant equipment.

Recommendations

To approve the award of contract to Fleet Factors Ltd.

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1 Background

- 1.1 Fleet management activity is supported by a contract for the call off and supply of parts and lubricants. The contract to this point was awarded to Fleet Factors who are solely responsible for all stock on site and all lubricants required for Oldham's fleet of vehicles and plant. This successful arrangement has been in place for 17 years.
- 1.2 An exercise has been undertaken review the position following a compliant procurement exercise and the options are provided below.

3 Options/Alternatives

- 3.1 Option 1: To approve the contract with Fleet Factors Ltd Extending the current contract that is in place and keeping the Fleet Management stores in a compliant position.

Option 2: To not approve the contract award to Fleet Factors Ltd and be without a stores provider for Moorhey Street Depot. This would either place additional pressure and workload on staff to manage the day to day operations of the stores or put the Council in a non-compliant position with Fleet Factors Ltd continuing to provide the service on an informal basis.

4 Preferred Option

- 4.1 Option 1: To approve the contract with Fleet Factors Ltd.

5 Consultation

- 5.1 n/a

6 Financial Implications

- 6.1 The table below shows spending on the Stores Management facility in the last four completed financial years:

Year	£K
2016/17	377
2017/18	374
2018/19	365
2019/20	355
Annual Average	368

- 6.2 The figures evidence a small year on year reduction in costs with spend averaging £368K per annum and is indicative of a managed position. Spend in the current financial year (2020/21) is forecast to be lower than this at £330K. This is due mainly to the impact of

the Covid 19 Pandemic which has depressed vehicle usage and resulted in reduced maintenance costs. A return to the long-term cost trend is anticipated once the pandemic is over.

6.3 The cost of spares, whilst incurred initially by Fleet Services, is ultimately recoverable from internal fleet users in the main with a small element of work chargeable to external customers.

6.4 There is adequate funding available within the Fleet Services Revenue Budget and Medium-Term Financial Plan to fund this annual contractual commitment.

(Nigel Howard)

7 Legal Services Comments

7.1 The Council has followed Rule 4.1 of its Contract Procedure Rules and used the provisions of a YPO Framework Agreement to select Fleet Services to provide the fleet services for the Council. The Council will enter into a call off order under the terms and conditions of the framework agreement. (Elizabeth Cunningham Doyle) 8.

Co-operative Agenda

8.1 N/A

9 Human Resources Comments

9.1 N/A

10 Risk Assessments

10.1 N/A

11 IT Implications

11.1 None

12 Property Implications

12.1 None

13 Procurement Implications

13.1 The Commercial Procurement Unit supports the recommendations outlined in the report. A compliant process has been undertaken, in line with the Council's Contract Procedure Rules (Rule 4.1 – use of an existing framework), EU regulations and the YPO framework guidelines. (Emily Molden)

14 Environmental and Health & Safety Implications

14.1 N/A

15 Equality, community cohesion and crime implications

15.1 None

16 Equality Impact Assessment Completed?

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 NC-09-20

19 **Background Papers**

19.1 N/A

20 **Appendices**

20.1 N/A