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Further Competition Template



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Further Competition Ref: DN663229 - YPO DPS 1117 Fleet Management (Lot 3 Managed Stores) on behalf of South Kesteven District Council – October 2023

Contracting Authority Name:	South Kesteven District Council (the Council)
Contract Authority Contact	George Chase email: george.chase@southkesteven.gov.uk
YPO e-tendering portal	Yes

Introduction

The Council is seeking to form a contract with a suitable Provider to deliver a Managed Service for:

The supply of vehicle parts, and workshop consumables via managed store and 'on demand' delivery.

The commissioning of some associated ad-hoc services required to operate a vehicle maintenance and repair service.

The Council owns, operates, and hires a diverse range of vehicles ranging from small cars and vans, light and heavy commercials, municipal waste collection vehicles and small and large items of plant associated grounds maintenance.

These assets are managed, maintained and repaired by the Council's in-house vehicle workshops, known as "Transport Services".

Transport Services employs vehicle technicians and supporting staff based in its workshop located at Mowbeck Way, Grantham, NG31 7AH.

The operation of the Council's fleet is integral to the delivery of critical front-line services, which have a direct impact on the lives of the residents and visitors to The. The supply of vehicle spare parts is essential to ensure that vehicles are available to enable The Council to always deliver these services.

1. Organisations Requirement/Specification

The scope of this contract is for a managed service to deliver a single approach to the Council's Transport Services for provision of all the following:

- Supply of vehicle and plant parts
- Supply of workshop consumables including oils and lubricants
- Supply of materials and consumables for light engineering
- Management of Impress Stock
- Management the 'on demand' delivery of non-routine items
- Commissioning of some ad-hoc services, associated with vehicle maintenance.

The range and volume of parts and consumables supplied shall be sufficient to meet all the repair and maintenance requirements for the Council's fleet throughout the period of the contract.

The nature of the Council's business includes demanding work for its fleet so the expected operation of the asset must be considered when selecting parts or components.

Detailed knowledge and understanding of the vehicle parts and maintenance industry will be required to provide effective advice which will support the operation of all Council's Transport Services.

The service required will be made available to the normal hours of operation for the Council's Vehicle Fleet which on occasion may include out of hours, weekend, and bank holiday working.

Effective management of onsite storage facilities and the supply chain will be required to meet the Council's Transport Services timescales.

The Council's fleet and locations of operations will be subject to change throughout the period of the contract, to meet the service requirements of the Council. Therefore, the type and volume of items supplied by this contract shall also be expected to change in order to meet the needs of the Council.

Based on the historic spend for the services required the anticipated value of this contract is up to £420,000 per year. However, no guarantee is given or implied, as to the quantities of goods or services that will be required under this arrangement.

The contract term shall be for a primary period of 4 years with the option to extend for a further 2 years on a year-by-year basis based on completion of satisfactory annual reviews, to a maximum period of 5 years.

This Contract does not prevent the Council from doing similar work with its own labour or contracting with other suppliers for similar work where this may be beneficial for the Council. The Provider has no claim for additional costs when the Council carries out the work or uses others.

2. Background

Current Service

The services provided by our Directorates touch the lives of every resident in the South Kesteven District. Our environmental infrastructure forms the Council's most valuable asset, providing the landscape in which we live.

Future Requirements

The Council is open to any proposed method of service delivery for this Contract that demonstrates delivery of the requirements of this Specification.

During the period of this contract there may be further restructuring of public authorities and services within The Council. Where these changes result in an adjustment in the scope of services delivered by Transport Services the Contract will correspondingly need to adjust in scope, in particular, the volume and range of items and services provided. It is probable that during the life of this contract, The Council will introduce alternatively fuelled vehicles to the fleet. The Provider must be prepared to support the servicing and maintenance of these vehicles.

The Council Transport Services

Transport Services provides fleet management support for all the Council's vehicle assets. Transport Services aims to provide a single approach for fleet management to the Council by:

- Providing a full vehicle maintenance and transport support function
- Supporting compliance with the requirements of the Council's Operators' Licence granted by the Traffic Commissioner
- Ensuring tighter financial controls and better governance for the procurement, maintenance, running, replacement, and disposal of vehicle assets
- Working with service managers to ensure the fleet is fully utilised

Working Hours

The appointed supplier shall have the capacity and ability to deliver during the normal working hours as stated below, subject to change

Normal working hours:

Monday – Friday 07:00 to 16:00

Additional cover will be required to cover winter maintenance and Bank Holidays as and when requested by the Council.

ICT and Fleet Management Systems

Transport Services use Chevin Fleet Solutions, Fleet Management software known as Fleetwave. The supplier is expected to work together with The Council and Chevin Fleet Solutions to ensure "real time costing" of vehicle maintenance to allow for better control of costs.

For other administrative ICT processes associated with this Contract the Council will use products based on Microsoft Office, e.g., Excel, Word, Access, Outlook.

3. Implementation Process

The implementation period shall commence from the notice of conditional award. The length of the implementation period will be proposed by the Provider as part of their tender submission but shall not exceed a total period of two calendar months.

The following actions are required for the implementation of this managed service:

Clarification Meeting and Site Visit

A clarification meeting and visit to site will be arranged for the Provider that ranks top following the tender process. The Provider will use this meeting and visits to confirm that their tender submission is compliant with the service requirements.

Contract Award

The 1st notification of Award and 10-day Standstill period will follow the satisfactory completion of the clarification meeting and site visit.

Development of the Supply Chain

The Provider will ensure that the supply chain management is established to ensure delivery of the service from the Contract start date.

Acquisition of routine stock items located in on site storage facilities

The Provider will establish, in consultation with Council Transport Services, the range and volume of items to be stored on site. These items will then be sourced in order to be available from the Contract start date.

Start of Service Delivery

The Contract will commence on the 1st November 2023

First Contract Review Meeting

The first contract review meeting shall be held one month from the Contract start date.

4. Overarching Principles

The following are the overarching principles of this contract. These principles shall apply at all times in the delivery of the service to the Council.

Best Value

The Provider shall use their knowledge, understanding and competitive buying power in the industry to make effective decisions on behalf of the Council to source the best value, fit for purpose, goods and services required by this contract.

Best value shall mean either of the following, that goods and services are fit for purpose and at the lowest available cost to the Council (or) fit for purpose and demonstrates relevant added value over comparable goods or services.

Reducing Vehicle Downtime

Maintaining vehicle downtime to a minimum is critical for Transport Services to deliver its Services to the Council.

Through effective programming of tasks and consultation with Transport Services the Provider shall manage the volume and replenishment of routine items available from stores facility on the Council site and ordering and delivery of non-routine items.

The Provider shall at all times have sufficient capacity and resources to meet the requirements of the Council throughout the life of the contract. This will include a sufficient number of suitably equipped and trained representatives.

Council Employees shall be able to access the service at a time and a way that suits the Council's business needs.

Continuous Improvement

The Provider shall work with Transport Services throughout the period of this contract to identify and implement continuous improvement and efficiencies in the delivery of this service.

This may include, but is not limited to, cost reductions for equivalent goods or services, improved quality, time savings, a reduction in administrative processes, the implementation of industry best practices and the use of sustainable products.

Minimise Environmental Impact

In 2019 The Council declared a climate emergency with the goal of being carbon neutral by 2030.

The Provider shall take all reasonable measures to minimise the impact on the environment from the delivery of this contract. This covers the whole life of the part from manufacture to disposal

Safe and Legal

The Provider shall ensure that the Service is delivered safely and complies with all relevant health & safety and environmental legislation. Also, proportionate levels of security should be in place to protect the Councils assets.

5. Statement of Requirements – Goods Supplied

This contract will require the supply of vehicle parts, items of plant, workshop consumables and other associated items to be used by Council Transport Services in the delivery of its services.

On occasion it may be necessary for The Council to procure parts and services direct from suppliers without involving the parts provider

Scope of Parts Required

The following is a list of the type of goods that shall be sourced by the Provider and supplied to the Council Transport Services This list is not exhaustive. Where items are not defined, then these items may be requested by the Council and supplied in agreement with the Provider:

- Vehicle body parts,
- Vehicle chassis parts,
- Engine parts
- Electrical and Lighting Components,
- Suspension, transmission and braking parts
- Hydraulic parts,
- Filtration,
- Lubricants,
- Fitted ancillary equipment parts for Highway's maintenance and other waste collection vehicles e.g., lifting equipment, pressure vessels, sweeper gear, brushes, gritter/plough parts
- Workshop consumables including welding equipment, oxygen, acetylene and argon cylinders
- Agricultural equipment and parts

The Council has in place contracts for the following goods, so they are not included in the scope:

- Tyres and associated parts
- Vehicle Fuel

Design and Performance Criteria

The Council may on occasion and at its discretion request that specific Brand Name or OEM (Original Equipment Manufacturer) and pattern parts are supplied.

OEM Parts shall mean: Parts that are manufactured by or for the manufacturer of the vehicle.

Parts manufactured by the OE Contractor and branded with the logo of the vehicle manufacturer and part manufacturer; Technically identical parts manufactured by the original equipment manufacturer and branded as such which are sold through the independent aftermarket.

In general, all parts and consumables supplied by this contract shall be Matching Quality Parts

Matching Quality Parts shall mean: Parts made by any manufacturer which can be certified as matching in overall quality and performance to parts used in the original assembly of the vehicle or asset in question.

All parts supplied shall be fit for their intended purpose and properly identifiable as to the manufacturer.

For the purpose of the pricing evaluation OEM part prices will be required to ensure a fair and equal evaluation.

All parts supplied shall be certified or certifiable as to their performance, quality and health and safety characteristics as being equivalent to parts as originally fitted to the vehicle. All parts shall meet the requirements of Block Exemption for vehicles, where relevant.

The Provider will ensure that items subject to COSHH assessment will have a copy of all relevant Data sheets for new products supplied, which will be submitted to the Team leaders in each workshop for filing.

Warranties

The Provider shall obtain appropriate warranties for all goods supplied to limit the impact on the Council, including labour costs and downtime, which could result from item failure. Any warranty claims, which result from the supply and fitment of faulty items, shall be managed by the provider.

The Council will require, as a minimum, the industry standard warranty on all items supplied. The Provider shall make the Council aware and provide advice on any warranty limits when considered appropriate.

Part failure and replacement

The Provider shall use its knowledge of the market to minimise the incidents of part failure.

The Provider shall manage all logistics for the return and replacement of any faulty or not fit for purpose items which will be at the Provider's expense. The Council will not incur any costs associated (including carriage returns) with the supply of incorrect or faulty parts.

All incidents of failure of parts shall be reviewed by the Provider with the Council. The Provider shall demonstrate appropriate remedial measures and consult with the Council providing reasons to support the replacement decision.

Unit measurements

Universally accepted or clearly indicated units of measurement will apply to all volumes and costs for items supplied under this contract.

6. Statement of Requirements – Managed Service

This contract will require a managed service to provide a single approach for the supply of goods and services associated with Fleet maintenance and repair.

Management of Storage Facilities

The Council will make available to the Provider, storage facilities located initially within Transport services at Mowbeck Way, Grantham; when this site moves, the service will be provided at Turnpike Road Grantham. These facilities shall be used by the Provider to make service critical and routine items available on demand to the Council. These facilities will be provided at no cost to the Contractor.

The Provider shall be responsible for the security of the storage facilities and items of stock therein. Aside from guarding against misappropriation of stock securing also means the safe storage in line with the manufacturers' guidelines for all parts held in the storage facilities made available to the Provider.

All stored items shall be on an Impress basis at no cost to the Council. The Provider shall retain ownership and risk for all Impress stock items until they are received from the store and used by the Council.

The Council shall be able to access all service critical and routine items held within in the on-site storage facilities in a simple and efficient way.

The Provider shall ensure that all items, accepted by the Council as held in the onsite storage facilities at the date of contract award, shall be made available to the Council from the commencement date.

The Provider shall use their knowledge of the Council's fleet of assets and industry supply chain to decide the range and volume of the stored items in consultation with the Council.

The Provider shall regularly and routinely (no less than six monthly) evaluate the range and volume of stored items in order to reduce vehicle downtime. The council shall be able to check the current range and level of stock held within on-site stores at any time.

The Provider shall inform the Council in advance of all potential obsolescence of items and manage the provision of alternatives.

Orders and Deliveries

The Council shall place order requests directly with the Provider for goods and services covered by this Contract.

The Council shall be able to raise orders for goods and services, and be able to track the progress, in a simple and efficient way.

Delivery priority levels will be agreed and set in advance for specific items, where practicable, but will always be based on the operational requirements of the Council. Priorities will be clearly stated by the Council when parts are requested.

The Provider may be required to return any goods received by the Council after the agreed time.

For larger, one-off purchases of goods or services the Council will make available to the Provider a detailed specification of the requirements. The Provider shall utilise their supply chain leverage and market knowledge to deliver the best value solution for the Council.

The Provider shall make available to the Council a dedicated out of hour's contact(s) to cover emergency and any out of hours working arrangements. This must be someone at the end of a telephone and not an answering machine and at no cost to the council.

The Provider shall effectively manage the supply chain for all goods and services ordered by the Council. This shall include the order and commissioning process and all delivery and logistical arrangements in order to meet the Councils priority timescales.

ICT Integration

The Council will grant the Provider sufficient access to its ICT systems as appropriate for the delivery of the services of the Contract. The Provider shall work with the Council to reduce any unnecessary administration processes and procedures.

The Provider shall maintain its own sufficiently capable ICT system to effectively meet the requirements of this service and establish and maintain an effective process of integration with the ICT systems operated by the Council. This ICT integration shall deliver, as a minimum, the following key outputs:

- live tracking of all parts ordered by the Council.
- update job status for parts ordered and parts received as soon as the parts are ordered and/or received, and a daily report produced by 15:00 hours and sent to the Workshop Manager and supervisors.
- update of all parts supplied daily.
- update immediately when requested.
- update the vehicle parts profiles.

Commissioning Services (not exclusive to)

The Provider shall commission services associated with vehicle maintenance on behalf of the Council Transport Services. The following shows the type of services routinely required. This list is not exhaustive. Where a service is not defined in this list then these services may be requested by the Council and commissioned in agreement with the Provider:

- Vehicle Recovery and/or Breakdown repair services
- Fleet Valeting Services
- Some specialist breakdown and repair services e.g., hydraulic hose repairs
- Ad-hoc vehicle workshop services
- Warranty recharges
- Primary vehicle provider (Dennis Eagle, etc) workshop repairs

The Provider shall be responsible for the delivery of all services commissioned on behalf of the Council.

Provider's Staff

All representatives shall treat all customers involved in the delivery of this contract with courtesy and respect. This will include Council employees and any member of the public aware that the Provider is delivering a service under the contractual arrangement to the Council.

All representatives of the Provider shall demonstrate sufficient knowledge and relevant skills to be able to undertake any tasks assigned to them in the delivery of this contract.

Periodic training needs to be provided to ensure that the Provider's staff are up to date with any manufacturer's parts product development.

The Provider shall appoint a designated Contract Manager, available for the Council to communicate all issues relating to the contract and to take responsibility for the effective resolution.

Any representative of the Provider present on Council premises must adhere to all relevant Council and site policies and procedures for security, environment and health & safety.

The Council workshops are in an operational depot which are shared with other council services. The Provider must ensure that their employees are aware of other non-workshop activities being carried out, some of which can expose said employees to other risks such as vehicle movements. The Provider must ensure that all third-party suppliers and contractors are aware of these activities and associated risks.

7. Outcomes and targets

Invoicing

The Provider will apply a set mark-up %, referred to as the 'Providers Management Fee' (PPF), to all the goods and services supplied to the Council under this contract. This mark-up % shall be applied to the cost incurred by the Provider to source the item required by the Council as supported by invoices. The % fee, as agreed in the tender, will not change throughout the period of the contract. Pricing Schedule Column D is where PPF is added in.

This % fee will not be applied to parts and services incorrectly supplied or delivered outside contractual timescales.

Where the Provider's % fee applied to an item or service would result in the final cost to the Council exceeding the standard retail price then the Council should be advised immediately and offered an alternative.

All charges to the Council for the provision of goods and services under this contract shall be made by the Provider through a consolidated Monthly invoice. All invoices shall be supplied in a manner and format that meets the needs of the Council and its ordering and payments systems. All invoices must be sent to the requested accounts payable team.

Consolidated monthly invoices shall include a fully itemised list of every item and service provided during the month and the charge being made to the Council. The itemised list shall identify as a minimum:

- the goods or service supplied,
- the relevant job reference number provided by the Council
- registration number

- project code
- the date and time of order
- the date of delivery
- requested date with Provider
- the cost incurred by the Provider for the item supplied
- the value of the Providers Management Fee added

All parts to be invoiced by end of following month i.e., September delivery/October invoice latest.

Management Information

Every month the Provider shall produce and supply to the Council a single report that will include the following information for the past month:

- Itemised list of the value, volume, of all OEM and Matching parts and services supplied (see example)
- Date of parts ordered and actual date of delivery.
- Number of warranty claims plus progress tracking per month; Running total of warranty claims made and total number accepted.
- Number of incorrect parts supplied and returned Value of parts management fee deducted by Provider for incorrectly supplied parts.
- Number of parts incorrectly ordered by the Council and returned.
- Details of all failed parts.
- % Parts supplied same day by order.
- Value of impress stock held within the Councils facilities

The report supplied shall be compatible with Microsoft Office products as used by the Council.

Example Monthly Total Supply of Goods and Services - By General Description

General Description	£ Volume	Percentage
OEM part from onsite store	£	%
OEM part ordered on demand	£	%
Matching Quality parts from onsite store	£	%
Matching Quality part ordered on demand	£	%

Lubricants / Antifreeze / Grease	£	%
3rd Party Repair LABOUR only	£	%
3rd Party Repair PARTS Content Only	£	%
Miscellaneous / Consumables / Gas	£	%
Workshop Tools / Workshop Supplies	£	%
TOTAL:	£	100%

Contract Review Meetings

Formal contract review meetings will be held to review the performance of the contract including Key Performance Indicators and any other matters arising.

Contract review meetings will be undertaken monthly from the commencement of the Contract for period of six months. Following satisfactory performance, the frequency of the contract review meetings may be extended to a quarterly basis where agreed by both parties. This will revert to monthly meetings should the need arise.

The meetings shall be attended by at least the Provider's appointed Contract Manager and representatives of the Council.

Price Monitoring

The Council shall monitor the costs incurred in the delivery of the service.

The Council shall review the itemised breakdown of costs included with the consolidated monthly invoices and request from the Provider original invoices of costs for specific goods or services.

The Provider shall supply to the Council all invoice of costs requested within a period not exceeding 14 calendar days.

For Price Monitoring purposes the Council shall not request original invoices from the Provider more frequently than once a month and the total number of invoices requested shall not exceed 50 in any one month.

The Council will use the invoices provided to undertake the following checks:

- That the correct % for the Providers Management fee has been applied,
- That the cost of item to the Provider does not exceed cost achievable by the Council,
- To identify that the item selected by the Provider demonstrates best value in benchmarking against possible alternatives.