

SCOTTISH POLICE  
AUTHORITY

<b>Meeting</b>	<b>Public SPA Board Meeting</b>
<b>Date</b>	<b>15 December 2016</b>
<b>Location</b>	<b>Assembly Room, Tulliallan, Alloa</b>
<b>Title of Paper:</b>	<b>Contract Award for Supply of Tyres Framework</b>
<b>Item Number</b>	<b>12.1</b>
<b>Presented by:</b>	<b>Colette Sherry</b>
<b>For Approval / For Information</b>	<b>For Approval</b>
<b>Appendix Attached:</b>	<b>No</b>

**PURPOSE**

To invite members to;

- (i) Note and recommend to the SPA Board the award of a call off contract for the Provision to Supply, Supply and Fit of Tyres and Associated Services under the Crown Commercial Services (CCS) Framework Agreement RM3767 by Goodyear Dunlop Tyres UK Ltd for the period 1 January 2017 – 31 December 2021 with an estimated total contract value of £3.14m excluding VAT (£3.768m including VAT).

This paper is presented in accordance with the Police Scotland Standing Orders Relating to Contracts, and is submitted for approval and further transmission to the SPA Board.

## 1. BACKGROUND

- 1.1 Police Scotland's Fleet Department has a requirement for vehicle tyres to maintain optimal safety and the operational capability and efficiency of Police Scotland vehicles.
- 1.2 The previous CCS Framework for Vehicle Tyres which was extensively used by contracting authorities across the UK, including Police Scotland, expired at the 9th August 2016.
- 1.3 The Home Office working with the National Association of Police Fleet Managers (NAPFM) on the 9th October 2016 awarded a replacement Framework for the "supply and supply and fit of tyres and associated services" to re-establish continuity of service.
- 1.4 Under the new CCS framework the police and emergency services have a unique lot awarded exclusively to Goodyear Dunlop Tyres UK Ltd for the supply of tyres and tyre services.
- 1.5 The Framework will allow access to tyres for cars, 4x4s (with or without off-road capability), vans, light commercial vehicles, heavy goods vehicles, coaches, buses, minibuses, agrarian vehicles and motorised/non-motorised bicycles and has a variety of supply options including fit at supplier depot, supplier fit at customer premises, roadside fitting and a comprehensive range of associated services.
- 1.6 Under Lot 1 of the CCS framework as there is only one supplier assigned to the lot call off contracts for goods may be awarded by direct award i.e. without re-opening competition. A competitive process was undertaken when the framework was formed to ensure that the assigned supplier was providing best value and the most economically advantageous tender.

## 2. FURTHER DETAIL ON TOPIC

- 2.1 The benefits to joining the framework include:
  - i. Low risk, OJEU compliant procurement solution with pre-negotiated terms and conditions which meets all Police Scotland service requirements and removes the possible risks involved in carrying out an OJEU tender process;
  - ii. The framework would allow Police Scotland to access services quickly if approval is given;

- iii. Provides an agreed national standard of service;
  - iv. Experienced contractor who has provided these services to Police Forces including Police Scotland for a number of years;
  - v. Aggregated volumes from across the public sector allowing for consistently lower pricing;
  - vi. Contractor to provide minimum contract review requirements for all framework participants. All contract management and monitoring is included within the framework costs and information can be tailored to suit individual Force requirements;
  - vii. Vetting of the contractor is managed by the lead Authority on behalf of all framework participants;
  - viii. The lot structure has been reviewed and rationalised from five to two lots from the previous framework but encompasses a wider range of tyres;
  - ix. The current framework has been successful in achieving value for money, ensuring adequate stock availabilities, technical support, legislative compliance for both environmental and road vehicle tyre requirements and also ensuring authorities environmental agendas are fully supported.
- 2.2 The framework starts on 9th October 2016 and will expire on 8th October 2020 which would allow Police Scotland to award a four year call off contract.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 The previous CCS tyre framework agreement (RM955) delivered savings of between 16% and 52% against recommended retail prices for commonly used passenger vehicle tyres. This agreement will deliver an additional average saving of 4% across all products available under lot 1.
- 3.2 Savings for Police Scotland have been calculated using the top twenty sizes of tyres, which accounts for around 85% of the orders placed. Making a direct comparison between prices paid in 2015/16 and tyres prices under the framework, savings ranges are from

7.1% up to 20.3% averaging out at 13.1% for the top twenty sizes used in Police Scotland.

3.3 As a result Police Scotland would save £102,823 excluding VAT (buying the same tyres this year as it did in 2015. Over the term of the contract this would equate to an overall saving of £411,292 excluding VAT (c£493,550 including VAT).

3.4 The total contract value as been estimated based on previous spend and usage per annum, for the four year contract duration is therefore calculated to be in the region of £3.14m excluding VAT (£3.768m including VAT).

#### **4. PERSONNEL IMPLICATIONS**

4.1 There is no personnel implication as a result of signing up to this call off contract.

#### **5. LEGAL IMPLICATIONS**

5.1 This procurement was performed in compliance with The Public Contracts (Scotland) Regulations 2015 and the Police and Fire Reform (Scotland) Act 2012.

5.2 The call off contract will be covered by the overarching terms and conditions of the Supply, Supply and Fit of Tyres and Associated Services CCS Framework RM3767.

#### **6. REPUTATIONAL IMPLICATIONS**

6.1 The award of this contract will ensure that Police Scotland can demonstrate best value in respect of the Supply, Supply and Fit of Tyres and Associated Services.

6.2 The use of this call off contract will provide assurances that Police Scotland's supplier for all tyres and associated services complies with all relevant regulations, legislative and technical standards, including tyre-labelling standards.

#### **7. SOCIAL IMPLICATIONS**

7.1 The Supplier must consider and address proportionately, the relevance of sustainability to the goods and services provided under the lot structure of the framework agreement. This includes not only

consideration of commercial needs, but minimisation of negative impacts and maximisation of positive impacts on society, the environment and the economy e.g.

- compliance with the Greening Government Commitments, in particular the Government Buying Standards for Transport and the targets around travel reduction and air quality and tailpipe emissions targets;
- compliance with the requirements of Article 6 of the Energy Efficiency Directive for Tyres;
- promotion of the uptake of Ultra Low Emission Vehicles and development of their supporting infrastructure;
- support for Small Medium Enterprises (SMEs), social enterprises and mutuals, including prompt payment;
- support for Equalities including Disability and promotion of equality of access;

7.2 The Greening Government Commitments includes a commitment to ensure government buys more sustainable and efficient products and engages with its Suppliers to understand and reduce the impacts of its supply chain. In order to help the Government achieve this, the Supplier shall make available and publish data on its supply chain impacts.

## **8. COMMUNITY IMPACT**

8.1 In addition to the community related points in Section 7 above the supplier was evaluated on their ability to provide community benefits under the contract within the requirements. Currently, suppliers provide a mix of environmental (recycling of oil/e-invoicing) and social benefits such as school and community group engagement, financial support for community groups and charities, apprenticeships and recruitment from the community.

8.2 The supplier shall have available a network of depots, under this framework agreement, either directly or via a Sub-Contractor arrangement. The supplier shall ensure the depots are located throughout the UK and are within 35 miles travelling distance from all UK Motorways and/or Major A Roads and within a 3 mile radius of specified Scottish locations. The requirement for such depots as well as mobile fitting of tyres will provide employment across Scotland.

## 9. EQUALITIES IMPLICATIONS

9.1 The framework's call off terms state that any supplier shall not unlawfully discriminate within the meaning and scope of any law relating to discrimination of any kind. The framework tender process ensured that the supplier has signed up to confirm compliance with non-discrimination and the promotion of equality opportunities.

## 10. ENVIRONMENTAL IMPLICATIONS

10.1 In addition to the environmental related points in Sections 7 and 8 above the Supplier shall ensure waste tyres are treated as controlled waste, which are subject to the following environmental regulations:

- The Environmental Protection (Duty of Care) Regulations 1991;
- The Control of Pollution (Amendment) Act 1989;
- The Controlled Waste (Registration of Carriers and Seizure of Vehicles) Regulations 1991 (as amended);
- The Waste Management Licensing Regulations 1994 (as amended).

### RECOMMENDATIONS

Members are invited to:

- (ii) Note and recommend to the SPA Board the award of a call off contract for the "Provision to Supply, Supply and Fit of Tyres and Associated Services" under CCS Framework Agreement RM3767 by Goodyear Dunlop Tyres UK Ltd for the period 1 January 2017 – 31 December 2021 with an estimated total contract value of £3.14m excluding VAT (£3.768m including VAT).