

	<p><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER October 2014</b></p>
<p><b>Title</b></p>	<p><b>Contract Award for the Removal, Storage and Disposal of Nuisance Vehicles Contract for a three year period from 1st December 2014 - 30 November 2017</b></p>
<p><b>Report of</b></p>	<p>Commercial and Customer Services Director</p>
<p><b>Wards</b></p>	<p>All</p>
<p><b>Status</b></p>	<p>Public</p>
<p><b>Enclosures</b></p>	<p>None</p>
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### Summary

Following a competitive tendering process, this report is seeking approval to enter into a contract with Redcorn Limited for the provision of Abandoned and Nuisance vehicle removal, storage and disposal services to three London Boroughs namely: Barnet, Enfield, and Waltham Forest as members of the North London Partnership Group (NLPG). If approved, Barnet Council will enter into contract with Redcorn Limited as the lead authority, and the London Boroughs of Enfield and Waltham Forest will each enter into a Service agreement with Redcorn Limited on the basis of the terms and conditions of the contract between the London Borough of Barnet and Redcorn Limited.

The London Borough of Barnet was the lead authority in the procurement exercise for this collaboration contract with the London Boroughs of Enfield and Waltham Forest. The aim of the collaboration is to reduce the costs of tendering and maximise the potential to achieve volume discounts jointly across the participating authorities as members of NLPG.

The contract is to be for a term of three years commencing 1 December 2014.

## Decisions

- 1. To approve the award of contract to Redcorn Limited for the provision of Abandoned and Nuisance vehicle removal, storage and disposal services to the London Boroughs of Barnet, Enfield and Waltham Forest for a period of three years from 1 December 2014 to 30 November 2017.**

### 1. WHY THIS REPORT IS NEEDED

The existing contract which provides similar services expires at the end of November 2014 and there is an on-going need for such a provision. In order to continue service provision there has been a competitive procurement for the provision of removal, storage and disposal of abandoned and nuisance vehicle services to the London Boroughs of Barnet, Enfield and Waltham Forest. Following tender evaluation, the evaluation team recommend award of a contract to Redcorn Limited.

### 2. REASONS FOR DECISIONS

- 2.1** The decision to award the contract is based on the outcome of the evaluation process which established that even though only a single bid was received, the bid from the proposed contractor meets and in part exceeds the minimum requirements that were outlined in the statement of requirements. It was therefore determined that the provider will deliver a high quality service as well as maximising the resources available to provide direct support to service users.

#### 2.2 The Tender Process

- 2.2.1** London Borough of Barnet was identified as lead authority for delivery of a collaboration contract between the London Boroughs of Barnet, Enfield and Waltham Forest. This led to an OJEU Open Procedure with an advertisement released both through OJEU and ContractFinder.
- 2.2.2** London Borough of Barnet's eSourcing portal was used for this tender process and four expressions of interest were received.
- 2.2.3** One tender submission was received and this was evaluated in accordance with the published evaluation criteria within the OJEU notice as indicated below:

Evaluation Criteria

<b>Criteria</b>	<b>Weighting</b>
Quality	40%
Price	60%

The evaluation for the successful bidder is as follows:

<b>Criteria</b>	<b>Weighting</b>	<b>Evaluated Score</b>
Quality	40%	28%
Price	60%	40%
<b>TOTAL</b>	<b>100%</b>	<b>68%</b>

### **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 3.1** The option of re-tendering due to receipt of a single submission was considered. However, the number of expressions of interest indicated that there was a low level of market interest and to re-tender would most likely result in the same response level of one bidder.
- 3.2** The provision of this contract requirement is essential for 1 December 2014 delivery across the London Boroughs of Barnet, Enfield and Waltham Forest to re-tender will not meet this requirement.
- 3.3** The Council has a statutory obligation to fulfil which in this case is far greater than any potential consideration around not having a choice of more than one provider.

### **4. POST DECISION IMPLEMENTATION**

- 4.1** The transition to the commencement of a new contract is considered to not have an impact on timelines for delivery as there are no significant material changes as the proposed new contractor is the current incumbent provider.
- 4.2** Contract monitoring and management is to be implemented promptly for the new contract to ensure that the contract is delivered in accordance with tender requirements and the new contract.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.1** The Barnet Council 2013-16 Corporate Plan sets out the Council's Corporate priorities and the service supports the following objective:

- To maintain a well-designed, attractive and accessible place, with sustained infrastructure.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1** The contract will be based upon a schedule of rates and as such has no fixed

and/or quantified value. This will also include income derived from the removal of untaxed vehicles under devolved powers from the Driver and Vehicle Licensing Authority. As an example the existing expiring contract, has reflected this and has meant a nil overall cost to the Council and has resulted in a net average annual income of between £15 - 19K per annum during the period 2010 to current. Prior to adopting a revenue-generating model, the contract had cost the Council in the region of £100K per annum.

**5.2.2** It has not been possible to conduct a comparison of charges and credits between different bidders in relation to the proposed contract. This is because only one tender was submitted in this instance. However, the overall revenue prospect has been raised marginally by the increased credits for Class A and Class B vehicles. This gives rise to a potential 20% increase in income which could represent an additional £2,000 per annum.

By way of caution however, in 2010-2014 there was a shortfall of £5.4K in expected income largely due to reduced abandoned vehicle activity in terms of surrendered vehicles, and capacity to take prosecutions forward. It is therefore considered prudent not to increase the current income level set within the abandoned vehicle budget until the income benefit of the new contract is apparent.

**5.2.3** The performance of the contract will be monitored as per the conditions of contract and specification. To include:

- Monthly reconciliation between expenditure and income
- Monthly performance reporting
- Minimum quarterly 'random spot checks'
- Monthly formal consortium meeting with contractor
- Health & Safety review at onset of contract with regular reporting thereafter

**5.2.4** The storage pound, facilities for the treatment and disposal of vehicles and payment centre will be provided by the contractor. Relevant leases are in place to cover the duration of the contract. Contract terms and conditions will set out liabilities under the contract including indemnity and insurance.

**5.2.5** Redcorn Limited has stated an 85% recycling rate which is compliant with the European End of Life Vehicle Directive, implemented in the UK through ELV Regulations issued in 2003 and 2005 through the Environmental Permitting (EP) Regulations 2007. The tenderer holds the necessary Environmental Permits and Licences.

**5.2.6** There are no TUPE implications associated with this procurement.

**5.2.7** Redcorn Limited is the current contractor and there have been no concerns with their performance in recent years. This report recommends accepting their tender for award of the new contract.

**5.2.8** Value for money could not be fully determined by evaluating a single tender submission. However, following the outcome of the evaluation process, it has been established that the bid from the proposed contractor meets and in part exceeds the minimum requirements that were outlined in the statement of requirements. It has therefore been determined that the provider will deliver a high quality service as well as maximising the resources available to provide direct support to service users.

### **5.3 Legal and Constitutional References**

**5.3.1** The procurement process has been conducted in accordance with the Public Contracts Regulations 2006. The services fall within Part B of Schedule 3 of the Regulations. Part B tenders, must comply with the EU Procurement law principles of equality of treatment, transparency and non-discrimination. The tendering process ensured that these requirements were met.

**5.3.2** The London Borough of Barnet has a duty under the Refuse Disposal (Amenity) Act 1978 and associated legislation to remove abandoned vehicles from the highway, public and private land (subject to certain exceptions). The legislation sets out the system for the storage and disposal of abandoned vehicles and empowers the Authority to recover costs from the person responsible for the abandonment of the vehicle. Disposal may be by destruction or auction.

**5.3.3** In addition, since 2004 the Council has operated devolved powers from the Driver and Vehicle Licensing Authority to remove untaxed vehicles in accordance with the Vehicle Excise and Registration Act 1994 and related regulations. Councils also have powers to remove or seize vehicles under a range of legislation including:

- Section 38 (4) London Local Authorities Act 1990
- Criminal Justice and Public Order Act 1994
- Highways Act 1980 Sections 143 and 149
- Environmental Protection Act 1990
- Control of Pollution (Amendment) Act 1989

**5.3.4** Section 3.3 of the Contract Procedure Rules provides that where the Council is entering into a contract with another public body and is acting as Principal, (as in this case) the provisions of the Contract Procedure Rules will take precedence. Section 7.2 of the Contract Procedure Rules states that “Any procurement which has not been Authorised as set out in 7.1 must be Authorised in accordance with Table A of these Contract Procedure Rules.” Appendix 1, Table A of the Rules sets out the authorisation and acceptance thresholds for procurements. As set out in Section 5.2.1. above the contract does not have a defined value and is instead based on a schedule of rates. As such, the thresholds in Table A cannot be applied to this decision. For

transparency purposes, details of this decision have been recorded in a full officer DPR.

**5.3.5** Contract Procedure Rules, Section 9.2 states that “Where a competition has been undertaken, in accordance with Section 8, and only a single bid has been received, the Commercial and Customer Services Director can approve the award of a contract, subject to a value for money review being undertaken and an audit trail being available for inspection. The award of the contract cannot proceed without this authorisation.” In accordance with this requirement the Customer Service and Commercial Director has been briefed of the outcome of this tender and justification to proceed and is approving the award of contract.

## **5.4 Risk Management**

**5.4.1** Failure to have in place an appropriate contractual arrangement for the removal of abandoned vehicles would mean that the Authority is failing to meet its statutory duty as imposed by the Refuse Disposal Amenity Act 1978, and in so doing give rise to the risk of litigation from any interested persons.

**5.4.2** The absence of an efficient and effective contractual arrangement to deal with the known problem of abandoned and nuisance vehicles in the borough could lead to an increase in a range of anti-social behaviours such as vehicles being abandoned and neglected on the public highway and other public places, and also increased numbers of untaxed vehicles on our streets. These factors could invariably contribute to a sense of lawlessness in the borough and significant levels of dissatisfaction from residents.

**5.4.3** The commissioning of this service is unlikely to raise any significant levels of public concern or give rise to policy considerations because the operational delivery of this service will serve to improve the borough’s environment as a whole whilst ensure that the Council fulfils its statutory duty.

**5.4.4** There are no risks to the Council with regards to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”)

## **6. Equalities and Diversity**

**6.1** The tendering process did not identify any specific issues around equalities and diversity. The proposed contractor was identified following a procurement process conducted in accordance with the Council’s Equality Duty.

**6.1.1** The contract for the service will include requirements which covers the Council’s duties under Equalities Legislation.

## **6.2 Consultation and Engagement**

**6.2.1** A formal consultation is not required in relation to this procurement. However,

