

	<p align="center">CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</p>
<p align="center">Title</p>	<p align="center">Purchase of Hako Mechanical Sweepers X 7 through the ESPO Framework 215, Lot 3.</p>
<p align="center">Report of</p>	<p>Strategic Director for Environment</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>None</p>
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<h3>Summary</h3>
<p>To award the contract for the supply of Hako Mechanical Sweepers x 7 as per the specification issued through the ESPO framework 215, with total contract value up to £570,000. The specification was released by ESPO Contract Management team to the supplier to confirm that London Borough of Barnet’s requirement could be facilitated under the framework provision. ESPO Framework 215 is OJEU compliant.</p>

<h3>Decisions</h3>
<ol style="list-style-type: none"> 1. Authorise the Transport Services to award the contract for the purchase of Hako Mechanical Sweepers x 7 as per the specification issued through the ESPO framework 215, with total contract value up to £570,000.

1. WHY THIS REPORT IS NEEDED

- 1.1 To enable the procurement of Hako Mechanical Sweepers X 7 for Street Cleansing Service to achieve the Medium Term Financial Strategy (MTFS) savings by implementing the new ways of delivering the service and to ensure the business continuity in replacement of the existing life expired vehicles.
- 1.2 The procurement of mechanical sweeper has been approved in the Procurement Forward Plan by Policy and Resource Committee, with contract award to be approved by Strategic Director of Environment in consultation with Environment Committee Chairman, in accordance with the Council's Constitution, Article 10 Table B.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Environment Committee has approved the MTFS savings plan for Street Cleansing Service that recommended the innovation in the ways the Street Cleansing Service is carried out. The current fleet of sweepers used to deliver the Street Cleansing Service are more than 4 years old and not fit for purpose to implement the new ways of delivering the service.
- 2.2 Street Cleansing Services market assessment of a number of different makes of Sweepers that are available through the framework and in the market over last few months. The vehicles selected were of the similar overall specification but were evaluated for their carrying capacity, flexibility, service requirement and performance on Barnet Streets. The Hako Mechanical Sweepers were assessed to meet the Service requirement due to the flexibility it offered and had overall operator acceptance.
- 2.3 Transport Services seeks to identify improved and cost effective methods of procurement of fleet and fleet services through alternative methods going forward, with the aim to attain replacement fleet through approved frameworks in compliance with Contract Procedure Rules and financed through Capital Funding.
- 2.4 ESPO Framework, 215 Purchase of Specialist Vehicles, can facilitate the direct call off of identified specialist vehicle requirements. The sweepers from Hako fall within this category which has enabled the purchase of sweepers to the specification of those required by London Borough of Barnet through the ESPO contract management team overseeing the process.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The ESPO 215 framework provided the most effective procurement method to meet the timeframe requirements and ensured the vehicles were procured in

a compliant manner to enable Streets Cleansing to meet the service efficiency improvements identified. An OJEU procedure was considered but rejected as the ESPO framework provided a compliant route to market which did not have additional resourcing impact in delivering the requirement.

- 3.2 An option to lease and/or hire sweepers was also considered and rejected because of the specialist nature of the machines required by London Borough of Barnet and the cost involved. The unpredictable lead time required to confirm suitable lease/hire vehicles availability would have delayed provision of the equipment. The option to hire these machines for long term also did not provide value for money due to potential increase in the vehicle cost by circa £8k per annum per machine, when compared with purchase.

4. POST DECISION IMPLEMENTATION

- 4.1 Supplier will be notified of the contract award for the procurement of Hako Mechanical Sweepers in accordance with procedure set out in ESPO Framework 215. Transport Services will raise the Purchase Order confirming the vehicle specification, value and delivery date.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Having access to appropriate, cost effective and fit for purpose vehicles, the Transport Services can support the Street Cleansing delivery unit to ensure they meet the Council's Strategic Objective, namely "Where service are delivered efficiently to get value for money for the taxpayer".

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

- 5.2.1 Capital funding required for this purchase is already approved in capital budget plan for 2017/18.
- 5.2.2 The procurement of HAKO mechanical Sweepers X 7 is being carried through the ESPO Framework 215, Lot 3, which commenced on 07/06/2016 and ends 31/05/2018.
- 5.2.3 Transport Services conducted direct call off for this procurement due to the non-standard nature of the vehicle specification.

5.3 Social Value

- 5.3.1 The provision of the sweepers for the Street Cleaning Services supports delivery of social value through the community benefit the use of this equipment delivers. The Street Cleansing Service are able to improve the

public realm environment within town centres and the cleanliness of these centres also encourages their use and brings economic benefit.

5.4 Legal and Constitutional References

5.4.1 This procurement undertaken is in accordance with the Council's Constitution Article 10 Table B (Contract Procedure Rules (CPR's) December 2017). The procurement activity has been authorised by the Procurement Forward Plan and for procurements over £500,000 a Chief Officer in consultation with the Chairmen of the relevant Thematic Committee has authority to award a contract where it is within Budget. Before entering into a Framework Agreement CPR's require due diligence checks to be carried out to demonstrate that the Council can lawfully access the Framework Agreement and that it is fit for purpose and provides value for money.

5.4.2 The purchase of vehicles is a public contract within the meaning of the Public Contracts Regulations 2015 (the Regulations) and as the value is above £164,176 a fully compliant EU procurement must be followed. However where an EU Compliant Framework is to be used through the award of a call-off contract, the Regulations deem this to be in compliance, where the Council has been identified as being able to use the Framework and it is used in accordance with the rules laid down in the Framework and the Regulations. Officers have confirmed the ESPO Framework 215 is available to the Council and has been established through a compliant OJEU procedure which enables the direct call off through the framework agreement, meets the Council's requirements and provides value for money. Where any further legal assistance is required officers should instruct HBPL accordingly.

5.5 Risk Management

5.5.1 Failing to enter on to this framework would create significant risk to on-going service delivery and operational efficiency to achieve MTFS savings.

5.5.2 The risk to future savings will be addressed by the procurement of these vehicles through Capital purchase as an alternative would expose the Council to the risk of higher market rates for Spot Hire which would impact the savings.

5.5.3 The risk of challenge to the future procurement process will be mitigated by following the standard procurement process with officers ensuring the process complies with Contract Procedure Rules and procurement law.

5.6 Equalities and Diversity

5.6.1 There is no equalities implications of this decision.

5.7 Corporate Parenting

5.7.1 Not applicable

5.8 Consultation and Engagement

5.8.1 None

5.8 Insight

5.8.1 Street Cleansing Service has reviewed the operational requirement by considering various products in the market to achieve the objectives of the new way of working as part of service transformation. The Service has also analysed the historic information on vehicle operating cost, total area swept per week and tonnage collected with vehicle capacity in order to determine the suitability and the number of machines required. The Hako sweepers are more agile and provide flexibility that the Cleansing Service requires to deliver the service more efficiently. The total number of machines required going forward has reduced to 7.

6. BACKGROUND PAPERS

- 6.1 Policy and Resources Committee 1 December 2016 Agenda item 10
Annual Procurement Forward Plan 2017/18
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&Mid=8731>
- 6.2 Funding for this procurement is included in the Capital programme,
<https://barnet.moderngov.co.uk/documents/s38111/Appendix%20C2%20-%20Capital%20Programme%20by%20Delivery%20Unit.pdf>
- 6.3 Article 10 of the Constitution, Decision Making.
<http://barnet.moderngov.co.uk/documents/s43171/11Article10DecisionMaking.docx.pdf>

Chairman:

Has been consulted

Signed

Date

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed



Date 12th January 2018

REPORT CLEARANCE CHECKLIST

(Removed prior to publication and retained by Governance Service)

Note: All reports must be cleared by the appropriate Committee Chairman, Chief Officer, Legal, Finance and Governance as a minimum. Report authors should also engage with subject matter experts from other service areas where this is required (e.g. procurement, equalities, risk, etc.). The name and date that the chairman or officer has cleared the report must be included in the table below or the report will not be accepted.

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