

	<p align="center">CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</p>
<p align="center">Title</p>	<p>Extension of the contract with Direct Tyre Management for the supply and fitting of tyres to fleet vehicles until 31 December 2019.</p>
<p align="center">Report of</p>	<p>Executive 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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Summary

This report provides approval to extend the contract with Direct Tyre Management to support front line service delivery. The extension period will be up to 31/12/2019 for a value up to £180,000.

Decisions

1. To approve the Transport Services to extend the contract with Direct Tyre Management, for the supply and fitting of tyres to fleet vehicles, with a total spend up to £180,000 to end of December 2019. The exact value will depend on Service Area requirement and may be subject to unforeseen circumstances.

1. WHY THIS REPORT IS NEEDED

- 1.1 To continue the procurement of supply and fitting of tyres to fleet vehicles, used to deliver the Council's front line services.
- 1.2 This procurement has been approved in the Procurement Forward Plan by Policy and Resource Committee, with the contract extension to be approved by the Chief Officer in consultation with the relevant Thematic Chairman.
- 1.3 The DPR to award the contract for the supply and fitting of tyres to fleet vehicles to Direct Tyre Management, was approved by Street Scene Director on 30th September 2015.
- 1.4 The DPR to award the contract for an initial term of 2 years and included provision for the contract to be extended up to a further 2 years (4 years in total).
- 1.5 The Street Scene Director approved the extension of this contract on 01/02/2018 for a further year through the full officer DPR. This decision was also in accordance with the Council's Corporate Contract Procurement Rules as the spend under this contract was approved in the Procurement Forward Plan.
- 1.6 The projected spend under this contract has been identified and approved in the Procurement Forward Plan.
- 1.7 The Council's Constitution, Contract Procedure Rules (Table 1) requires the extension of a contract above the value of £500,000, but within budget, be approved by the Chief Officer in consultation with Theme Committee Chairman, in this case the Environment Committee Chairman.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To ensure the continuity of Street Cleansing, Parks & Open Space, Passenger Transport Service, Highways Maintenance and other front-line service delivery.
- 2.2 Extension to the existing contract arrangements will enable continuity of the arrangements already in place.
- 2.3 Extension of the current contract is the most effective way to balance the need for value for money without committing the Council to long term contracts, which may or may not meet future needs.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Alternative options to setup contract with suppliers directly was assessed and not considered as this would not be compliant with procurement rules, unless they have been through the OJEU exercise.

4. POST DECISION IMPLEMENTATION

- 4.1 Direct Tyre Management will be informed of the Council's decision to extend the contract up to 31 December 2019.
- 4.2 The future requirement will be reviewed and the Annual Procurement Forward 2019/20 updated to support procurement authorisation to proceed with a new contract.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 This decision clearly supports the Council's Strategic Objective, namely "Where services are delivered efficiently to get value for money for the taxpayer"
- 5.1.2 The contract supports the function of the Transport Services that enables the delivery of the various front-line services in Barnet.

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

- 5.2.1 The contract was awarded after undertaking an OJEU Open Procedure, notice ref 2015/S 114-206389 published 16 June 2015.
- 5.2.2 Authorisation to proceed with extension of the contract will enable Transport Services to review the provision and to source alternative options for a new contract.
- 5.2.3 The Contract Procedure Rules require authorisation to proceed with the contract authorisation and this report seeks authorisation to do so. The contract extension will have a total spend up to £180,000, however, this may vary according to service requirements.
- 5.2.4 The cost for the supply and fitting of tyres will be recharged to the relevant services that utilise the vehicles both within and outside Street Scene. It is the responsibility of these services to ensure that all of the transport costs incurred can be fully funded from within their service area budgets for transport and also meet any required savings.

5.3 Social Value

- 5.3.1 Not applicable

5.4 Legal and Constitutional References

- 5.4.1 This procurement undertaken is in accordance with the Council's Constitution Article 17 (Contract Procedure Rules (CPR's) March 2018). The variation or extension of contract over £500,000 to be approved by the Chief Officer in consultation with Theme Committee Chairman, if within Budget.

5.4.2 The exercise has been conducted in accordance with the requirements of Contract Procedure Rules Appendix 1 Table A with authorisation to proceed in the Procurement Forward Plan and acceptance of outcome in this Full Officer DPR.

5.4.3 Regulation 72 of the Public Contracts Regulations 2015 permits an amendment, extension or renewal of an existing Contract without triggering a new Procurement exercise where this was contemplated in the original procurement and contract.

5.4.3.1 Clause 3.1 of the contract allows the Council to extend the current contract beyond the initial term by further periods of 1 year each (up to a maximum of 2 years) by giving the Supplier at least 6 months' written notice of such intention before the expiry of the Initial Term or Extension Period. The contract has already been extended by 1 year in 2017 and is able to be extended by 1 further year.

5.5 Risk Management

5.5.1 Failure to extend the current contract without alternative arrangements in place could result in a significant risk to continuity of Street Scene services and non-compliance with the Council's Procurement rules.

5.5.2 Future requirements will be reviewed and the Annual Procurement Forward Plan 2019/20 will be updated accordingly to enable authorisation to procure a new contract.

5.6 Equalities and Diversity

5.6.1 There are no direct equalities implications of this decision.

5.7 Corporate Parenting

5.7.1 Not applicable

5.8 Consultation and Engagement

5.8.1 There is no public consultation associated with this decision.

5.9 Insight

5.9.1 Not applicable as this is contract extension.

6. BACKGROUND PAPERS

- 6.1 The Street Scene Director previously approved the DPR to award Direct Tyre Management also allowing the extension of the contract.
- 6.2 The Street Scene Director previously approved the DPR to authorise Transport Services to enter into an extension of the current contract with Direct Tyre Management.
- 6.3 This procurement is included in the Councils Forward Plan
<https://barnet.moderngov.co.uk/mgConvert2PDF.aspx?ID=50127&ISATT=1#search=%222procurement%22>
- 6.4 Article 10 of the Constitution, Decision Article 10 of the Constitution, Decision Making.<http://barnet.moderngov.co.uk/documents/s43171/11Article10DecisionMaking.docx.pdf>

Chairman:

Has been consulted

Signed



Date 15th August 2019

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed



Date 14th August 2019
