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|  | CHIEF OFFICER IN CONSULATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT |
| Title | Award contract to Terberg Matec UK, for the maintenance of RCV bin lifts, a period of up to 5 years. |
| Report of | Executive Director – Environment |
| Wards | All |
| Status | Public |
| Enclosures | None |
| Officer Contact Details | Vishal Thaker, Head of Transport Services Email: vishal.thaker@barnet.gov.uk Telephone: 020 8359 5109 |

Summary

This report is confirming the decision of single tender action to award a contract to Terberg Matec UK, for provision of spare parts, planned and reactive maintenance of vehicle bin lifts of the Council's Refuse Collection Vehicles. This is for a total spend of up to £500,000 over a period of 5 years.

Decisions

1. To approve single tender and award of contract to Terberg Matec UK, for spare parts, planned and reactive maintenance of vehicle bin lifts of the Council's Refuse Collection Vehicles.
2. To authorise spend of up to £500,000 over a period of 5 years with Terberg Matec Uk.

1. WHY THIS REPORT IS NEEDED

- 1.1 Authorisation for the purchase of the following Refuse Collection vehicles have been made by the Chief Officer in consultation with Committee Chairman -
- Qty 4 x 26 tonne Refuse Collection vehicles with reference to Lot 1 of the North East Purchasing Organisation (NEPO) framework in March 2018
 - Qty 12 x 26 tonne refuse Collection vehicles with reference to Lot 1 of the North East Purchasing Organisation (NEPO) framework in September 2019.
 - Qty 31 x Refuse Collection vehicles with reference to Lot 1 of the North East Purchasing Organisation (NEPO) framework in March 2020.
- 1.2 This report is required to award the contract for spare parts, planned and reactive maintenance of Terberg Matec manufactured electric bin lifts fitted on new vehicles.
- 1.3 The procurement of specialist maintenance has been approved in the Procurement Forward Plan for 2020/21 on 6 January 2020, by the Policy & Resource Committee delegating authority to procure and award to Chief Officers in consultation with Environment Committee Chairman, in accordance with the Council's Constitution, Article 10 Table B. This report acts as the document that gives authority to the Executive Director to award the contract.

2. REASONS FOR RECOMMENDATIONS

- 2.1 All new refuse collections are fitted with electric bin lifts manufactured by Terberg Matec UK. Warranty arrangement of this product would require Transport Service to use only genuine parts manufactured by Terberg Metec.
- 2.2 Only Terberg engineers would be able to repair and maintain bin lifts in compliance with warranty conditions, advanced diagnostic devices required to diagnose faults are also only available through manufacturer.
- 2.3 Vehicle technicians working in maintenance workshop will also receive full training for them to carry out warranty repairs that would otherwise require field engineer to attend.
- 2.4 By dealing with Terberg Metec direct, Transport Services are able to reduce vehicle downtime and cost for Recycling & Waste Collection Service.
- 2.5 Not having a repair and maintenance contract for bin lifts would result in Transport Service unable to comply with legal and manufacturer requirement to operate vehicles should there be any issues or faults.
- 2.6 Transport Services had undertaken previous procurements for specialist maintenance including that of the bin lifts. However, on two occasions the procurement attempts had not been successful.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Alternative supplier(s) were ruled out due to the specialist nature of the equipment which must be maintained and repaired by the manufacturer – Terberg Matec UK.
- 3.2 Vehicle manufactures such as S&B commercial or Dennis Eagle are able to sources parts from Terberg Matec UK however, this would increase vehicle down time and cost as they would charge administration and handling fee.
- 3.3 Having contract in place with Terberg Matec UK would give Council's vehicle technicians direct access to comprehensive product training, which may not be the case through party arrangement.

4. POST DECISION IMPLEMENTATION

- 4.1 The supplier will be notified of the contract award for the provision of spare parts, planned and reactive maintenance for the Council's Refuse Collection Vehicles.

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 Recycling & Waste Collection Services delivery unit to ensure they meet the Council's Strategic Objective, namely "Where services 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 Provision of spare parts and planned or reactive maintenance is subject to a single tender procurement due to the specialist nature of this service, which can only be provided by the supplier Terberg Matec UK – the manufacturer of the bin lifts. This will also keep the Council compliant to any warranty conditions.
- 5.2.2 Concurrence to this single tender action has been granted in accordance with Contract Procedure Rules by the Commercial Director and Head of Procurement.
- 5.2.3 Recycling & Waste Collection Service have revenue budget for the purchase of spare parts and vehicle maintenance service.
- 5.2.4 The procurement is in accordance with Contract Procedure Rules, Appendix 10 Table 10.

5.3 Social Value

- 5.3.1 The provision of the Refuse Collection vehicles for the Recycling & Waste Services supports delivery of social value through the community benefit as the Recycling and Waste Collection Service is able to improve the public realm environment within the Council and brings economic benefit.

5.4 **Legal and Constitutional References**

- 5.4.1 The value of the procurement is above the EU threshold for supply and services therefore the Contract is subject to the full requirements of the Public Contracts Regulations 2015 (PCRs) including running a full procurement exercise which was undertaken on two occasions. Due to the unsuccessful outcomes of the previous procurement exercises, the Council on the grounds provided for in Regulations 32 (2) A (PCRs) can make the award to Terberg Matec UK. The Council's Constitution Article 18, Contract Procedure Rules, paragraph 6.1 allows for a single tender action in exceptional circumstances such as those set out in this report.
- 5.4.2 The Council's Constitution Article 18, Contract Procedure Rules, paragraph 4 states that any procurement activity set out on the Annual Procurement Forward Plan and approved by the Policy and Resources Committee is deemed as authorised in respect of the contract value. This procurement was approved on 6 January 2020, by the Policy & Resource Committee.
- 5.4.3 The authorisation and acceptance thresholds detailed within Table B, Article 10 – Decision making of the Council's Constitution stipulates that authorisation to award a procurement process for contracts with a procurement value above £500,000 must be obtained via the Relevant Theme Committee decision or approval as part of the Annual Procurement Forward Plan.
- 5.4.4 Procurement will contact HBPL to finalise the contract with Terberg Matec UK.

5.5 **Risk Management**

- 5.5.1 Failure to award to Terberg Matec would result in invalidating vehicle warranty, extended vehicle downtime and not meeting the manufacturers requirement. This would also affect business continuity.

5.6 **Equalities and Diversity**

- 5.6.1 There are no equalities implications of this decision.

5.7 **Corporate Parenting**

- 5.7.1 Not applicable.

5.8 **Consultation and Engagement**

- 5.8.1 None

5.9 **Insight**

- 5.9.1 Recycling & Waste Collection Service has reviewed the operational requirement by considering various products in the market to achieve the objectives as part of service transformation and efficiency. There are 50 vehicles with Terberg bin lifts being used to deliver the collection service in Barnet. The Service has also analysed the current and

historic cost and service standard to determine the suitability of this. The chassis, body and bin lift combination of the vehicles provides flexibility and continuity that the Collection Service requires to deliver the service more efficiently.

6. BACKGROUND PAPERS

- 6.1 Policy and Resources Committee 6 January 2020 Agenda item 10
Annual Procurement Forward Plan 2020/21
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=10084&Ver=4>
- 6.3 Article 10 of the Constitution, Decision Making.
<https://barnet.moderngov.co.uk/documents/s56968/11Article10DecisionMaking.docx.pdf>

Chairman: Cllr Dean Cohen
Has been consulted

Signed

Confirmed by email

Date 14.1.2021

Chief Officer: Geoff Mee
Decision maker having taken into account the views of the Chairman

Signed

Date 14.12.20