

## COUNCIL EXECUTIVE

### PROCUREMENT ARRANGEMENTS – THE SUPPLY OF GRITTERS

#### REPORT BY HEAD OF FINANCE

##### **A. PURPOSE OF REPORT**

To seek the Council Executive's approval to award a contract for the purchase and leaseback of gritters.

##### **B. RECOMMENDATION**

1. The Executive is requested to approve the award of contract for the supply of gritters in accordance with Appendix 1, to Econ Engineering Limited, Boroughbridge Road, RIPON, North Yorkshire HG4 1UE for the Lots as listed below.

Lot 1 End Tippers 26 tonne (quantity 1) : Estimated Contract Value £120,825

Lot 2 End Tippers 18 tonne unibody (quantity 6) : Estimated Contract Value £465,750

Lot 3 Multispread 7.5 tonne (quantity 9) : Estimated Contract Value £508,824

2. The Executive is also requested to approve the sale and leaseback of gritters.

##### **C. SUMMARY OF IMPLICATIONS**

- |   |   |
|---|---|
| <b>I Council Values</b>   | Making best use of our resources, focusing on our customers' needs, and being honest, open and accountable.   |
| <b>II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b> | Tenders were received and analysed in accordance with Standing Orders of West Lothian Council.  |
| <b>III Resources - (Financial, Staffing and Property)</b>   | The estimated contract value is £1,095,399 but leasing charges have not yet been finalised but will be met by the appropriate Service budget. The capital required to purchase the gritters will be recovered through the sale and leaseback arrangement. |

#### **IV Consultations**

The Council Fleet & Transportation Manager compiled the specification and assisted with the tender evaluation.

#### **D. TERMS OF REPORT**

##### **BACKGROUND**

The Council has to purchase the gritters as the leasing company will not procure on any Local Authority's behalf due to the financial outlay required. Following the purchase, the gritters will be sold to a leasing company. The leasing company will then leaseback the mini tractors to the Council. The benefit of leaseback is that the capital tied up in the purchase of gritters is freed up. The monthly leased payments are also fixed for the duration of the leased period.

##### **TENDER AND EVALUATION**

The requirement was advertised in accordance with the European Union Directives, utilising a framework let by Yorkshire Purchasing Organisation. Invitations to tender were issued to 7 potential suppliers, 4 of whom returned a tender for evaluation. The evaluation criteria listed below were adopted following consultation with the service and to ascertain the submissions that offered best value to the Council.

Quality 50%

Price 35%

Response to Questionnaire 12%

Lead Time 3%

The suppliers who submitted a tender are listed in Appendix 2.

#### **E. CONCLUSION**

As a result of the tender evaluation it is recommended that the Executive approves the contract award, as described in Section B of this report.

#### **F. BACKGROUND REFERENCES**

The tender evaluation results for all 4 returns can be obtained from Procurement Services.

Appendices/Attachments:

Contact: Tom Henderson

Email: tom.henderson@westlothian.gov.uk

Tel: 01506 77 4024

**Alan Logan**

**Head of Finance.**

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