

**Forest Heath District Council  
St Edmundsbury Borough Council**

**WEST SUFFOLK WASTE  
AND STREET SCENE  
SERVICES JOINT  
COMMITTEE**

**22 OCTOBER 2010**

**JWC10/032**

**Report of the Strategic Director (Services) (FHDC)  
and the Corporate Director (Economy and Environment)  
(SEBC)**

**FLEET MANAGED TYRE CONTRACT**

**Synopsis:**

**This report seeks Member approval for St Edmundsbury and Forest Heath Councils acting as members of the Waste and Street Scene Services Partnering Arrangement to each extend their current Managed Tyre Contract, for their heavy vehicle commercial fleets, for a further 24 months as allowed for in their Contracts.**

**Commentary:**

1. In October 2007, following a joint EU compliant tender process, led by St Edmundsbury and which included 5 other local authorities, St Edmundsbury and Forest Heath Councils each awarded a Contract to Vaculug Ltd of Grantham for the provision of a managed tyre service for their heavy commercial vehicle fleets. 'Managed Service Contract' means that Vaculug provides, maintains, repairs and replaces tyres all for a fixed price per vehicle per annum.
2. Each Contract was awarded for a period of three years commencing on the 1<sup>st</sup> November 2007, with the option to extend for a further 24 months. Each Contract therefore expires on 31 October 2010.
3. The respective Contract values at commencement of the Contract Period were £54,120 p.a. for St Edmundsbury and £26,760 p.a. for Forest Heath, both values representing a reduction in cost, based on the previous financial year (2006/07).
4. After negotiations in April 2010, Vaculug offered St Edmundsbury a discount for the third year reflecting that the Contract had performed better than expected. An annual discount amounting to 16.08% (£8,685) was agreed and applied with effect from 1 April 2010. Analysis of the Contract indicated that the usage of tyres on the St Edmundsbury fleet was less than predicted and enhanced by a greater number of new vehicles (and hence new tyres) put into service in the first and second years of the Contract Period.

5. An analysis of costs on the Forest Heath Contract indicated that the Contract was performing as predicted and on budget and that few new vehicles had entered service in the first and second years of the Contract Period. Therefore no discount was offered to Forest Heath.
6. Both Contracts have performed well with a high level of service provided to the respective fleets.
7. Following the recent refuse and recycling round review, and the reduction in fleet size for St Edmundsbury following the transfer of its highways operations to Suffolk County Council, an amendment to St Edmundsbury's contract will need to be agreed by negotiation to reflect the changes in fleet sizes.

#### **Finance/Budget/Resource Implications**

8. The Vaculug contracts represent good value for money to both Councils compared to each organisation purchasing tyres for their vehicles independently as required. A further saving in the contract has been identified.

#### **Environmental Impact and Sustainability**

9. The onsite attendance by Vaculug to replace worn or damaged tyres in the respective vehicle depot ensures that mileage to have vehicle tyres maintained is minimised.

#### **Policy Compliance/Power**

10. The Vaculug managed tyre contract has been tendered and awarded in full compliance with Council and European Union procurement policy.

#### **Performance Management Implications**

11. The high responsiveness of the on-site Vaculug tyre maintenance contract enables each Council to ensure the optimum availability of vehicles to their respective operations.

#### **Legal Implications**

12. The Contracts are fully compliant with current EU procurement legislation and the option to extend for a further 24 months is an integral part of the original tender conditions.

#### **Human Rights Act and Diversity Implications**

13. Currently there are no known human rights and diversity implications.

#### **Crosscutting Implications**

14. Currently there are no known crosscutting issues.

## **Risk Assessment**

15. Procurement risk has been minimised by following procedures that fully comply with local rules and European Union procurement rules.

## **Council Priorities**

16. **Forest Heath**
  - Community engagement and communication; and
  - Street scene and environment.
17. **St Edmundsbury**
  - Raise standards and corporate efficiency; and
  - Secure a sustainable and attractive environment.

## **RECOMMENDATION:**

18. **Members are recommended to approve that Officers negotiate a 24 month extension of the existing contracts.**

Nigel McCurdy  
Strategic Director (Services)  
14 October 2010

Sandra Pell  
Corporate Director (Economy and Environment)  
14 October 2010

## **CONTACT OFFICERS**

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