

Joint Procurement of Refuse Freighters & Other Commercial Vehicles

David Parton
Head of Direct Services
Gedling Borough Council
(And Chair of the Nottinghamshire Vehicle Consortium)

The Authorities of the Nottinghamshire Vehicle Consortium

- Ashfield District Council
- Bassetlaw District Council
- Broxtowe Borough Council
- Gedling Borough Council
- Mansfield District Council
- Newark & Sherwood District Council
- Nottingham City Council
- Nottinghamshire County Council (Not RCV's)
- Rushcliffe Borough Council

Joint Procurement

- Introduction/Background
- Why did we do it?
- How did we do it?
- What objectives did we achieve?
- Further benefits/Added Value

Local Authority & Government Fleet Manager (April 2009)

Article on the Roots Review – an investigation into local authority procurement practices

Buy smarter, review tells fleet managers

We started process in late 2005 – First contract awarded from 1st April 2007

Extract From East Midlands Improvement & Efficiency Partnership Seminar (May 2010)

- Value for money and effective service delivery have never been more essential than they are in the present climate.
- In 2009, East Midlands local authorities spent £215 million collecting and disposing of the region's municipal waste. Partnership working can yield economies in both collection and disposal activities but is not restricted to these alone.
- Efficiencies can be achieved in many ways from communication campaigns to **procurement of refuse vehicles**.

Buying Solutions Frameworks

Advantages include

- Suppliers required to meet certain criteria related to capability and VFM
- Contracts, terms and conditions approved by lawyers
- No need to go through a full tendering process
- Should eliminate a large part of the cost of tendering
- Should also ensure there is no legitimate challenge to the contracting Authority under the Remedies Directive

Our Objectives

Joint tender – economies of scale (one off savings) but we wanted more.....

- A partnership arrangement with our suppliers
- More local and responsive
- Better warranties and cheaper parts
- Training for drivers, loaders and workshop personnel
- One contact point rather than 3 (body, chassis, bin lift)
- To assist in developments and test new products

Procurement Partnerships

- Are they successful?
- Are they achieving the objectives?
- Are barriers restricting performance?

Challenges to partnership working

- Barriers to trust
- Barriers around governance and legal issues
- Barriers to change
- Financial barriers
- Politics
- People

People Issues

- Commitment
- Time
- Shared Effort
- Willingness
- Uncertainty
- Responsibility

Give everyone a role to play



Why did we do it?

- Recognition of the need to work in partnership with our neighbours
- The relationship of Senior Officers within Nottinghamshire (with waste responsibilities)
- The support of the Nottinghamshire Chief Executives
- Nottinghamshire Transport Managers Group

Why did we do it?

- The residents (the council tax payers) view of an RCV and other vehicles
- 8 2 1 > EU tender process, specification, contract, standardisation.
- Transport Managers – 8 different opinions all with preferred RCV suppliers.
- Change for the better (reduce downtime, reduce costs of breakdowns and build better relationships with suppliers and between Notts Authorities)

How did we do it?

- A working group with specialists:-
 - Finance** - Gedling
 - Legal** - Broxtowe
 - Procurement** - Bassetlaw
 - Technical** - Newark & Sherwood/ Ashfield/ Nottingham City/ Rushcliffe

How did we do it?

Technical – the Transport Managers issues
(Refuse Collection Vehicles)

1. 8 different views – 2 – 1 specification (finally)
2. Weights/air con/electric windows/sun roofs/radios
3. Tender evaluation and testing of vehicles (do they meet the specification?)
4. Suppliers presentations
5. Getting agreement – not easy

How did we do it?

Procurement/Finance

- Setting and agreeing the benchmark values.
- The OJEU tendering process. 9 valid refuse tenders returned. 11 for Panel vans
- Cashable savings, warranties and discounts
- Calculating the non-cashable savings
- What is added value?

How did we do it?

Legal issues

1. A contract binding one preferred supplier responsible for providing the whole vehicle and after sales support.
2. Feedback to unsuccessful bidders
3. Legal challenge to process (RCV's)

Nottinghamshire Vehicle Procurements

Four Contracts

1. Refuse Collection Vehicles £10.4 million (15 tonne to 32 tonne GVW) **Terberg**
2. Panel Vans & transits £2.8 million **Sandcliffe Ford**
3. Tyre Management £1.4 million **Vacu Lug Tyres**
4. Driver CPC Training £160,000 **Sandy Arthur Training**

What objectives did we achieve?

1. Obtain a financial saving per vehicle below the benchmark prices

A real saving of around £8k per vehicle based on ordering of 82 RCV's over next 4 years

High specification vehicle with after sales support built in.

What Objectives did we achieve?

- Financial savings (continued)
Ford Tender saved £234,000 over 3 years based on current tender prices. (already heavily discounted)

Provision of 222 vehicles = Average over £1k plus additional savings per vehicle

Amazing discounts – best in Country?

What objectives did we achieve?

2. Obtain a single specification for each vehicle

Objective achieved.

High specification vehicle that meet needs of all Authorities, including RCV weighing control mechanisms and all the other “essentials”



What objectives did we achieve

3. Obtain added value by reducing costs of training.

Terberg & Dennis Eagle will provide operator training with each vehicle delivered and within 6 months of delivery technical training (2 workshop staff) Free of Charge.

Terberg & DE Certified Train the Trainer

What objectives did we achieve

4. Obtain additional technical support.

Terberg Service Level Agreement with after sales support, dedicated mobile technicians, breakdown attendance within 4 hours, replacement freighter (FOC), Service Account Manager, better parts discounts.

And similar conditions apply for panel vans

What objectives did we achieve

4. (Continued)

Delivery – weeks not months (on both contracts)

Warranty - Full 3 years

Research & Development commitment

What objectives did we achieve

We proved we could work together on vehicle procurement.

Now we have 4 contracts, savings in the region of **£1.75m** by 2013

Built up trust, better working relationships and a true partnership with our suppliers

Further Benefits

- The suppliers wish to use the consortium Authorities to test out new products
- The transport managers to discuss new designs and development with the suppliers design teams.
- Website Tyre management a/c and to be used for comparisons/benchmarking
- Procurement of Fleet Management System currently being tendered. Will include benchmarking requirement/stock controls etc for all districts.

Summary

- It's not easy – difficult in early stages
- Need support from Chief Exec's/Senior Managers
- Need to involve all team members

- But it can be done and real savings can be achieved.



Contact details

Email address
dave.parton@gedling.gov.uk or
sandy.williams@bassetlaw.gov.uk

Finally –
Contracts open to **all East Midlands Authorities**
