



DECISION OF DIRECTOR OF DEVELOPMENT AND ENVIRONMENT

DECISION NO. 16/17 DE 194

SUBJECT: Rolling extension of fleet maintenance contracts

Background:

The council, following a competitive tender process, awarded two contracts for its fleet maintenance tender to Coombs Garage Services in November 2013 for an initial period of three years with the option for both parties to agree a further contract period of up to two years.

The contractor has performed well over the duration of the contract, and the council requested that the contract be formally extended for the agreed two year period from 1 November 2016. Coombs have declined to extend for the two years but have agreed to a short term rolling extension, subject to either party giving 30 days' notice of termination.

DECISION:

To extend the two Vehicle Servicing and Maintenance contracts with Brian Frederick Coombs trading as Coombs Garage Services from 1 November 2016 for a maximum duration of 24 months, with either party having the option of terminating the contracts by giving 30 days' notice.

Reasons:

Coombs provides a good level of service at a competitive pricing level, the extension of the contracts would enable the council to continue to receive these services until such times as new arrangements can be put into place.

A re-tender process will take circa two months to complete. By having 30 days' notice of the termination of the contracts the council will be able to mitigate its requirement for short term spot purchasing whilst new contracts are being procured.

The council will now start procuring new contracts to replace the existing contracts.

Other Alternatives Considered:

To procure new contract arrangements to start on 1 November 2016 but it was anticipated that new contracts were likely to cost more than existing contract rates.

Whilst the council was only able to secure a rolling extension period this was considered preferable to utilising ad-hoc service providers whilst new contracts are being procured.

Risk Assessment:

The incumbent supplier has been accredited and passed rigorous safety inspections, the use of ad-hoc suppliers would expose the council to a heightened risk of poor workmanship and substandard maintenance, which could result in vehicle failure, loss of warranty, or injury.

There may be a short period of time from the expiry of the existing contracts to the start of new contracts but the Fleet Management Section will seek to minimise the use of ad-hoc suppliers during this period.

With the re-letting of the contracts there is a risk that insufficient numbers of suppliers will respond, or that contract rates significantly increase. The contract requirements will be specified in a manner to help mitigate the risks.

The contract allows for both parties to agree a further contract period of up to two years. There is currently no specific provision for the inclusion of a 30 day notice period for the termination of contract, but both parties have agreed this as part of the contract extension and it is not considered that its inclusion introduces a specific benefit to the contractor.

Financial Implications:

The rolling extension of existing contracts and the requirement for short term ad-hoc requirements can be contained within existing budget levels.

An assessment on the financial implications of the new contract arrangements will be undertaken as part of the tender preparation and evaluation processes. It is anticipated that overall costs are expected to rise.

Signed..........Director of Development and Environment.

Dated.....5/10/16.....