



**Glasgow City Council**

**Director of Legal and Administration**

**Report by Head of Corporate Procurement**

**Contact: Maureen Fitzpatrick Ext 76406**

## **Item 3**

**23rd May 2024**

### **The Purchase of Euro Emission Standard 6, Diesel Operated, 13m3 – 16m3 body Refuse Collection Vehicles (for Domestic & Commercial uplifts)**

**Tender Reference: - GCC006051CPU**

#### **Purpose of Report:**

To submit details of the tenders received for the purchase of euro emission standard 6, diesel operated, 13m3 - 16m3 body refuse collection vehicles (for domestic & commercial uplifts) and recommend acceptance of the most economically advantageous tender as detailed in this report.

#### **Recommendations:**

The Contract and Property Committee is requested to approve the award of a contract for the purchase of euro emission standard 6, diesel operated, 13m3 - 16m3 body refuse collection vehicles (for domestic & commercial uplifts) to the supplier listed below.

**Farid Hillend Engineering Limited  
Companies House Number - SC53003**

Ward No(s): XXXXXXXX

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

## **1 Background and Tender**

- 1.1 Glasgow City Council's ("the council's") budget for the purchase of euro emission standard 6, diesel operated, 13 cubic metres (m3) - 16 cubic metres (m3) body refuse collection vehicles (for domestic & commercial uplifts) is £5,160,000.
- 1.2 The council operates a fleet of 1,600 vehicles. The fleet is a vital component in delivering frontline services to the residents of Glasgow. Neighbourhoods Regeneration and Sustainability (NRS) is responsible for the Asset Management of the council's fleet.
- 1.3 The new modern vehicles that will comply with the Low Emission Zone which was introduced in Glasgow on 1 June 2023.
- 1.4 Due to the high volume of collections on tenemental routes there is a requirement for the refuse collection vehicle (RCV) cab to accommodate up to four (4) operatives. The limited market availability of alternatively fuelled RCVs to meet the council's operational requirements dictated a focus on Euro emission standard 6 - RCVs to significantly reduce the emission profile of the fleet currently being utilised.
- 1.5 The following two types of refuse collection vehicles formed part of the tender scope:
  - RCV Vehicle 1 - Size 13m3 – 16m3 body with cab configuration for a driver and 4 operatives with low level split hoist– Quantity 16
  - RCV Vehicle 2 – Size 13m3 – 16m3 body with cab configuration for a driver and 4 operatives with trade hoist– Quantity 6
- 1.6 The aged refuse collection vehicles that these new refuse collection vehicles will replace, having reached their end of life, will be disposed of, or sold at auction and this will be managed by NRS. Where possible, the spare parts will be removed from the vehicles by the council's approved mechanics and reused to refurbish other council owned vehicles.
- 1.7 A commodity team consisting of stakeholders from NRS, and the Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and delivery a new contract.
- 1.8 It was agreed that the most appropriate procurement route to deliver this contract would be an invitation to tender under Category 2 (7.5T and above) Purchase & Parts Only of Heavy Vehicles of the council's Dynamic Purchasing System (DPS) for the Purchase, Maintenance and Repair of Heavy Vehicles and Plant, reference GCC003831CPU.

- 1.9 As part of the pre-market engagement to maximise competition all suppliers that expressed an interest, across the 5 categories of the council's aforementioned DPS, were sent the two draft specifications and a request for information questionnaire. This activity resulted in one supplier from another category on the DPS applying to join Category 2 and 3 suppliers on Category 2 expressing an interest to bid.
- 1.10 The duration of the contract is 12 months from contract award date thereafter the warranty period will apply.
- 1.11 The contract will be utilised and monitored by NRS.

## 2 Evaluation

- 2.1 All 21 suppliers appointed to Category 2 of the DPS were invited to bid. Of the 21, 9 accessed the tender prior to the closing date. Of the 9, 3 suppliers submitted a bid, 4 suppliers declined stating that they could not meet the full requirements. The remaining 15 suppliers did not provide a response. Of the 3 suppliers which submitted bids, 2 suppliers failed to achieve the mandatory 60% quality threshold criteria.
- 2.2 The award evaluation was based on the following criteria and weightings: -

Price	Quality	Quality Sub Criteria
70%	30%	Service Delivery 20%
		Warranty 2.5%
		Training 2.5%
		Sustainability 5%
		Fair Work First (including the Glasgow Living Wage) 5%

- 2.3 The evaluation of award scoring and award value of the supplier which has been recommended for award is shown in the table below: -

Supplier	Total Evaluation Score	Award Value
Farid Hillend Engineering Limited	91.60%	£5,306,084

- 2.4 NRS anticipate that upon receiving the 22 new RCV, the equivalents from the aged fleet will be removed from operations and the spend against unscheduled repairs will subsequently reduce with the transition to the new RCVs.

### 3 Contract implementation and Supplier Management

- 3.1 This contract is allowing 12 months for the delivery of the refuse collection vehicles due to high lead times which shall result in the deliveries being phased which will be monitored by NRS.
- 3.2 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as a high. The supplier will be monitored in line with our contract and supplier management process which includes tracking the supplier's performance against the key performance indicators and working collaboratively to identify opportunities of improvement, innovation and ensure that the refuse collection vehicles are delivered within the 12-month period.
- 3.3 The agreed community benefits outcomes and Fair Work First commitments will be monitored via Cenefits which is a web-based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

### 4 Policy and Resource Implications

#### **Resource Implications:**

<i>Financial:</i>	The overall contract award value is £5,306,084.  This will be met by NRS's capital budget.
<i>Legal:</i>	The report raises no new legal issues.  The Director of Legal and Administration will be responsible for concluding the contract.
<i>Personnel:</i>	No direct personnel implications.
<i>Procurement:</i>	The procurement procedure as referenced in 1.8.

**Council Strategic Plan:** This contract supports Grand Challenge 4, Mission 3.

#### **Equality and Socio-Economic Impacts:**

<i>Does the proposal support the Council's Equality Outcomes 2021-25</i>	Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.
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*What are the potential equality impacts as a result of this report?*

An EQIA was not required for this contract as there is no impact.

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

Fair Work First was included as part of the award criteria with a weighting of 5%. The supplier recommended for award, Farid Hillend Engineering Limited, has confirmed the following:

- It pays the Real Living Wage

Community Benefit was included as part of the tender process. The supplier recommended for award, Farid Hillend Engineering Limited, has confirmed the following outcomes:

- Apprentice New Start - Full Time (from Priority Group) x 5
- Apprentice Transferred - Full Time - Qty 2
- School Mentoring or Enterprise Programme - Qty 2
- Work Experience Placement - School - Qty 10
- Work Experience Placement - Non School - Qty 1
- Career Event - Qty 5
- Workplace Visit - Qty 3
- Community Engagement - Financial Support (minimum £1k) - Qty 1
- Community Engagement - Non-Financial Support (min. 5 hrs.) - Qty 2

**Climate Impacts:**

*Does the proposal support any Climate Plan actions? Please specify:*

Yes, theme 3 - Well Connected and Thriving City is supported via this contract as it will replace older vehicles with newer more fuel-efficient vehicles which produce lower carbon emissions.

The vehicles will comply with the council's LEZ zones.

*What are the potential climate impacts as a result of this proposal?* Reduction of carbon emissions

*Will the proposal contribute to Glasgow's net zero carbon target?* Yes, as above. The key mitigations are as follows:

The vehicles will adhere to the Low Emission Zone.

The vehicles have an improved Euro 6 engine which cuts down on emissions.

**Privacy and Data Protection impacts:** No data protection impacts identified

## **5 Recommendations**

The Contracts and Property Committee is requested to approve the award of a contract for the purchase of euro emission standard 6, diesel operated, 13m3 - 16m3 body refuse collection vehicles (for domestic & commercial uplifts) to the supplier listed below.

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