| MERSEYSIDE FIRE AND RESCUE AUTHORITY | | | |
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| **MEETING OF THE:** | **COMMUNITY SAFETY AND PROTECTION COMMITTEE** | | |
| **DATE:** | **3 SEPTEMBER 2019** | **REPORT NO:** | **CFO/046/19** |
| **PRESENTING OFFICER** | **CFO PHIL GARRIGAN** | | |
| **RESPONSIBLE OFFICER:** | **PAUL MURPHY** | **REPORT AUTHOR:** | **STEWART MARTIN** |
| **OFFICERS CONSULTED:** | **BERNIE SULLIVAN, SHARON MATTHEWS** | | |
| **TITLE OF REPORT:** | **THE SUPPLY OF ELEVEN TYPE B PUMPING APPLIANCES** | | |

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| **APPENDICES:** | **APPENDIX A** | **OUTCOME OF TENDER EVALUATION**<br><br>***THIS DOCUMENT CONTAINS EXEMPT INFORMATION BY VIRTUE OF PARAGRAPH 3 OF PART 1 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972*** |

## Purpose of Report

To inform Members of the intention to procure eleven [11] type B fire appliances as per the vehicle/fleet asset management plan and in response to the approved changes contained within the 2019-2021 supplement to the 2017-2020 Integrated Risk Management Plan (IRMP).

## Recommendation

1. That Members
    a. note the report and approve the proposed procurement, and
    b. approve the increase in the 5 year capital programme appliance replacement scheme by £0.170m to £3.350m to facilitate the future purchase of a 12th new appliance.

## Introduction and Background

2. The Authority fleet currently comprises of 50 heavy pumping appliances over 18 tonnes (the CFO asked to delay the disposal of 4 fire engines in consideration of the new plans). The Authority operate a policy of rolling replacement of vehicles that have been operational for 15 years (frontline and reserve fleet).

3. Over the past fifteen years, the Authority has largely standardised the chassis and key components of the vehicles in order to reduce the levels of replacement parts held by their workshop and improve efficiency in maintenance and operator training

4. At present 49 of the pumping appliances operated by the Authority are built onto Scania chassis and have the same or similar key components.

5. A procurement exercise has been carried out in respect of the vehicles that are scheduled for replacement over the next three years.

6. Due to the value of the contract, estimated to be in excess of £2.75m, and in order to simplify the procurement process, it was decided to access a legally compliant framework comprising of pre-vetted and capable suppliers.

7. The framework identified as being most suitable is the Fleet Options framework let by Devon and Somerset Fire and Rescue Service and an access and confidentiality agreement was duly completed.

8. Originally five suppliers were awarded contracts under the framework for pumping appliances in excess of 15 tonnes Gross Vehicle Weight (GVW, however since the establishment of the framework, John Dennis Coachbuilders Ltd have withdrawn from the market for the supply of fire appliances.

9. A further competition was conducted amongst the four remaining suppliers to the framework using the prescribed evaluation criteria which had weightings applied as follows:

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| Technical and Quality merit (ability to meet requirements) | 40.00% |
| Customer Support | 10.00% |
| Delivery | 7.00% |
| Organisation | 3.00% |
| Corporate Social Responsibility (CSR) | Pass / Fail |
| Price | 40.00% |

10. A specification for the new appliances was prepared by Transport and Equipment Maintenance department. The new specification includes a requirement for a digital pump control system.

11. The specification along with instructions to suppliers, pricing schedules, quality questionnaire and details of the scoring methodology to be used to evaluate responses were incorporated into a tender pack that was distributed via the web based tendering portal used by the Authority.

12. The tender was released on 17 April 2019 and suppliers were allowed four weeks to prepare and submit their bids. To assist in the preparation of proposed layout configurations, an open day was hosted at the Authority Workshops to allow suppliers to view and discuss the features and capabilities of one of the newest appliances in the fleet.

13. The anticipated value of the purchase is in excess of the European procurement threshold (£181K). Under European procurement regulations, it is not permitted to stipulate a named supplier within product or service specifications. Therefore, it was made explicit in the accompanying tender documentation that comparable

alternatives to the vehicle components and systems suggested in the specification could be proposed.

14. By the tender deadline, two responses had been received which were evaluated by members of the Transport and Equipment Maintenance and Procurement Departments using the scoring methodology that had been published in the tender pack

15. The outcome from the evaluation is contained within Appendix A. This information is exempt by virtue of paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972.

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## Equality and Diversity Implications

16. Suppliers to the Fleet Options framework have previously been evaluated on a on their compliance with Equality and Diversity legislation.

17. All appliances are fitted with a ferry lift system to lower the vehicle and permit easier access to equipment stored at higher levels and on the roof of the appliance.

18. The proposed stowage layout of the vehicle has been designed to be compliant with Firestow standards to ensure equipment is stored in accordance with the allowable lifting capabilities of both male and female firefighters.

19. In view of the measures outlined in paragraphs 17, 18 and 19, it is not anticipated that there will be any adverse impact on equality and diversity arising from this procurement exercise.

## Staff Implications

20. The purchase of the proposed vehicles will minimise the amount of training required by vehicle operatives and maintenance staff and hence minimise the amount of training resource required for the safe operation of the vehicles.

## Legal Implications

21. The Authority has a duty to ensure compliance with UK and EU procurement legislation. Awarding against the established framework will ensure that the supply of the vehicles will be compliant with the regulations.

## Financial Implications & Value for Money

22. The highest ranked supplier against the evaluation criteria adopted is Emergency One Ltd. The unit costs submitted for each appliance is £272k for the initial supply of three appliances:

23. The prices of the remaining seven appliances will be escalated in line with the prevailing Consumer Price Index (CPI) and any increase in the price of the chassis.

24. Based on the current planned replacement programme the spend profile over the period covered by the contract will be as follows:

| Total Value of Build Programme | Appliances | Unit Cost | Annual Cost |
|---|---|---|---|
| **Initial Purchase** | 3 | £272,465 | £817,395 |
| **Year 2 Purchase** | 4 | £278,187* | £1,112,748 |
| **Year 3 Purchase** | 4 | £284,028* | £1,136,112 |

* Assumes an annual CPI increase of 2.1% over the period of the contract.

25. This procurement has been conducted to identify the Most Economically Advantageous Tender (MEAT) to ensure value for money is obtained.

26. Value for money is further enhanced due to the minimal resource required to train vehicle operatives and maintenance personnel.

27. The total estimated cost for the 11 fire engines is £3.066m. A provision of £3.180m for 12 fire engines has been included within the current capital programme. Due to the inflationary price increase it is recommended that the current provision be increased to £3.350m, +£0.170m, to leave £0.284m for the final appliance yet to be ordered. The increase in debt servicing costs can be contained within the current revenue budget.

## Risk Management, Health & Safety, and Environmental Implications

28. There is a risk of challenge if the Authority procures the vehicles without undertaking an appropriate procurement process. The proposal contained in this paper significantly reduces the risk of any challenge.

29. Suppliers to the Fleet Options framework have been evaluated on their financial stability, compliance with Health & Safety and Environmental protection legislation. Therefore there risk to the Authority posed by these factors are reduced by sourcing via this framework.

30. In 2017 the government set new targets on vehicle emissions for vehicle manufacturers and transport operators to achieve. Their main aim is to reduce the amount of Nitrogen Dioxide produced by vehicle emissions and totally remove the use of petrol and diesel engine powered vehicles by 2040. In short, to move to using electric powered vehicles.

31. MFRA has been proactive by purchasing vehicles with the latest engine technology which enables compliance with the government guidelines on exhaust emissions.

32. Although the full electric technology exists within the industry it is mainly, at this time, confined to small cars and vans. Technology to advance the duration and life of batteries and the performance of vehicles is improving all the time.

33. For large goods vehicle with an operational function such as running pumps, cranes and hydraulic platforms the electric powered technology is still in its infancy. MFRA will continue to monitor advances in this technology and where and when appropriate in the future, specify these technologies when purchasing vehicles.

Contribution to Our Mission: *Safe Effective Firefighters*

34. Procuring the appliances under the proposed contract will result in cost effective and fit for purpose vehicles for use by firefighters. The provision of the vehicles will maintain operational capability and will directly contribute to the achievement of the Mission.

## BACKGROUND PAPERS

**NONE**

## GLOSSARY OF TERMS

| | |
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| **EU** | European Union |
| **MEAT** | Most Economically Advantageous Tender |
| **CPI** | Consumer Price Index (CPI) |