

Open Report on behalf of Mark Baxter – Chief Fire Officer

Report to:	Councillor L A Cawrey, Executive Councillor for Fire & Rescue and Cultural Services
Date:	6 – 10 November 2023
Subject:	Re-Procurement of LFR Fleet Maintenance
Decision Reference:	I030312
Key decision?	Yes

Summary:

This report proposes the approach to the re-procurement of the Lincolnshire Fire & Rescue Service Fleet Maintenance contract for up to nine years, which will allow the Council to put in place a flexible, value for money contract.

The current contract is provided by Lindum Plant Hire & Fleet Maintenance and expires 30th June 2024. The annual cost for the service is circa £500,000.

A number of options for the delivery and scope of the service have been reviewed with the preferred option identified.

It is proposed that a 3-year contract with options to extend by 2 further periods of 3 years each is procured through a competitive tender.

Recommendation(s):

That the Executive Councillor: -

1. Approves the re-procurement of the Lincolnshire Fire and Rescue Service Fleet Maintenance contract for up to nine years to commence from 1 July 2024.
2. Delegates to the Chief Fire Officer, in consultation with the Executive Councillor for Fire & Rescue and Cultural Services, the authority to determine the form of final contracts of the LFR Fleet Maintenance service; and the authority to award any resulting contracts from the procurement exercise.

Alternatives Considered:	
1.	Do Nothing – This is not considered as a viable option. LFR personnel, vehicles and equipment must be available at short notice to respond to incidents. It is a statutory duty for Lincolnshire Fire and Rescue to ensure that this equipment is efficient, effective and available at all times and maintained in accordance with all legislative requirements. It is imperative that downtime is kept to an absolute minimum.
2.	Collaboration with Lincolnshire Police or other LCC fleet contracts – These may be future options that could be explored as part of any long-term Planning. However, neither option is viable at this time and therefore a short and medium-term solution is required until longer term plans and budgets are reviewed.
3.	Collaboration with Humberside Fire & Rescue Service (HFRS) is being explored whilst the tender process is ongoing. HFRS have set up a limited company with Humberside Police and may legally be able to provide the fleet maintenance for Lincolnshire as an extension of their existing business. Due to the timescales, this scoping work cannot delay the tender process.
4.	Competitive Tender – This is currently the only feasible option.

Reasons for Recommendation:

The renewal of the contract will ensure that statutory requirements are met and provide flexibility to accommodate and adapt to any findings from the resourcing review.

1. Background

Current Arrangements

- 1.1 The Servicing, Repair, and Maintenance is currently provided by Lindum Plant following a competitive tender in 2014/2015. This was an initial 5 -year contract that began on 1st April 2015 with the option to extend for a further 4 years. Due to resource commitments and governance timescales, a three-month exception under PCR regulation 72 was requested by LF&R and was granted by the Chief Fire Officer on 16th May 2023 to allow enough time to effectively let the contract taking the expiry date of the contract to 30th June 2024.
- 1.2 As of 31 March 2023, the fleet consists of the following vehicles with associated equipment:
- 48 station-based fire engines
 - 9 additional fire appliances
 - 2 aerial appliances

- 15 special appliances (2 rescue support units, 7 technical response vehicles, water carrier, command support vehicle and welfare unit)
 - 4 swift water rescue boats
 - National Resilience capability
 - 26 Co-responder vehicles
- 1.3 The incumbent Fleet Maintenance provider (Lindum Plant Hire & Fleet Maintenance) is required to provide planned maintenance, servicing and MOT to all levels of Service vehicle as well as reactive repairs and breakdown support (dependant on vehicle) including Out of Hours cover. Lindum also carries out equipment testing on items built into the appliances (e.g., Cobra high pressure extinguishers, pumps, winches) as well as numerous other pieces of equipment (e.g., ladders, PPV, LPP).
- 1.4 Day to day contract management is managed on a local basis with the contractor. LFR will be including KPI's within the new tender document which will built on the previous contract.
- 1.5 Activities to support the contract such as pump swaps and vehicle movements are carried out by LFR's Operational Support Technicians currently but may be included as an optional requirement.
- 1.6 The service has assessed a number of options for the delivery of the service as detailed in the Alternatives Considered section above.
- 1.7 The service has also reviewed options for the scope of the services including;
1. a totally managed service by an external supplier (as per the current provision)
 2. part managed service with the equipment servicing being brought back in house or managed by additional suppliers.
 3. Collaborative arrangements with LCC fleet. LCC have a number of specialist vehicles such as gritters / road testing vehicles. However, both currently have long term contracts in place and are therefore not in a position to collaborate at this time. Other LCC vehicles are either leased or hired and include servicing and maintenance as part of these contracts.
 4. Collaborative arrangements with Lincolnshire Police. Discussions have been held; however, they are not able to extend their services to cover LFR at this time. LFR chairs the Blue Light Collaboration Group and have active members on the Collaboration Delivery Group. These groups continually assess collaborative opportunities to support improved service delivery and realise efficiencies supporting the duty to collaborate under the Policing and Crime Act 2017.
 5. Discussions around collaborative arrangements with Humberside Fire & Rescue service are in the early stages and require further scoping work to determine the viability of this option. A collaborative approach may not require a full tender process due to the existing Humberside Fire/Police collaboration arrangements.
- 1.8 Due to the timing of the project, and the ongoing organisational review it is not appropriate to pursue options 2, 3, 4 and 5 at this time. These options will continue

to be explored; however, the competitive procurement of a fully managed service is the recommended option.

Procurement and Commercial Strategy

- 1.9 Any bidder would need to provide assurances that they have the required premises and equipment to inspect, repair and maintain large goods vehicles, light vehicles and operational fire equipment.
- 1.10 Consideration has been given to splitting the tender into two lots to increase competition and flexibility within the contract and the specification will be written to reflect this as follows;
- Lot 1 - Large Goods Vehicle (LGV) & Equipment Maintenance
 - Lot 2 - Light Vehicle Maintenance
- 1.11 By separating the lots, bidders may increase their costs to cover overheads in case they only win one lot. Additionally, a single contract for both lots is simpler and less resource intensive to manage. However, it is considered that splitting the requirement will provide optimum flexibility within the contract.
- 1.12 The proposal is to enter into a contract(s) for 3 years with options to extend for up to a total of 9 years subject to satisfactory performance. The value of this contract including potential extensions is estimated to be approx. £4.5 - £5 million. This is based on the current annual total of £500,000 and accounts for inflation over the lifetime of the contract. This will require the procurement to be conducted in accordance with Public Contract Regulations 2015.
- 1.13 An initial contract length of three years will allow LFR to re-assess future option and complete the re-commissioning. Although this could pose a potential barrier to bids, as 3 years may not be a profitable return for many organisations, particularly if they had to invest in infrastructure at the start of the contract, the flexibility given by the shorter initial term with extensions is considered to be the best approach.
- 1.14 Pricing will be based on scheduled service prices for each vehicle type, along with a schedule or rates for breakdowns and recovery. In respect of any parts required (outside of scheduled services) a cost+ mechanism is utilised and there will be a service credit mechanism to incentivise performance to the required service levels.
- 1.15 Due to the current review of operations within the fleet, LFR require a number of flexible solutions that will allow the contract to adapt to any future requirements. This will include 'additional optional' services included within the specification such as the collection and delivery of vehicles from fire stations or additional equipment testing. The existing contract has a 12 month no-fault break clause however, it is intended to change this to an 18 month break clause as part of the new contract. This will still allow flexibility for the contract to be varied to include additional services if required without the need to conduct a further procurement, and for the contract or

parts of the contract to be terminated if a decision is made to enter into partnerships with other blue light services or bring the provision in-house. It should be noted that this may also reduce competition within the tender process.

- 1.16 An open tender will be followed which is the quickest route in a limited market where there is no need to 'down select' suppliers to a manageable number with the tender to be issued early in the New Year.

Cost Implications

- 1.17 LFR continues to have a revenue budget that results in it being within the 15% most efficient Fire Services out of the 43 Services in England when comparing Revenue Budget against head of population.
- 1.18 Budgets are held by LFR which will cover the estimated cost of £4.5 - £5 million over the potential 9-year life of the contract. This is based on the current contract costs and allows a margin for inflation.
- 1.19 Inter-agency operation of a fleet maintenance contract with LF&R, LCC Highways and other blue-light services has been considered to reduce costs. Whilst current arrangements mean that co-operation is not feasible, a desired outcome is for the contract to be flexible enough to be able to expand and include an option to maintain other blue light organisations fleet vehicles, or to exclude certain vehicle types from the contract.
- 1.20 Savings based on any comparison with the existing contract are unlikely due to current inflation, fuel price increases, and uncertainties in the supply chain.

Performance

- 1.21 There will be quarterly Contract management meetings ensuring Key Performance Indicators and required service levels are met. Service Levels will include response times for communication, adherence to vehicle and equipment servicing and examinations (i.e., MOT) schedules, vehicle breakdown response time and provision of management information.

2 Legal Issues:

Equality Act 2010

- 2.1 Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:
- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2.2 The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
- 2.3 Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:
- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
 - Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 2.4 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 2.5 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.
- 2.6 Compliance with the duties in section 149 may involve treating some persons more favourably than others.
- 2.7 The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

Equality Act obligations have been taken into account and no impacts on people with a protected characteristic have been identified relating to this procurement

Joint Strategic Needs Analysis (JSNA) and the Joint Health and Wellbeing Strategy (JHWS)

- 2.8 The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

The up-to-date maintenance of LFR fleet and equipment is essential in providing an effective response to fires and other emergencies in Lincolnshire. Whilst failure to

do so would contravene our statutory requirements, it would also have a direct impact on the safety of our communities. Whilst there is no direct association to the JSNA or the JHWS, the provision of the right equipment in the right place at the right time, can be related to these strategies.

Crime and Disorder

- 2.9 Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

Obligations and responsibilities under this act have been considered and there are no direct implications of this decision.

3.0 Conclusion

- 3.1 A contract must be let to ensure that LFR meets its statutory duty to ensure that equipment is efficient, effective and available at all times and maintained in accordance with all legislative requirements.
- 3.2 The desired outcome is to ensure that a flexible contract is in place to cover all planned maintenance, servicing, and MOT to all levels of Service vehicle, as well as reactive repairs and breakdown support (dependant on vehicle) including Out of Hours cover, with the provision to break the contract or include other services dependent on the outcome of the review of operations.
- 3.2 Benefits from awarding the contract include ensuring that:
- The Fire & Rescue fleet is kept and maintained in safe, operational condition.
 - The required service levels are met.
 - All legal requirements of fire service vehicles are met e.g., compliance with Road Traffic Act
- 3.2 The approach will ensure that flexibility is available to respond and react to the outcomes of the operational review.

4. Legal Comments:

The procurement of a contract for Fleet Maintenance Services is lawful and supports the Fire & Rescue Service in the carrying out of its statutory functions.

The decision is consistent with the Policy Framework and within the remit of the Executive Councillor.

5. Resource Comments:

Funding for the current level of expenditure on the Fleet Maintenance contract is included in the approved revenue budget for the LFR Service. Any additional cost arising from the re-procurement would need to be met from underspends that arise in the overall Service budget or from the Council's revenue contingency budget, which is likely to be sufficient to meet this requirement.

Any on-going cost pressure or saving will be incorporated into future year's budgets as part of the budget setting process for 2024/25 onwards.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

This report will be considered by the Public Protection and Communities Scrutiny Committee at its meeting on 31 October 2023. The comments of the Committee will be reported to the Executive Councillor for Fire and Rescue, Emergency Planning and Cultural Services.

d) Risks and Impact Analysis

Please find below the risks associated to this contract.

- The tender does not attract suitable bids and the contract is not let.
- Vehicle maintenance standards are not met, with potential significant service failure.
- Not enough implementation time for transfer of responsibilities.

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Mark Baxter, David Gilbert and Fiona Fielding, who can be contacted on Mark.Baxter@Lincolnshire.gov.uk, David.Gilbert@lincolnshire.gov.uk or Fiona.Fielding@lincolnshire.gov.uk