

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Sukvinder Kalsi, Executive Director of Finance and Corporate Services (covering the Economy), in consultation with Councillor Frances Umeh, Cabinet Member for Housing and Homelessness

**Date:** 15/07/2024

**Subject:** Contract for the provision of vehicles to the Housing Department

**Report of:** Councillor Frances Umeh, Cabinet Member for Housing and

**Report author:** Mara Akrivlelli, Commissioning and Contracts Lead

---

## SUMMARY

This report recommends the appointment of a supplier by direct award to provide vehicles for a period of 36 months to ensure service continuity. Vehicles are required to support the in-house service provider to ensure the Council is able to carry out its duties as a landlord.

This is a medium/long-term solution to ensure we maintain compliance with landlord requirements and continue to provide a safe, responsive service to residents. The utilisation of the Pretium Framework ensures compliance with procurement regulations. This report seeks approval to renew the contract with Northgate Vehicle Hire Ltd to provide vehicles for the in-house H & F Maintenance and Repairs team.

---

## RECOMMENDATIONS

1. This report seeks the approval of a compliant direct award of a vehicle hire contract via the Pretium Framework, for the provision of vehicles to the Housing Department. The contract will include provision of vehicles, livery, racking, servicing and maintenance. The contract will be incepted as soon as allowable and will run for three years.
2. This report seeks contract award approval to award this contract to the first placed bidder- Northgate Vehicle Hire Ltd.
3. To note that this is a supply contract based on the need of the in-house service team as it develops over the financial year. The cost of the contract will not exceed the estimated value of £450,000 for the full 36-month period.

---

**Wards Affected:** All

---

<b>Our Values</b>	<b>Summary of how this report aligns to</b>
-------------------	---

	<b>the H&amp;F Values</b>
Building shared prosperity	The leasing of suitable vehicles for the in-house repairs team will help improve and maintain the standard of council homes. Housing is a critical factor contributing to the quality of life, public health, educational achievement and economic development.
Creating a compassionate council	Investment in social housing supports the council's landlord obligations and mission to provide good quality homes to local people that are safe, secure and affordable.
Doing things with local residents, not to them	The contract will stipulate high standards of resident communication throughout the works process.
Being ruthlessly financially efficient	The proposed supplier has been assessed for both quality and cost on Pretium's Framework. Based on strong, past performance and assurance from robust contract management it is anticipated that high quality standards and value for money will be maintained.
Taking pride in H&F	The Council is actively working to provide tenants with homes that are safe, secure and well managed.
Rising to the challenge of the climate and ecological emergency	The framework has additional services to help the transition to electric vehicles offering choice, flexibility and a sustainable fleet solution.

## **Financial Impact**

The estimated value of the contract is £150,000 pa or £450,000 across the 3 year term.

Recent spend on hire of vehicles (excluding running costs which are paid against a separate budget) is on average £147,000 pa.

The division has a budget for this contract of £150,000 pa held within cost centre H78051.

Creditsafe evaluates Northgate Vehicle Hire Ltd as having a Risk Score of 58, which is above the Council's minimum of 50, but Creditsafe does not provide a recommended maximum contract value for the company.

*Implications prepared by: Mark Collins Principal Accountant HRA Revenue*

*Verified: Danny Rochford, Head of Finance (HRA and Economy), 31 May 2024*

## Legal Implications

The Council has the power to procure these services in accordance with its duties as a landlord under the Landlord and Tenant Act 1985 and as a housing authority under the Housing Act 1985.

The value of the proposed contract means that it will be a public services contract under the Public Contracts Regulations 2015 (PCR). The Pretium framework was procured in accordance with the PCR and the Council is entitled to call-off under it. There is only one provider on the relevant framework. The proposed award is therefore compliant with the PCR.

This is a high value contract under the Council's Contract Standing Orders. The use of a suitable third party framework in accordance with its terms is a permitted means of procuring a contract of this value. The proposed award therefore meets the requirements of the CSOs.

This contract award is a key decision under the Council's constitution and needs to be included on the key decision list on the Council's website.

*Implications prepared by: John Sharland, Senior solicitor (Contracts and procurement),*

*22nd March 2024*

## Background Papers Used in Preparing This Report

None

---

## DETAILED ANALYSIS

### Proposals and Analysis of Options

1. It is proposed to lease vehicles of a sufficient size to carry all required materials and tools but are small enough to navigate the limited access streets and areas of the borough.
2. Hammersmith and Fulham Council has a commitment to its residents to ensure that its housing stock is safe and fit for purpose. As such, the Council has an obligation to meet and maintain minimum standards as part of general responsive repairs and as a result of issues highlighted by inspections and service requests from tenants and residents.
3. Responsive repairs in communal areas are managed by the in-house service team. In order to provide a responsive service, a number of vehicles are required that will be liveried in order to ensure accountability and visibility and will be equipped with an appropriate standard stock, as well as capacity to carry specialist stock as required.
4. The number of vehicles required may increase depending on the needs of the delivery team but a minimum of 7 will be required to be in place and fully equipped by the service.

5. Environmental performance of vehicles is also explored in order to find the most environmentally friendly option that would satisfy operational requirements.

### **Reasons for Decision**

6. Hammersmith and Fulham Council has a responsibility in its capacity as a social landlord to carry out repair works to its property portfolio. Vehicles are required to ensure the in-house service delivery team members can travel throughout the borough with the correct levels of supplies, tools and materials.
7. This report seeks the approval to re-appoint the same fleet supplier, Northgate Vehicle Hire Ltd, based on their good track record and past performance.
8. A competitive tender process could be carried out to identify alternative suppliers, however doing so would delay the ongoing delivery of the service which is urgent.
9. It is considered that there isn't sufficient time to carry out a mini competition from an approved framework.
10. The recommended option is to direct award via an approved framework agreement such as Pretium, ensuring thus expediency and the assurance of quality and best value based on assessed suppliers.
11. The decision above is required to ensure that the in-house delivery team will have the appropriate resources to carry out their duties for the consecutive 36-month period. This is the most effective way to enable the necessary work to be undertaken expeditiously and competently.
12. This will improve the capacity of the repairs team to effectively manage and resolve repairs needed across the borough.

### **Equality Implications**

13. It is not anticipated that the approval of these proposals, as set out in the recommendations, will have any direct, negative impact on any protected groups under the Equality Act 2010.

### **Risk Management Implications**

14. Despite the compliance to the Pretium Framework the reappointment of Northgate Vehicle Hire Ltd could be open to legal challenge from other fleet vehicle suppliers as seen as non-competitive. In addition, there is risk that despite the high quality of service provided by Northgate Vehicle Hire Ltd that LBH&F is not receiving the most cost-effective result which does not adhere to the value of being ruthlessly financially efficient. Acknowledgement of the risks above will provide mitigation which is strengthened by guaranteeing that a fully competitive tender to all suppliers is followed in three years.

*Implications prepared by: Jules Binney,  
Risk and Assurance Manager, 22/03/2024*

## **Climate and Ecological Emergency Implications**

15. The appointed supplier will offer options, where feasible, which will contribute to the Council's carbon reduction ambitions. One such option is moving from traditional fuel vehicles to electric vehicles.
16. Options for using cargo bikes, which are often able to carry 100kg of equipment, should also be considered in future contract discussions as these provide for reduced air pollution, zero carbon emissions, and improved employee health.
17. The provision of electric and hybrid vehicles is offered on a flexible basis under the contract and when operatives are ready and able to take them in place of traditional fuel vehicles, this provision can be offered by Northgate.
18. It is important to note that the switch from traditional fuel vehicles to green vehicles has infrastructure, logistical, cost and consumer behaviour implications. These need to be managed and planned prospectively and proactively.
19. Northgate will support in the above by making provision with the contract for an EV suitability survey of all drivers and the provision of electric vehicle charging infrastructure (which is available to rent or purchase).
20. The Pretium Framework does also client/contractor reviews and we would recommend using these reviews as a platform to set ambitious but incremental targets on switching the fleet to electric vehicles.
21. These meetings will work through the detail relating to the activities mentioned in paragraph 17 so that we can phase up in a measured and controlled manner (which will ensure good service continuity) our number of green vehicles over the lifetime of the contract.
22. These meetings will be bi-yearly and will be led by the Commissioning and Contracts Lead from H and F.

*Implications prepared by: Mark Thomlinson, Climate Engagement Lead, 24 June 2024*

## **Local Economy and Social Value**

23. It is a requirement that all contracts awarded by the council with a value above £100,000 propose social value contributions that are additional to the core services required under the contract. This proposal should be assessed as reasonable, and the commitments amount to at least 10% in value of the price of the contract before the contract is awarded.

Deliverables against Social Value commitments should be treated as deliverables of the core services for the contract, with the Council, through contracts, reserving the right to seek remedies should these commitments not be delivered.

Before contracts are awarded, it is advised that the commissioner works with the Social Value officer to ensure the selected supplier has put in place a method statement outlining how it will achieve its commitments.

*Implications prepared by:  
Oliur Rahman, Head of Employment and Skills, 22 March 2024*

## **LIST OF APPENDICES**

None