

# APPENDIX 1

## SERVICE LEVEL AGREEMENT (“SLA”) FOR A FLEET MAINTENANCE SERVICE

### 1. Purpose

1.1 This service level agreement (“SLA”) describes the level of service that Vehicle Engineering Services of Cambridge City Council (“the **Supplier**”) shall provide for East Cambridgeshire District Council (“**Client**”) and sets out the levels of maintenance and support the Client can expect from the Supplier.

### 2. Parties

2.1 The parties (“Parties”) to the SLA are as follows:

Client	Supplier
East Cambridgeshire District Council Waste & Street Cleansing Services The Grange, Nutholt Lane, Ely, Cambridgeshire, CB7 4EE  Key contacts:  Director – Operations: Jo Brooks: <a href="mailto:jo.brooks@eastcambs.gov.uk">jo.brooks@eastcambs.gov.uk</a>  Authorised Officer: Dave White: <a href="mailto:dave.white@eastcambs.gov.uk">dave.white@eastcambs.gov.uk</a>	Cambridge City Council Vehicle Engineering Services Dickerson Industrial Estate Ely Road Waterbeach CB25 9PG  Key contacts:  Head of Service: James Elms: <a href="mailto:james.elms@cambridge.gov.uk">james.elms@cambridge.gov.uk</a>  Commercial Manager: David Cox: <a href="mailto:david.cox@cambridge.gov.uk">david.cox@cambridge.gov.uk</a>

### 3. Effective Dates

3.1 The effective dates for the SLA shall be as follows:

Commencement Date:	Expiry Date:
1 March 2018	31 March 2021

3.2 Both the Client and Supplier can terminate this SLA without liability by giving 6 months’ notice in writing to the other Party.

### 4. Scope of Service

#### 4.1 Planned Maintenance

(a) The Supplier shall carry out planned preventative maintenance on the vehicles and equipment types listed in Part 1 of the Schedule to this SLA on a rolling twelve-month programme at the time intervals specified in respect of each. Servicing and inspections shall be spread throughout the year and balanced to ensure service continuity for the Client.

- (b) The Supplier shall be responsible for the planning and scheduling of all such planned maintenance, in conjunction with the nominated Authorised Officer of the Client.
- (c) Preventative maintenance inspections on LGV vehicles shall be carried out in-line with guidance issued by the Driver and Vehicle Standards Agency (DVSA) in the form of the Heavy Goods Vehicle Inspection Manual (copy available on request) and ICME or manufacturers documentation. Preventative and servicing work shall be done in accordance with the manufacturer's requirements and any other requirements reasonably specified by the Client in writing.
- (d) LOLER (Lifting Operations and Lifting Equipment Regulations) certification of bin lifts and other lifting equipment fitted to vehicles shall be carried out by the Supplier or a third-party contractor retained by the Supplier on an annual basis on authorisation of the Authorised Officer of the Client

#### **4.2 Rectification**

- (a) During routine maintenance if any defect is found that renders the vehicle VOR (Vehicle off Road) the Supplier shall inform the Client by means of a vehicle availability report emailed to the nominated officer and the Client that the vehicle shall not be available for service. This shall only apply where a vehicle is deemed unfit for service due to legal reasons.
- (b) Vehicles that are VOR shall when space is available be kept at the garage and not returned to the Client's depot until they are roadworthy.

#### **4.3 Unscheduled Maintenance:**

- (a) The Supplier shall carry out unscheduled maintenance (as defined in Part 3 of the Schedule to this SLA).
- (b) The Supplier shall endeavour in all cases to rectify all defects in-house. On occasions where this is not possible they shall instruct the vehicle or equipment manufacturer to attend on their behalf. The cost of this repair shall be added to the job card and charged out to the Client in the usual way. Notification shall be submitted to the Authorised Officer of the Client to gain authorisation before any instructions are issued to manufacturers for repairs.

#### **4.4 Damage Due to Negligence**

- a) Where damage to a vehicle is not attributable to fair wear and tear the Client shall be contacted for approval before repairs are carried out. A Client representative may view the damage at the designated workshop or alternatively the Supplier shall provide digital images via e-mail.

#### **4.5 Breakdown Service**

- (a) The Supplier shall respond to breakdowns and unserviceable vehicles or items of plant and equipment upon Client notification.
- (b) The vehicle/equipment shall be repaired in-position if possible and returned to service. If the nature of the fault prevents in-position repairs the vehicle/equipment shall be returned to the Waterbeach workshop for repairs.
- (c) If a breakdown renders the vehicle incapable of moving under its own power the Supplier shall arrange for the vehicle to be recovered by a third-party contractor appointed by the Supplier and paid for by the Client.

- (d) Outside of normal operating hours, a third-party contractor shall be used for attendance and recovery of disabled vehicles and this may also be arranged by the Client. An administration charge shall be paid by the Client and will be added to the job card for the Supplier to arrange the recovery.
- (e) The breakdown service shall be provided by the Supplier during their normal operating hours 05.30 – 21:00 hours Monday to Saturday.
- (f) The Supplier shall endeavour to attend 95% of roadside breakdowns, including tyres, within 1 hour, during the working day and 100% of all breakdowns including out of hours within 2 hours.

#### **4.6 Excessive Downtime**

- a) Where a vehicle suffers unacceptable downtime over 2 hours, as per breakdown and recovery clause 4.5, resulting from a failure by the Supplier, and a replacement vehicle is required this shall be costed, on the Supplier's prior written approval of the costs, to it. This vehicle will be supplied at normal market rates for a hired vehicle of the replacement type. This shall include all reasonable operational costs incurred by the Client to complete the daily work allocated to the vehicle and crew concerned.

#### **4.7 Accident repairs**

- (a) Where the damage to a vehicle is not attributable to fair wear and tear, the Client shall be contacted for approval before repairs are carried out. Client representatives may view the damage at the designated workshop or alternatively the Supplier shall provide digital images via e-mail.
- (b) The Supplier shall be responsible when instructed by the Authorised Officer of the Client for the management of repairs where a vehicle has sustained body damage. This shall involve arranging estimates for the repairs and collection and delivery of the vehicle and liaising with insurance companies as required. This shall be carried out in conjunction with a Client nominated officer. An administration charge shall be paid by the Client and added to the job card for the Supplier arranging repairs.
- (c) Accident repairs shall be carried out by external suppliers and subject, where relevant, to any requirement for insurer approval. The Supplier shall endeavour to arrange for such repairs to be completed without undue delay.

#### **4.8 Parts:**

- (a) The Supplier shall source and provide parts required for the maintenance and rectification of faults of vehicles used by the Client. Fast moving service and repair items shall be kept in stock to ensure fast turn-around of maintenance.
- (b) Genuine parts (OEM) shall be used on all vehicles that are covered by manufacturer's warranty. After warranty if non-genuine parts are to be used, agreement should be sort from the Authorised Officer of the Client.
- (c) The Supplier shall always look for "Best Value" in procuring parts for the service.

#### **4.9 Lubricants**

- a) During vehicle warranty periods' original manufacturers recommended lubricants shall be used.

- b) Vehicles out of warranty, manufacturers recommended lubricants or those manufactured to equivalent specification shall be used.

#### **4.10 Tyres**

- a) The Supplier shall be responsible for tyre replacements.
- b) Tyres will be procured using the Crown Commercial Service contract RM3767, lot 2 or a suitable alternative.
- c) A monthly fleet tyre audit will be carried out by the Supplier's tyre contract service provider for all large LGV vehicles and a report produced. This report will outline the condition of tyres and will indicate any necessary replacements or resulting maintenance.
- d) Tyre replacements and associated maintenance will be paid for by the Client and the Client will be invoiced in the same way as all other maintenance work and will be subject to the 10% uplift on parts.

#### **5. Service Availability**

- (a) The Client shall be given a notice period prior to the booking of vehicles and plant for service and maintenance to maintain service continuity. This notice period shall be on a rolling monthly plan.
- (b) As far as practicable having regard to demands upon the Supplier's resources and the Supplier's operating hours, all maintenance shall be carried out during the Client's on-operational hours to ensure service continuity.
- (c) Vehicles due for preventative maintenance inspections shall be delivered to the Supplier by the Client.
- (d) Three (3) full working days shall be required for the annual service and MOT test on refuse collection vehicles (RCV) and large sweepers falling into the large goods vehicle (LGV) category.
- (e) Defect reports must be raised by the driver of any vehicle that has, or that develops, defects whilst in use. It is the Client's responsibility to ensure that reported defects are brought to the attention of the Supplier as soon as possible following the raising of the defect report.
- (f) The Supplier shall ensure that once defect rectification is completed that the defect book in the vehicle cab is signed off highlighting work carried out.
- (h) Where a vehicle cannot be returned to service due to being unroadworthy it is the responsibility of the Supplier to liaise with the Client nominated officer to arrange a replacement vehicle. The Supplier is not responsible for the cost or hire fee of any replacement vehicle.

#### **6. Skilled Workforce**

The Supplier shall ensure that sufficient, suitably qualified and skilled staff are available always during the term to competently undertake the Supplier's obligations under this SLA.

#### **7. Warranty**

- (a) The Supplier shall provide a warranty for all maintenance and rectification work for a period of twelve (12) months from the job completion date. This labour and parts warranty extends to parts in-line with the manufactures warranty and labour shall only apply where a

replacement part fitted by the Supplier has failed due mechanical workmanship not being carried out to the appropriate standard. Within the warranty period, correction of the fault shall be carried out free of charge to the Client.

- (b) Warranty claims should be made in writing to the Commercial Manager explaining the basis of claim. The Commercial Manager shall promptly investigate the complaint and respond accordingly within 5 working days of the receipt of the claim.

## **8. Records**

- (a) The Supplier shall manage all maintenance records for all vehicles and items of plant and equipment operated by the Client. These records shall be kept in accordance with Operator Licensing requirements as per guidance issued by the DVSA. (Goods Vehicle (Licensing of Operators) Act 1995)
- (b) The records shall be produced by the Supplier at any time upon request by authorised personnel of the Client. Original paper work of PMI and service sheets, defect rectifications shall be supplied to the Client for filing and the Supplier shall keep scanned copies of all work carried out. Defect sheets shall be signed off and a copy left in the vehicle after each repair.

## **9. Performance monitoring**

- (a) Representatives from the Supplier and the Client shall hold meetings on a six (6) weekly basis to discuss performance and maintenance issues. Ad hoc meetings can be requested when necessary between the nominated officers of the Parties.
- (b) The Supplier shall produce a monthly performance report that includes key performance indicators and performance against set targets, to a format agreed with the Client and these shall be formally reviewed as part of scheduled performance meetings.

## **10. Fees and Charges**

- (a) The Client shall pay to the Supplier the fees and charges, including the rates listed in Part 2 of the Schedule inclusive of VAT, net of any agreed payment deductions for service failures on the part of the Supplier and/or any outstanding disputed sums.
- (b) Payment of the sums referred to under clause 10(a) above shall be made by the Client within thirty (30) days of receipt of an invoice raised by the Supplier and submitted (where reasonably practicable) on or before the tenth (10th) working day of the following the month in which the work to which the invoice relates was carried out.
- (c) Where the Client disputes any sum contained in an invoice submitted by the Supplier these shall be resolved in accordance with clause 12 (Issue Resolution) and where a dispute in relation to any sum is resolved in favour of the Supplier, the Client shall promptly thereafter pay that sum to the Supplier.
- (d) Where The Client fails to pay to The Supplier any sum owed for more than thirty (30) days after it becomes due The Client shall pay to The Supplier interest on such sum at the rate of statutory interest as defined in the Late Payment of Commercial Debts (Interest) Act 1998.
- (e) All charges for the maintenance service shall be subject to an annual review; and this shall take account of any increases or decreases in the costs of parts, consumables and any sub-contracted activities.

- (f) This annual review of the amount to be paid by the Client to the Supplier under this SLA shall be carried out in the same manner that the Supplier applies to its own revenue budgets. The amount determined by the Supplier shall be notified to the Client by 31<sup>st</sup> December in each year and shall take effect from the commencement of the next following year.

## **11. Variation**

- (a) Variations to this SLA shall be accommodated wherever possible. These can be initiated by either the Client or the Supplier and are subject to discussion, agreement, re-costing, risk assessment and a period of notice no shorter than two (2) working weeks from the inception of the request for the change.
- (b) Any variation to this SLA shall be only be binding when agreed in writing and signed by both Parties underhand.

## **12. Issue Resolution**

- (a) Any issues or complaints that arise between the Client and the Supplier shall be handled locally with a view to achieving an amicable resolution.
- (b) Should the Client continue to be dissatisfied, an approved complaints procedure should be followed.
- (c) Where issues cannot be settled satisfactorily, in an agreed timeframe (30 working days), they can be referred to the Head of Commercial Services (Cambridge City Council) for further consideration and, as appropriate, resolution. If the issue cannot be settled satisfactorily after referral to the Head of Commercial Services, it shall be escalated to the Strategic Director (Cambridge City Council) and the Director, Operations (East Cambridgeshire District Council) for resolution within 30 working days.
- (d) Where the Parties cannot resolve issues, having first gone through the process described at clause 12(c) above, then the dispute shall be referred for resolution by a single expert to be agreed upon by the Parties, or in default of agreement within 10 working days, to a single mediator in accordance with the Single Model Mediation Procedure for the time being of the Centre of Effective Dispute Resolution ("CEDR").
- (e) If the Client becomes aware, either by notification, from its own inspection of the Vehicles or by any other means, that the Vehicles are not being properly maintained in accordance with the terms of this SLA, then The Client shall:
  - i) meet with the Supplier to discuss the issues identified in respect of the maintenance of the vehicles and agree a remedial action plan with the Supplier to resolve these issues within an agreed time frame of no more than 10 working days unless agreed longer by the Client.
  - ii) refer the issue for dispute resolution in accordance with clause 12 (c) above.

## **13. Insurance**

- (a) While any vehicle is under the responsibility of the Supplier they shall use their reasonable endeavours to ensure that it is covered buy their insurance.
- (b) The Supplier shall use reasonable endeavours to ensure that the vehicles are fully insured for their full market or replacement value always whilst they are in its possession or control.
- (c) The Supplier shall also indemnify the Client against any claims, injury, loss or damage arising relating to the Vehicles whilst they are in the custody and possession of the Supplier.

## 14. Termination

- (a) Either Party may terminate this SLA at any time by giving the other Party not less than six months' notice in writing.
- (b) Without affecting any other right or remedy available to it, either Party may terminate this SLA by giving the other Party not less than three months' notice in writing if:
  - (i) the other Party commits a material breach of any term of this SLA which breach is irremediable or if such breach is remediable fails to remedy that breach within a period of thirty (30) days after being notified in writing to do so by the other Party;
  - (ii) the other Party repeatedly breaches any of the terms of this SLA in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of this SLA;
- (c) Either Party may terminate this SLA immediately by giving the other Party notice in writing if:
  - (i) the other Party becomes bankrupt or insolvent, is in circumstances which entitle the Court or a creditor to appoint or have appointed a receiver, manager or administrative receiver, has a provisional liquidator appointed or has a winding-up order made; or
  - (ii) the other Party (or anyone acting on behalf of it with or without its knowledge) commits a Prohibited Act regarding this SLA, a Prohibited Act meaning any of the following:
    - directly or indirectly offering, promising or giving any elected member of either Party or any other person working for or engaged by the Party a financial or other advantage to induce that person to perform improperly a relevant function or activity or rewarding that person for improper performance of a relevant function or activity;
    - directly or indirectly requesting, agreeing to receive or accepting any financial or other advantage as an inducement or reward for improper performance of a relevant function or activity in connection with this SLA;
    - committing any offence under the Bribery Act 2010;
    - committing any offence under section 117(2) of the Local Government Act 1972;
    - committing any offence of fraud;
    - defrauding, attempting to defraud or aspiring to defraud any Party.
- (d) Either Party may terminate this SLA by written notice having immediate effect or having effect at such time as the Party may specify in the notice if either Party is served with proceedings alleging that this SLA has been concluded in breach of the Public Procurement Regulations 2015 or an underlying EU Directive or Treaty.
- (e) Without affecting any other right or remedy available to it, the Supplier may terminate this SLA with immediate effect by giving written notice to the Client. If the Client fails to pay any amount due under this SLA on the due date for payment and remains in default not less than 30 days after being notified in writing to make such payment.

- (f) On termination of this SLA for any reason the accrued rights and remedies of the Parties as at termination shall not be affected and conditions which expressly or by implication have effect after termination shall continue in full force and effect.
- (g) On termination of this SLA The Client shall immediately pay The Supplier all of The Supplier's unpaid outstanding invoices and interest and in respect of the goods and services supplied by The Supplier but for which no invoice has been submitted, The Supplier may submit and invoice which shall be payable immediately on receipt.

**15. TUPE**

- (a) The Client undertakes to the Supplier that there are no employees current deployed on vehicle maintenance activities of either the Client or any other third party whose contract of employment will transfer to the Supplier under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), or whose contract of employment would have so transferred had they not been dismissed prior to the transfer date as a result of the commencement of this SLA and/or the services (including any part of the services) to be provided under it.
- (b) If the contract of employment of any employee whose name has not been disclosed by the Client to the Supplier prior to the signing of this SLA ("Non-Disclosed Employee") transfers to the Supplier pursuant to TUPE as a result of this SLA the Client shall indemnify and keep indemnified the Supplier from and against all employment-related costs and expenses (including those relating to failure to consult, changes to terms and conditions of employment, termination of employment, redundancy, early retirement, pension, threatened and actual litigation and settlement) that the Supplier may incur arising out of or in connection with the employment or termination of employment of any such Non-Disclosed Employee by the Supplier or otherwise arising in relation to any such Non-Disclosed Employee.

**16. Data Protection and Freedom of Information**

- (a) Both Parties shall comply with their respective obligations under the Data Protection Act 1998.
- (b) Each Party shall comply with, and assist and the other to comply with their respective obligations under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

**17. Third Party Rights**

A person who is not a Party to this SLA shall not have any rights under it or in connection with it.

**18. Force Majeure**

Neither Party shall be in breach of its obligations under this SLA, or be responsible for any delay in the performance of its obligations, if such performance is prevented or delayed wholly or in part as a direct or indirect consequence of a force majeure event.

**19. Waiver**

A waiver of any right or remedy under the SLA or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.



**20. Governing Law and Jurisdiction**

This SLA will be governed by the laws of England and Wales and subject to the exclusive jurisdiction of the Courts of England and Wales.

**Agreement and signatures**

Agreed and signed on behalf of: ..... (SUPPLIER)

Signature.....

Name (printed).....

Position.....

Dated .....

Agreed and signed on behalf of: ..... (CLIENT)

Signature .....

Name (printed).....

Position .....

Dated .....

## SCHEDULE

### Part 1 Vehicles and Plant Maintenance Schedules

#### Vehicle Type – LGV/RCV

Vehicle type	PMI*	Annual Service	Bi-annual Service	MOT	Bin lift inspection	LOLER cert	Tachograph
RCV	6 weeks	52 weeks	26 weeks	Annually	6 weeks	Annually	24 months
Road Sweeper	6 weeks	52 weeks	26 weeks	Annually	-	-	-

#### Precinct Sweepers

Vehicle type	Interim service	Major service
Precinct Sweeper	300 hours	Annually

#### Vehicle Type - LCV

Vehicle type	Annual Service	Biannual Service	MOT
Panel van	52 weeks	26 weeks	Annually
Pick-up truck	52 weeks	26 weeks	Annually

#### Plant and Equipment

Equipment type	Safety Inspection	Service
Trailers	Annually	-

\* Preventative Maintenance Inspection

### Part 2 Supplier's Fees and Charges

#### A. Schedule of Rates and Charges

#### Schedule of Rates

Admin charge	£25
Labour	£42.00 per hour
MOT fee class 4 and 7 (LCV)	£45.00

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Vehicle Maintenance SLA between ECDC & CCC (version 4 – 11 December 2017)

MOT fee 2 axle LGV	£91.00
MOT fee 3 axle LGV	£113.00
MOT fee 4 axle LGV	£137.00
MOT test lane fee LGV	At cost
Fee for taking vehicle to/from MOT test centre	Max of 2 hours labour
LOLER certification	Agree price with the Authorised Officer of the Client
PMI inspection LGV (2 and 3 axle)	2.5 hours
PMI inspection LGV (4 axle)	2.5 hours
Bin lift inspection (carried out with above)	0.75 hours
Annual (A) service LCV (not including MOT)	4.0 hours
Six monthly (B) LCV service	2.5 hours
Annual (A) service LGV	8.0 hours
Six monthly (B) service LGV	4.0 hours
Precinct sweeper interim service	2.0 hours
Precinct sweeper annual service	4.0 hours
Trailer safety inspection	1.0 hour
Vehicle recovery contractor	Agree price with the Authorised Officer of the Client

## Parts

Parts shall be charged at cost plus 10%, in respect of which sums due shall be added to the final invoice for the job in which the relevant parts are consumed.

### **Part 3          Unscheduled Maintenance**

Unscheduled maintenance is defined as any repair found necessary because of fair wear and tear that is not associated with scheduled servicing or inspection.

Repairs falling under this category shall include, but are not limited to:

- a) Bin lift repairs
- b) Brake repairs
- c) Central locking
- d) Clutch replacements
- e) Compaction bodies
- f) Engine repairs
- g) Gearbox repairs
- h) Heating and ventilation
- i) Lighting
- j) Seating
- k) Steering
- l) Suspension
- m) Transmission repairs
- n) Tyres and puncture repairs
- o) Windows and windscreens
- p) Wipers and washers

**Part 4 Issue Resolution**

<b>Initial Level</b>	
<b>Supplier:</b>	<b>Client:</b>
Head of Commercial Services	The Authorised Officer of the Client

<b>Escalation</b>	
<b>Supplier:</b>	<b>Client:</b>
Strategic Director	Director – Operations