

REPORT TO	DATE OF MEETING
Cabinet	21 February 2012

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Vehicle Replacement Programme	Neighbourhoods & Streetscene	Mark Gaffney	8

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Council's proposed vehicle replacement capital programme includes for the replacement of six refuse vehicles in 2012/13. This report requests approval for the proposed contract award procedure and evaluation criteria and weightings.

The report also requests approval to incur capital expenditure and include a mini sweeper in the capital programme for 2011/12.

The proposals in the report link directly to all of the Council's corporate priorities but especially Clean, Green and Safe.

RECOMMENDATIONS

That Cabinet agree, subject to approval of the proposed vehicle replacement capital programme:

1. To approve the use of the proposed contract award procedure and evaluation criteria as detailed in the report.
2. To include a mini sweeper in the capital programme for 2011/12 and grant authority under section 3(3) of the Financial Regulations to incur capital expenditure of £60,000 for its purchase.

DETAILS AND REASONING

Background

The Council's proposed vehicle replacement capital programme initially included for the replacement of 8 refuse vehicles in 2012/13. However, a review of the Council's fleet requirements has been carried out following the implementation of improvements to the waste service during 2010/11. As a result the number of refuse vehicles can now be reduced from 8 to 6 from those that are due to be replaced.

The savings generated from these changes have been reflected in the overall costs of the waste service and have enabled efficiencies to be reflected in the Council's revenue estimates and capital vehicle replacement programme.

Tender Approach

Two options are currently being considered for the tender exercise which are the use of a purchasing organisation public sector Framework Agreement or Open Procedure. Both are compliant with the Councils Standing Orders and Contact Procedure Rules.

The last major procurement of refuse vehicles was conducted in 2010 through a Framework Agreement. A purchasing organisation framework is a professionally procured public sector agreement which complies with EU legislation. This enables a reduced timeframe by allowing a mini competition to suppliers included in the framework as opposed to a full EU procurement process.

In the Open Procedure, a notice is placed in OJEU (Official Journal of the European Union) and all companies who respond to the advert are invited to submit a tender. The notice contains a link to "The Chest" (the Council's e-tendering portal), where suppliers can electronically access and submit their tender documentation.

Award of Contract and Tender Evaluation Procedure, Criteria and Weightings

The proposed overall evaluation of tenders and award of contract will be undertaken in three stages with the evaluation being completed in two stages in compliance with the Public Procurement Regulations.

Stage 1 - The tender documentation will include questions to establish suitable economic, financial and technical capacity and only companies who meet these requirements will be considered for the next stage.

Stage 2 - It is recommended that companies who pass stage 1 have their bids evaluated using the MEAT criteria and weightings listed below, to establish the Most Economically Advantageous Tender:

Commercial Factors – Price : 40%.

Vehicle Characteristics: 30% - to include Operational Suitability (10%) and Quality/Compliance with Specification (20%).

Service/Operational Factors: 30% - to include Delivery Lead in Times (10%), Warranty (10%), After Sales Support, Technical Support and Spare Parts (10%).

Stage 3 – Award of contract and acceptance of tender(s) following the detailed evaluation of the tender submissions against the award criteria and a further report to Cabinet.

Procurement of Mini Sweeper

The Council currently has 2 mini sweepers to support maintaining a clean borough. The Council's Neighbourhood Services has identified a third sweeper as a priority to increase sweeping capacity across the borough. Should the proposed purchase be approved, this will represent new investment into maintaining a clean environment in the borough and will support delivery of the Council's priorities and Corporate Plan.

A procurement process has been concluded which within the Council's constitution the award of contract can be performed by the Director of Neighbourhoods, as the procurement represents an intermediate value procurement. As part of the procurement process, comparisons have been made for direct purchase and contract hire, with the tenders being evaluated using the MEAT criteria (Most Economically Advantageous Tender). This process has established that direct purchase is a significantly more cost effective option than contract hire.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

FINANCIAL	<p>The proposed capital programme for 2012/13 includes the capital budgets for the replacement of 6 refuse vehicles with an estimated total cost of £770,000.</p> <p>Subject to recommendation 2 in this report being accepted, the capital programme for 2011/12 includes the capital budget for the purchase of a mini sweeper at a cost of £60,000.</p> <p>The annual revenue costs associated with the above are included in the revised estimates for 2011/12 and the forecast estimates for future years.</p>		
LEGAL	<p>The procurement exercise is designed to ensure that the Council complies with all relevant legislative requirements – whether domestic or European.</p> <p>The Council will be bound by the terms and conditions of any contractual documentation entered into with the suppliers of the vehicles and also any leasing agreements.</p>		
RISK	<p>The Council services that require the vehicles detailed in this report will suffer operational ineffectiveness should these items not be purchased.</p>		
OTHER (see below)	<p>Training and Development Operator training will be provided for the proposed new vehicles.</p>		
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Cabinet report February 2011 - Financial Strategy, Budget and Council Tax 2011/12
 Cabinet report February 2012 - Financial Strategy, Budget and Council Tax 2012/13