

REPORT TO	DATE OF MEETING
Cabinet	10 June 2015

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Waste Vehicle Procurement	Neighbourhoods and Streetscene	Mark Gaffney	

SUMMARY AND LINK TO CORPORATE PRIORITIES

The Council's vehicle replacement capital programme includes for the replacement of six waste vehicles. This report requests approval to commit capital expenditure and accept the most economically advantageous tender for the procurement of the vehicles.

The procurement process has taken into consideration the views and vehicle requirements of FCC, the Council's new waste partner with the contract due to commence on 15 June, 2015.

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:

1. The revised evaluation criteria as outlined in the report.
2. To accept the tender from Company C (Option 1) that scored highest in the tender evaluation exercise for the six waste vehicles as shown in Table 1.
3. To grant authority under Section 3.4 of the Financial Regulations to incur capital expenditure of £1,049,284 for the purchase of six waste vehicles.

DETAILS AND REASONING

1. Background

The Council's approved vehicle replacement capital programme for 2015/16 includes for the replacement of six waste vehicles.

2. Procurement Process

Recent major procurements of vehicles have been conducted through a purchasing organisation framework agreement. A purchasing organisation framework is a professionally procured public sector agreement which complies with EU Public Procurement Directives and the Council's Standing Orders and Contract Procedure Rules. This opens up a mini competition to suppliers included in the framework as opposed to a full EU procurement process. Cabinet has previously approved the procurement process, use of a purchasing organisation, contract award procedure, and evaluation criteria for this procurement.

The Council has used ESPO (Eastern Shires Purchasing Organisation), which as a local authority purchasing organisation provides a service to help provide efficiencies for local authorities, through its collaborative procurement activities and framework agreements. By using the ESPO frameworks, the Council has benefited from the economies of using a large public sector agreement, efficiencies and reduced timescales in the procurement process, and has been able to take advantage of the specialist knowledge of the transport team at ESPO.

Officers have worked with ESPO and FCC to develop specifications for the required vehicles. These specifications were sent to all the suppliers included on the ESPO frameworks.

The use of ESPO has been fully compliant with the Council's Standing Orders and Contract Procedure Rules.

3. Evaluation criteria

Cabinet in October 2013 agreed the evaluation criteria as 60% Cost and 40% Quality. However, ESPO advised at the time of tender that due to an update of the framework agreements that this should be changed to 50% Cost and 50% Quality. Therefore the revised evaluation criteria are as below which break down into the following weightings:

Cost 50%: 40% Purchase Price
 3% Basket of Parts
 4% Servicing and Whole Life Costs
 3% Fuel Efficiency

Quality 50%: 20% Breakdown and Technical Support
 13% Delivery Time/Late Delivery Support
 12% Warranty Arrangements
 5% Environmental Impact

4. Details of Tenders Received and Recommendation for Acceptance

Companies were asked to provide tender prices for the provision of the six vehicles in compliance with the specifications. Three tenders were returned.

A full MEAT (Most Economically Advantageous Tender) evaluation of the bids has been undertaken in conjunction with ESPO and the tenders have been ranked based on overall scores using the evaluation criteria agreed with ESPO and approved by Cabinet. This exercise has identified the preferred bidder for the purchase of the vehicles.

The table below summarise the results of the detailed tendering exercise and shows the evaluation scores.

Table 1 – Purchase of 6 Waste Vehicles

Company	Cost £	Cost Score 50%	Quality Score 50%	Total Evaluation Score
Company A	£1,129,720	46.92%	47.45%	94.37%
Company B	£1,090,807	47.78%	36.45%	84.23%
Company C (Option 1)	£1,049,284	49.84%	48.33%	98.17%
Company C (Option2)	£1,064,822	49.47%	43.05%	92.49%

Company C (Option 1) has scored the highest in the evaluation at 98.17% the purchase cost is £1,049,284.

It is therefore recommended that the tender from Company C (Option 1) is accepted.

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 approved capital programme for 2015/16 includes a budget provision of £1,451,000 for the replacement of vehicles and plant. The purchase cost for the six waste vehicles, following the conclusion of the tendering exercise, is £1,049,284 which is within this approved budget. The remaining budget will be used to fund the procurement of other vehicles and plant during the year, subject to approval.</p> <p>The maintenance costs associated with the six replacement vehicles are already included in the revenue budget for 2015/16 and the forecast estimates for future years.</p>
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LEGAL	<p>The Council will be bound by the terms and conditions of any contractual documentation entered into with the suppliers of the vehicles or any leasing agreements.</p> <p>The ESPO contract documentation covers all the vehicle purchase arrangements.</p>
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RISK	<p>The Council's waste services that require the vehicles detailed in this report will suffer operational ineffectiveness should these items not be purchased.</p>
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THE IMPACT ON EQUALITY	<p>An Equality Impact Assessment is in place for the waste services. There are no adverse equality impacts as a result of the proposals in this report.</p>
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OTHER (see below)	<p>Training and Development Operator and maintenance training will be provided by the suppliers of the vehicles.</p> <p>Corporate Plans and Policies The clean environment is included in the corporate plan and is a priority for the Council.</p>
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<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 reports 28 October 2013 and 6 January 2015.