

REPORT TO	ON
CABINET	22 nd January 2020



TITLE	PORTFOLIO	REPORT OF
Vehicle Procurement Programme 2020 / 21	Cabinet Member for Finance, Property and Assets	Director of Neighbourhoods and Development

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	Yes
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

PURPOSE OF THE REPORT

1. The purpose of the report is to gain Cabinet approval to spend the proposed capital budget of up to £1,247,000 on the vehicle and plant replacement programme and for Cabinet to agree the procurement evaluation.

PORTFOLIO RECOMMENDATIONS

2. That Cabinet approve the capital spend budget of up to £1,247,000 on the vehicle and plant replacement programme.
3. That Cabinet approve the evaluation criteria.

REASONS FOR THE DECISION

4. To enable the continued delivery of services to residents of the borough through the provision of efficient and suitable vehicles.

CORPORATE OUTCOMES

5. The report relates to the following corporate priorities: (tick all those applicable):

Excellence, Investment and Financial	X
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Sustainability	
Health, Wellbeing and Safety	X
Place, Homes and Environment	X

Projects relating to People in the Corporate Plan:

Our People and Communities	x
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BACKGROUND TO THE REPORT

6. The Council's approved vehicle and plant replacement programme for 2020 / 21 includes for the replacement of 20 vehicles and items of plant which consists of the following;

Five refuse collection vehicles.

Two tipper bodied vehicles for grounds maintenance operations.

Three small light goods vehicles for neighbourhoods and caretaking operations.

Two tractors for grounds maintenance operations.

One ride on mower for grounds maintenance operations.

One tracked chipper for arboricultural operations.

One tractor mounted mower for grounds maintenance operations

Four pedestrian mowers for grounds maintenance operations.

One steam cleaner for vehicle maintenance operations.

The Council has expressed a commitment going forward to develop the greenest possible fleet thus reducing the amount of pollutants produced by the vehicles and plant and will give priority to the purchase of full electric or hybrid vehicles.

At present the majority of the vehicles and plant being replaced are not readily available in either hybrid or electric versions - as and when the market develops further these will be considered.

However, it is now intended to replace two of the three small goods vehicles with full electric vehicles - the purpose the third vehicle is currently used for making it currently unsuitable for replacement with a full electric vehicle at present.

All other replacement vehicles and plant will be equipped with as a minimum Euro 6 compliant or hybrid power units which will result in greater fuel efficiency and greatly reduce the amount of pollutants produced.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

7. It is intended to procure the replacement vehicles and plant through a variety of approved methods, to include the use of the following;

A Purchasing Organisation Framework Agreement utilising the ESPO (Eastern Shires Purchasing Organisation) 215 framework, this process would be used to procure the refuse vehicles.

Open tenders via The Chest will be utilised for the purchase of the two tipper vehicles, two tractors, four pedestrian mowers, one ride on mower and the tracked chipper.

The three light goods vehicles will be purchased through direct purchase via The Crown Commercial Service Fleet Portal.

And due to the value of the remaining equipment this will be purchased by obtaining three quotes from suitable suppliers.

A purchasing organisation framework is a professionally procured public sector agreement which complies with EU Legislation. This opens up a mini competition within suppliers included within the ESPO Framework 215 as opposed to a full EU procurement process. The Council's Standing Orders and Contract Procurement Rules include for the use of these agreements. Tenders will be invited by companies identified within the framework and these will be evaluated on 80% costs, 20% quality basis, which is broken down into the following weightings.

Cost 80%	80% Purchase Price
Quality 20%	7% Warranty Arrangements
	4% Delivery Time / Late Delivery Support
	4% Breakdown and Technical Support
	5% Environmental Impact

The Crown Commercial Services Fleet Portal allows for the Council to access vehicles and services whose suppliers have already been through a vigorous procurement process, allowing the Council to purchase vehicles and services in a timely and efficient manner at a pre-determined price.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

8. Extensive consultation has been carried out with staff directly involved in the future use of the vehicles and equipment and with our waste partner FCC in relation to the replacement of refuse vehicles. This consultation has formulated the proposals in relation to the type of vehicles to be procured.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. As part of the development of these proposals the following options were considered.

Purchase of replacement vehicles from within the borough – the Council has expressed the desire to whenever possible procure goods and services from companies based within the borough, this is not possible on this occasion due to the specialist nature of the equipment and a lack of suitable suppliers and manufacturers within the borough.

Retention of existing vehicles – consideration was given to the retention of the existing vehicles and equipment; however, the likelihood is that these vehicles would over time become unreliable leading to a deterioration in the delivery of services. Retention of vehicles would also remove the opportunity to reduce the current levels of particulates released into the atmosphere and reduce air pollution within the borough.

Lease Vehicles – consideration was given to contract hire and an exercise carried out to establish the whole life costs of existing vehicles, in the case of refuse collection vehicles the average cost of leasing compared to outright purchase and in-house maintenance demonstrated an increase in costs of 30% per year based on a seven-year period.

FINANCIAL IMPLICATIONS

10. The proposed capital programme for 2020/21 includes a total budget provision of £2,439,000 for the replacement of vehicles and plant. This overall budget includes £1,192,000 for vehicles which have been ordered in the current financial year but will not be delivered until the new financial year.

11. Authority is sought to purchase the 20 replacement vehicles/plant detailed in the body of the report from the remaining budget of £1,247,000. These will be purchased early in the new financial year following an approved procurement process.

LEGAL IMPLICATIONS

12. Legal Services in consultation with our colleagues in Procurement shall ensure that our own Contract Procurement Rules (CPRs) and EU rules are fully complied with at all times. The use of framework agreements is permitted by our CPRs.

Paragraph 17.5 of CPRs states “For each contract above £100,000, the Authorised Officer shall form an Evaluation Team with responsibility for evaluating tenders. The Authorised Officer shall keep a comprehensive written record of the evaluation exercise including the scores and comments and justifications for these scores, and the lead officer of the evaluation team shall sign the final written selection record”.

Ultimately formal contracts will be entered onto which protect the Council’s interests.

AIR QUALITY IMPLICATIONS

13. Air quality impacts will form part of the tender process and ultimately the replacement vehicles will have a lower impact on air pollution when compared to the levels produced by the current vehicles. The move towards an electric fleet is welcomed and is a start towards the Council’s commitment to improve air quality, move towards an electric fleet and meet its commitment of zero carbon by 2030.

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

14. None.

ICT/TECHNOLOGY IMPLICATIONS

15. None.

PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

16. None.

RISK MANAGEMENT

17. Should vehicles and plant not be replaced the current vehicles and plant will become unreliable and uneconomical to maintain, this would have an impact on the services delivery.

EQUALITY AND DIVERSITY IMPACT

18. None.

RELEVANT DIRECTORS RECOMMENDATIONS

19. That Cabinet approve the expenditure of the proposed capital budget of £1,247,000 for the purchase of replacement vehicles and plant and agree the procurement evaluation criteria.

COMMENTS OF THE STATUTORY FINANCE OFFICER

20. The capital and running costs of these vehicles and plant are included in the Council's 2020/21 budget and MTFs forecasts. Funding options have been considered and outright purchase, financed from existing resources, is the most cost-effective option.

COMMENTS OF THE MONITORING OFFICER

21. Please see the Legal Implications section above. Contract Procedure Rules shall be complied with throughout. The use of Framework agreements is expressly permitted. The award of any high value contracts (in excess of £100,000 in value) will be brought back to Cabinet for decision. Formal contract documentation will be drawn up.

BACKGROUND DOCUMENTS

There are no background documents to this report.

There are no appendices to this report

LT Member's Name: Jennifer Mullin
Job Title Director of Neighbourhoods and Development

Report Author:	Telephone:	Date:
Andrew Richardson Assistant Director of Neighbourhoods	01772 625674	