

Report of	Meeting	Date
Director of Customer and Digital (Introduced by Leader of the Council, Cabinet Member (Strategy and Reform))	Cabinet	Monday, 20 June 2022

Vehicle Procurement Programme

Is this report confidential?	Part exempt - covering report is open to the public Appendix 1 is confidential by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.
Is this decision key?	Yes
Savings or expenditure amounting to greater than £100,000	Significant impact on 2 or more council wards

Purpose of the Report

1. The purpose of the report is to gain Cabinet approval for the procurement of vehicle replacements and for Cabinet to agree the procurement methods and evaluation.
2. To approve the award of contracts be delegated to the Executive Member for Strategy and Reform.

Recommendations

3. That Cabinet notes the potential capital expenditure of up to £575,000 on vehicle replacement. The capital programme includes a budget of £1,253,000 for 2022/23 for vehicle replacement.
4. That Cabinet approve contract procurement methods and the tender evaluation criteria.
5. That the final award of contracts be delegated to the Executive Member for Strategy and Reform for approval following procurement.

Reasons for recommendations

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

- Executive Cabinet approval is required for tenders over £100,000 in line with council procurement rules.

Other options considered and rejected

- 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. Assets are already overdue for replacement and over time vehicles have and will become unreliable leading to increased maintenance costs, downtime and a deterioration in the delivery of services. Retention of the existing vehicles would also remove the opportunity to reduce the current levels of particulates released into the atmosphere and reduce air pollution within the borough.

Corporate priorities

- The report relates to the following corporate priorities:

An exemplary council	Thriving communities
A fair local economy that works for everyone	Good homes, green spaces, healthy places

Background to the report

- The Council's approved vehicle and plant replacement programme for 2022 includes for the replacement of 12 vehicles which consists of the following:

- One large bodied chassis-mounted road sweeper
- 10 ride-on cylinder mowers
- One tipper bodied van for use by landscaping team

- The chassis-mounted road sweeper was purchased in 2014. It has a lifespan of 7 years so has come to the end of its useful life. The sweeper was due to be replaced over 12 months ago. The asset has been sweated and is struggling due to its age. It has undergone regular repairs and started to fail mechanically. A new replacement sweeper with the same specification is required urgently.

- The council currently has ten ride-on mowers which need to be replaced. Existing machines will be retained until the replacement ones are delivered.

- 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 priority will be given to the purchase of full electric or hybrid vehicles whenever possible.

14. At present the larger vehicles and mowers due to be replaced are not readily available in either hybrid or electric versions that are capable of meeting operational demands. As and when the market and capability develop further these will be considered.
15. All other replacement vehicles and plant will be equipped with as a minimum Euro 6 compliant or hybrid power units which results in greater fuel efficiency and greatly reduce the amount of pollutants produced.
16. Based on current knowledge and technological availability it is recommended that new vehicles must achieve the best practice emission standards.
17. Extensive consultation has been carried out with staff directly involved in the future use of the vehicles. This consultation has formulated the proposals in relation to the type of vehicles to be procured.

Proposals

18. It is intended to procure the replacement vehicles through a variety of approved methods, to include the use of the following.
19. A Purchasing Organisation Framework Agreement utilising the ESPO (Eastern Shires Purchasing Organisation) 215 framework, this process would be used to procure the body mounted sweeper.
20. A government framework further competition exercise will be used to invite tenders for the supply of mowers.
21. The tipper bodied vehicle will be purchased through direct purchase via the Crown Commercial Service Fleet Portal or alternatively can be procured via a competitive tender process through the CHEST.
22. A purchasing organisation framework is a professionally procured public sector agreement which complies with current legislation. This opens up a mini competition within suppliers as opposed to a full procurement process. The Council's Standing Orders and Contract Procurement 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, including an assessment of environmental impact.
23. The Crown Commercial 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.
24. Procurement options include direct purchase using capital budget already committed or alternatively by hire purchase, without maintenance, since the council's own workshop service and maintain fleet outside of any supplier warranties.

25. The procurement route will be in accordance with best value option, and will be procured jointly with Chorley Council if the preferred procurement and financing model aligns.
26. It is noted that there is a committed capital budget commitment for vehicle replacements. If a hire purchase model is pursued, it is noted there would be revenue budget pressures

Climate change and air quality

27. The work noted in this report impacts on the following areas of climate change and sustainability targets of the Councils Green Agenda: net carbon zero by 2030, limiting or improving air quality, improving green areas and biodiversity
28. 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 current vehicles.
29. It is proposed to include compatibility with HVO fuel as an option to reduce carbon emissions.

Financial Implications

30. A combination of the pandemic, Brexit, and new regulations for emissions has resulted in both increases and unpredictable fluctuations in price.
31. Estimates of vehicle prices are provided in Appendix 1

Equality and diversity

32. There are no equality and diversity impact in relation to this report.

Risk

33. Should the vehicles and plant not be replaced the current vehicles and plant will become unreliable and uneconomical to maintain, this would have an adverse effect on service delivery.
34. Current global market forces result in higher purchasing costs. These can be mitigated to some degree by joint procurement with Chorley Council.

Comments of the Statutory Finance Officer

35. The full financial implications will be confirmed following the procurement exercises but based on the estimates described above, there is sufficient approved budget within the existing capital programme.

Comments of the Monitoring Officer

36. The proposed procurement methodologies are compliant with legislation and the council's contract procedure rules.

Background documents

37. There are no background papers to this report.

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