|  |  |
| --- | --- |
| **REPORT TO** | **ON** |
| **CABINET** | 10 July 2019 |
|  | |
| **TITLE** | **PORTFOLIO** | **REPORT OF** |
| Vehicle Procurement Programme | Environment | Assistant Director of Neighbourhoods |

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

**PURPOSE OF THE REPORT**

1. The purpose of the report is to gain Cabinet approval to spend the allocated capital budget of up to £1,450,000 and for Cabinet to agree the procurement evaluation criteria.

**PORTFOLIO RECOMMENDATIONS**

1. That Cabinet agree;

To approve the capital spend budget of up to £1,450,000.

The procurement evaluation criteria.

**REASONS FOR THE DECISION**

1. To enable the continued delivery of services to residents of the borough the provision of effective and suitable vehicles.

**CORPORATE PRIORITIES**

1. The report relates to the following corporate priorities:

|  |  |
| --- | --- |
| Excellence and Financial Sustainability | X |
| Health and Wellbeing | X |
| Place |  |

Projects relating to People in the Corporate Plan:

|  |  |
| --- | --- |
| People |  |

**BACKGROUND TO THE REPORT**

1. The Council’s approved vehicle and plant replacement programme for 2019 / 20 includes for the replacement of fifteen vehicles and plant this consists of the following;

Six refuse collection vehicles.

Three medium wheel base panel vans for pest control and sports development operations.

Three tipper bodied vehicles for grounds maintenance and street cleansing operations.

Two mini sweepers for street cleansing activities.

One tractor for grounds maintenance activities.

The Council has expressed a commitment going forward to develop the greenest possible fleet thus reducing the amount of pollutants produced by the vehicles used to deliver services to our residents. With this in mind all future procurement of vehicles and plant will give priority to the purchase of full electric or hybrid vehicles.

At present the electric / hybrid versions of the vehicles due for replacement on this occasion are still in the development stage and are not readily available on the commercial market, as and when these become available they will be considered.

All replacement vehicles purchased 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)**

1. It is intended to procure the replacement vehicles 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.

An open tender via The Chest to be utilised for the purchase of the three tipper bodied vehicles and tractor.

Through a direct purchase via the Crown Commercial Service Fleet Portal to be utilised for the purchase of the three medium wheel base panel vans.

The use of a waiver process for the purchase of the two mini sweepers.

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 Procedure Rules include for the use of framework agreements, in addition the Council has extensive experience in the use of these agreements. Tenders will be invited by companies identified within the framework and will be evaluated on an 85% cost, 15% quality basis, which is broken down into the following weightings.

**Cost 85%** 85% Purchase Price

**Quality 15%**  7% Warranty Arrangements

4% Delivery Time / Late Delivery Support

4% Breakdown and Technical Support

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

A robust review and assessment of the variety of mini sweepers available has been carried out and this has determined there is only one make of vehicle on the market which will meet all of the Council’s minimum requirements for the supply of two mini – sweepers, given the specialist nature of these vehicles and specific design aspects it will be necessary to purchase these vehicles via a waiver process.

**CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION**

1. 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**

1. 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 will not be 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. It would also remove the opportunity to reduce the current levels of particulates released in to the atmosphere and reduce air pollution within the borough.

**Financial implications**

1. The approved capital programme for 2019 / 20 includes a budget provision of £1,450,000 for the replacement of vehicles and plant.

**LEGAL IMPLICATIONS**

1. Legal Services (in consultation with our colleagues in Procurement) shall ensure that our own Contract Procedure 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 justification for these scores, and the lead officer of the evaluation team shall sign the final written selection record”.

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

**AIR QUALITY IMPLICATIONS**

1. Air quality impacts will form part of the tender process and ultimately the replacement vehicles will have a positive impact on air pollution when compared to the levels produced by the current vehicles.

**Human Resources and Organisational Development implications**

1. None.

**ICT/technology implications**

1. None.

**Property and Asset Management implications**

1. None.

**RISK MANAGEMENT**

1. Should the vehicles not be replaced the current vehicles will become un-reliable and un-economical to maintain. This would have an impact on the services delivered.

**EQUALITY AND DIVERSITY IMPACT**

1. None.

**RELEVANT DIRECTORS RECOMMENDATIONS**

1. That Cabinet approve the expenditure of the capital budget of £1,450,000 for vehicle replacement and agree the procurement evaluation criteria.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

1. There is provision within the revenue budgets for both financing and running costs of the replacement vehicles. The periodic replacement of operational vehicles mitigates against potential increases in maintenance and servicing costs as well as ensuring the continuous delivery of the services. There is potential for revenue budget savings in vehicle running costs, particularly in relation to the fuel costs and these budgets will be reviewed as part of the budget setting process.

**COMMENTS OF THE MONITORING OFFICER**

**19.** Please see the Legal Implications section above.

**BACKGROUND DOCUMENTS**

There are no background documents to this report

**APPENDICES**

There are no appendices to this report.

Andrew Richardson

Assistant Director of Neighbourhoods

|  |  |  |
| --- | --- | --- |
| Report Author: | Telephone: | Date: |
| Andrew Richardson, Assistant Director of Neighbourhoods | 01772 625674 | 20th June 2019 |