

Report of	Meeting	Date
Director of People & Places (Introduced by the Executive Member for Resources, Policy and Performance)	Executive Cabinet	20 June 2013

APPROVAL FOR THE PROCUREMENT APPROACH INCLUDING THE AWARD PROCEDURE, EVALUATION METHODOLOGY AND CRITERIA TO PURCHASE ONE LARGE (15T) AND TWO COMPACT MECHANICAL SWEEPERS BY WORKING IN PARTNERSHIP WITH SOUTH RIBBLE BOROUGH COUNCIL

PURPOSE OF REPORT

1. To seek approval for the procurement approach (joint with South Ribble Borough Council - SRBC) including the award procedure, evaluation methodology and criteria to purchase one large (15 tonne) and two compact mechanical sweepers for Chorley Borough Council (CBC). SRBC also need to procure the same number and type of vehicles and by working together we will be likely to achieve savings compared to procuring the vehicles separately.

RECOMMENDATION(S)

2. To approve working in partnership with SRBC for the purchase of two large and four compact mechanical sweepers.
3. To approve the procurement approach of a joint procurement with SRBC via a further competition conducted on our behalf by ESPO (Eastern Shires Purchasing Organisation) through an EU compliant public sector framework agreement.
4. To approve ESPO as the lead body (in accordance with 36.4 of Chorley Council's procurement procedures) who will issue, receive and open tenders on behalf of CBC/SRBC. Additionally for ESPO to carry out key areas of the evaluation in accordance with the published evaluation criteria.
5. To approve the evaluation criteria of Cost 60% (including 40% purchase price, 5% residual value, 5% basket of parts, 5% servicing & maintenance, 5% fuel costs) and quality 40% (including 20% warranty and technical support, 10% delivery and 10% environmental / sustainability) with training an unscored specified requirement.

EXECUTIVE SUMMARY OF REPORT

6. The Council's fleet of mechanical sweepers have now come to the end of their lease period and are due for replacement. One large (15 tonne) and two compact mechanical sweepers now need to be procured.
7. SRBC also require the same number of mechanical sweepers as CBC and a joint procurement process for a greater number of vehicles is likely to provide savings for both Councils.

8. The report outlines the procurement approach and evaluation criteria.
9. By procuring the larger sweepers in 2013 additional costs associated with meeting stricter Euro 6 emission levels will be avoided.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

10. Under the Council's contract procedure rules approval by the Executive Cabinet of contract award procedure and evaluation criteria for tenders greater than £75,000 in value is required.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11. To not agree contract award procedure and evaluation criteria and fail to comply with the Council procurement rules.

CORPORATE PRIORITIES

12. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities	✓	An ambitious council that does more to meet the needs of residents and the local area	

BACKGROUND

13. The Council's fleet of mechanical sweepers have now come to the end of their lease period and are due for replacement. One large (15 tonne) and two compact mechanical sweepers now need to be procured. Work has been undertaken regarding the cost benefits of lease versus purchase and this clearly shows a cost saving through purchasing.
14. SRBC also require the same number of mechanical sweepers as CBC and a joint procurement process for a greater number of vehicles is likely to provide savings for both Councils.

15. The larger mechanical sweepers will be required by law to meet stricter Euro 6 emission levels from January 2014. Enquiries with manufacturers have indicated that there is an estimated cost increase in purchase price of between £10-15k. If approval for procurement is given now there will be sufficient time for the procurement process to identify a supplier and place an order to ensure delivery by the end of 2013 therefore avoiding the additional costs.

SPECIFICATION & EVALUATION

16. The specifications of the vehicles together with optional extras will be determined by officers from CBC / SRBC. Working together with the Senior Procurement Officer the details will be then be passed through to ESPO to manage the procurement process.

17. The evaluation criteria will be:

- Cost - 60%
 - 40% purchase price
 - 5% residual value
 - 5% basket of parts
 - 5% servicing & maintenance
 - 5% fuel cost

- Quality - 40%
 - 20% warranty and technical support
 - 10% delivery
 - 10% environmental / Sustainability

Training will be not be scored as it will be a specific requirement.

18. It is anticipated that a joint procurement between CBC and SRBC for the purchase of the six vehicles will commence in June 2013 with orders being placed during August 2013.

IMPLICATIONS OF REPORT

19. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

20. I have reported the principle of financing replacement vehicles and plant by borrowing instead of leasing in capital programme monitoring reports presented during 2012/13. Local authorities can usually borrow from the Public Works Loan Board (PWLB) at lower rates of interest than the interest rates reflected in leasing contracts. This means that it could be possible to achieve revenue budget savings by borrowing to purchase vehicles rather than leasing them.

21. This particular report deals with the procurement approach rather than the issue of budget provision. Once the cost of the mechanical sweepers has been confirmed, it would be necessary to seek approval of Council for budget provision to be included in the 2013/14 Capital Programme; and for the transfer of revenue budget provision from People and Places directorate's leasing budget to the corporate budget for capital financing charges. The latter budget would cover the repayment of the borrowing (Minimum Revenue Provision), and interest on the borrowing.

COMMENTS OF THE MONITORING OFFICER

22. The proposed procedure is compliant with the Council's Contract Procedure Rules. As this is a Key Decision notice will be placed on the Notice of Key Decisions document and publicised.

JAMIE CARSON
DIRECTOR OF PEOPLE & PLACES

Report Author	Ext	Date	Doc ID
Jamie Dixon	5630	7 June 2013	EC Sweeper Procurement 20-06-2013