

Report of	Meeting	Date
Director of Public Protection, Streetscene and Community. (Introduced by the Executive Member for Resources)	Executive Cabinet	19 November 2015

## **APPROVAL FOR THE PROCUREMENT APPROACH INCLUDING THE AWARD PROCEDURE, EVALUATION METHODOLOGY AND CRITERIA TO PURCHASE FIFTEEN 3.5 TONNE TIPPER VANS, ONE REFUSE COLLECTION VEHICLE, ONE SKIP WAGON AND THREE RIDE ON MOWERS**

### **PURPOSE OF REPORT**

1. To seek approval for the procurement approach including the award procedure, evaluation methodology and criteria to purchase:
  - Fifteen 3.5 Tonne Tipper Vans (Vans), estimated total value of £500K
  - One Refuse Collection Vehicle (RCV), estimated value of £135K
  - One Skip Wagon, estimated value of £90K
  - Three Ride On Mowers (Mowers), estimated total value of £96K

### **RECOMMENDATION(S)**

2. To approve the procurement approach for the Vans via a further competition through the Chest under Crown Commercial Services (CCS) Public Sector Vehicle Purchase Framework agreement RM1070. Lot 2 on this framework covers purchase of these Vans and was undertaken by CCS using the Open Procedure in compliance with the public Procurement Regulations.
3. To approve the procurement approach for the RCV and Skip Wagon via two further competition exercises under separate lots of the EU compliant ESPO (Eastern Shires Purchasing Organisation) Specialist Vehicle Framework Ref 215R-324 via further competition through the Chest.
4. To approve the procurement approach for the Mowers via a further competition through the Chest under ESPO Grounds Maintenance Machinery framework agreement No.274-14.
5. To approve the evaluation criteria for the Vans, RCV, Skip Wagon and Mowers as follows
 

**Vans, RCV and Skip Wagon:**

  - Cost = 65% covering purchase price.
  - Quality = 35% including warranty, technical support, delivery and environmental impact.
  - Training will be an unscored specified requirement.

**Mowers:**

- Cost = 70% covering purchase price.
- Quality = 30% including warranty, technical support, delivery and environmental impact.
- Training and a requirement that the Mowers will be delivered during the week commencing 22<sup>nd</sup> February 2016, will be an unscored specified requirement.
- The evaluation criteria for all the vehicles may be subject to a minor amendment following clarification from the Framework Managers.

**EXECUTIVE SUMMARY OF REPORT**

6. The report outlines the procurement approach including the award procedure, evaluation methodology and criteria to purchase a number of vehicles as detailed in the report.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	<b>Yes</b>	No
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<b>Reason</b> Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	<b>2, a contract worth £100,000 or more</b>
	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)**

7. 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**

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

**CORPORATE PRIORITIES**

9. 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

10. There are a number of vehicles within the Streetscene vehicle fleet that are due for replacement as detailed below:
  - 9 x Tipper Vans (below 3.5 tonnes) – hired
  - 2 x Tipper Vans (below 3.5 tonnes) – owned
  - 4 x 'Beavertail' / Tipper vehicles (above 3.5 tonne) – leased
  - 3 x Ride On Mowers - owned
  - 1 x RCV - owned
  - 1 x Skip Wagon - owned
11. A number of the Vans are currently on short-term lease and by procuring these together with the vehicles owned, the Council is likely to achieve savings. This will also standardise the Council's vehicle fleet simplifying administration and maintenance arrangements.
12. The four 'Beavertail' / Tipper vehicles above 3.5 tonne are subject to additional inspection and maintenance costs as they fall under the Council's Vehicle Operator Licence. In order to make savings the Streetscene team have been trialling the use of 3.5 tonne tipper vans with / without a trailer to evaluate if they could operate the service without impacting on delivery. The benefits to this change in working methods is a reduction in initial purchase price, as 3.5 tipper vehicles are cheaper, and also offer ongoing savings in terms of fuel, maintenance and no requirement for regular inspections (as required for vehicles above 3.5 tonne). Therefore, these four vehicles will be replaced by 3.5 Tonne Tipper Vans.
13. The estimated savings in terms of initial purchase are:
  - Estimated replacement cost for Beavertail £40K – replacement with 3.5 Tonne Tipper Van (estimated average cost) £33K – saving £7K.
  - Estimated cost for a 6.2T tipper vehicle £40K replacement with 3.5 Tonne Tipper Van (estimated average cost) £33K – saving £7K.
  - Inspection / MOT costs is £3K per year versus no cost for replacement vehicle – saving of £3K pa.
  - The 3.5 Tonne Tipper Vans will also provide a saving of around 10% in fuel savings over the life of the vehicles. Based on current fuel costs this will provide a further saving of £1K pa.
14. Following a Council led procurement to replace the caged tipper earlier this year, the recommendations outlined at above will provide the Council with a considerable discount from the normal purchase price.
15. The three Ride On Mowers are seven years old and also in need of replacement due to their age and increasing maintenance costs.
16. The RCV is eight years old and is need of replacement due to its age and increasing maintenance costs.
17. The Skip Wagon is thirteen years old and is need of replacement due to its age and increasing maintenance costs.

## SPECIFICATION & EVALUATION

18. The specifications of the vehicles together with optional extras will be determined by Council Officers together with the Senior Procurement Officer.

19. The evaluation criteria for the vans, RCV, skip wagon and mowers are detailed below:

### Vans, RCV and Skip Wagon:

- Cost = 65% including purchase price, basket of parts and fuel efficiency.
- Quality = 35% including warranty, technical support, delivery and environmental impact.
- Training will be an unscored specified requirement.

### Mowers:

- Cost = 70% including purchase price, basket of parts and fuel efficiency.
- Quality = 30% including warranty, technical support, delivery and environmental impact.
- Training and a requirement that the Mowers will be delivered during the week commencing 22<sup>nd</sup> February 2016, will be an unscored specified requirement.
- The evaluation criteria for all the vehicles may be subject to a minor amendment following clarification from the Framework Managers.

20. It is anticipated that the procurement for the purchase of the above vehicles will commence in late 2015 with orders being placed during early 2016.

## IMPLICATIONS OF REPORT

21. 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

22. The vehicles and plant will be procured via the Chest with the method of financing being considered after a full option appraisal. Budget implications will be reflected in revenue budget and capital programme monitoring reports as appropriate. It is intended that the annual cost of financing the vehicles and mowers will be met within the overall fleet revenue budgets.

## COMMENTS OF THE MONITORING OFFICER

23. 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 PUBLIC PROTECTION, STREETSCENE AND COMMUNITY, PUBLIC PROTECTION STREETSCENE AND COMMUNITY

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Jamie Dixon / Robert Webster	5250 / 5630	21 October 2015	EC SS Vehicle Procurement 19-11-15