

BOLSOVER DISTRICT COUNCIL

EXECUTIVE

25TH APRIL 2016

TENDERS FOR REPLACEMENT OF 7.5TONNE CAGED VEHICLES

REPORT OF COUNCILLOR B R MURRAY-CARR,
PORTFOLIO HOLDER - ENVIRONMENT

This report is public

Purpose of the Report

- To receive and accept tenders for the replacement of 3No 7.5tonne caged vehicles financed by way of Prudential Borrowing.

1 Report Details

- 1.1 3No 7.5tonne caged vehicles are operated by the Council's Streetscene Team in the collection of bulky household wastes and fly tipping. The vehicles were previously procured via finance lease (7 year) arrangements and now fall due for replacement.
- 1.2 In anticipation of their replacement date, tenders have been received to meet the Council's financial procurement rules and procedures.

2 Conclusions and Reasons for Recommendation

- 2.1 The Council has previously relied of finance lease arrangements for vehicle acquisitions; however, over recent years the Council has changed its approach from one of using finance leasing to one of acquiring vehicles by outright purchase. The switch in approach reflects the fact that a combination of low interest rates, the fact that modern vehicles can operate effectively beyond a 7 year period, together with the greater flexibility afforded by ownership rather than leasing\hiring makes ownership the more cost effective option.
- 2.2 Tenders have been received for replacement of 7.5tonne caged vehicles via the Council's Shared Procurement Unit (Chesterfield Royal Hospital) and evaluated on a 60\40 (cost\quality) as set out in the financial section of this report.
- 2.3 In the light of the evaluation the tender received from 'A' provides the Council with the best value option.

3 Consultation and Equality Impact

- 3.1 Streetscene staff was consulted in development of the vehicle specification and replacement arrangements.

3.2 Caged (7.5tonne) vehicles facilitate service delivery to the Council's communities and customers.

4 **Alternative Options and Reasons for Rejection**

4.1 The replacement of vehicles by way of finance lease arrangements was not considered to offer good value to the Council due to reducing the scope for flexibility concerning how vehicles are managed throughout the course of their anticipated life; in particular, where vehicles may require releasing from the leasing agreement prior to its natural end date.

5 **Implications**

5.1 **Finance and Risk Implications**

5.1.1 Tenders have been evaluated, as set out below, and the tender received from 'B' for the supply and delivery of 3 x 7.5tonn caged vehicles (**£149,007**) offers the Council the best value option and accordingly is recommended for acceptance.

Tenderer	£\Price
A	Fail
B	149,007.00
C	187,603.80

5.1.2 The tender received from 'A' did not include details of the company's financial standing information and therefore 'failed' to meet the initial evaluation requirement.

5.1.3 Approval has previously been secured to meet the cost of the vehicle as part of the Council's vehicle replacement program. That vehicle replacement programme has been approved within the Council's Capital Programme and the associated prudential borrowing to finance the vehicle has been agreed as part of the Council's Treasury Management Strategy.

5.1.4 The table below summarises areas of risk associated with management of fleet vehicles:

Risk Type	Risk Detail	Control Measure
Corporate Ambitions and Priorities	Service delivery supports Council Priorities which would be undermined by ineffective and inefficient fleet vehicles. Progress of Strategic Alliance (Fleet Review) delays vehicle replacement program.	Vehicles and specialist bodies specified to meet service need. Standardised vehicle specification may facilitate wider joint working with the Council's Strategic Partner; in particular, benefits arising from fleet maintenance and procurement.
Operational	Service performance and standards affected by fleet reliability.	Vehicle replacements sourced within effective utilisation period. Appropriate vehicle specification. Planned maintenance and safety inspections undertaken.

Risk Type	Risk Detail	Control Measure
Regulatory	European emission standards not met.	Specify vehicles which meet current EU emission standards. Maintenance of vehicles meets Council's statutory Duty of Care.
Financial	Increased cost of vehicle replacements place service budgets under greater pressure.	On the basis of the procurement exercise this risk has been partly mitigated through effective purchasing. Service specification included requirements re fuel efficiency, maintenance costs and operational flexibility which will minimise ongoing revenue costs
Reputation	Customer satisfaction with services has a significant impact on the Council's reputation.	Ensure vehicles employed meet needs of service and are maintained to high standards.
Staff	Changes in vehicle types and specification could affect the staff using them for service delivery.	Consult with staff and users on vehicle specifications and types to ensure fit for purpose.

5.2 Legal Implications including Data Protection

5.2.1 While the value of vehicle replacements considered by this report is within European Procurement thresholds for supply of goods and services (£164,176 or €209,000), procurement was undertaken by way of the Council's Shared Procurement Unit (Chesterfield Royal Hospital) which meets procurement requirements.

5.3 Human Resources Implications

5.3.1 None arising directly from this report.

5.4 Environmental Implications

5.4.1 Vehicles specified meet up to date Euro VI emission standards.

6 Recommendations

6.1 It recommended:

- (a) The tender received from 'B' (Martin Williams Ltd) for the supply and delivery of 3No 7.5tonne caged vehicles at £149,007 is accepted.
- (b) Financing of the vehicle is undertaken by way of Prudential Borrowing in 2016/17 as previously approved within the Council's Capital Programme and Treasury Management Strategy.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
District Wards Affected	All District Wards
Links to Corporate Plan priorities or Policy Framework	Environment (Managing the District's waste collection and Streetscene arrangements)

8 Document Information

Appendix No	Title
N/a	N/a
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Tender documents received are held by the author of the report	
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