

Report to: Cabinet Council
Date of Meeting: 16th August 2012 5th September 2012

Subject: Vehicle Replacements – Refuse Collection Fleet and Specialist Transport Vehicles

Report of: Director of Street Scene **Wards Affected:** N/A

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential: No

Purpose/Summary

To inform Members of the results of two recent tendering exercises and seek Member approval to place orders for the purchase of the new refuse collection vehicles for the Cleansing Section and ten new coach built welfare vehicles for the Specialist Transport Section, using a Prudential Borrowing facility arranged by the Finance Department.

Recommendation(s)

That Cabinet;

- 1) Accepts the tenders that best comply with the specification and score highest in terms of evaluation criteria.
- 2) Approves the ordering of the vehicles listed in Annex 1.
- 3) Recommends to Council to approve the sum of £4,384,175 to be included in the capital programme and financed by a Prudential Borrowing facility.
- 4) Agrees to fund the costs of the new Cleansing fleet vehicles over the next 5 years by use of the Earmarked Reserve held for recycling, thereby alleviating the need to request additional Council resources.
- 5) Agrees to fund the costs of the new Special Transport Unit (STU) vehicle fleet over the next 5 years from within the existing revenue budget.

That Council;

- 1) Approves the sum of £4,384,175 to be included in the Capital Programme and financed by a Prudential Borrowing facility.

How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation:

The current refuse collection fleet is approaching lease expiry and will shortly be five years old. It has been established that there is no financial benefit to the Council in extending the current lease arrangements. The STU vehicle fleet includes ten vehicles which are now approaching ten years of age. These vehicles have no value whatsoever as they have been subject to a number of lease extensions. They are now becoming wholly un-economic to run. Whilst a review of the adult component of specialist transport function is currently being undertaken, a responsibility still currently exists to transport children with disabilities to and from both school and respite care, as necessary. It is proposed to replace the aging ten vehicles with new vehicles which meet all of the new regulations and legislative requirements of transporting vulnerable passengers.

What will it cost and how will it be financed?

(A) Revenue Costs:

The new Cleansing Fleet and Specialist Transport vehicles would be funded from Prudential Borrowing, which would be repaid over the life of the vehicles (in this case 5 years). The running costs of both the Refuse Collection fleet (Annex 3) and the Specialist Transport vehicles (Annex 4) have been forecast over this period.

It is proposed to fund the additional costs of replacing the cleansing fleet in years 2–5 (£416,346) from the partial use of an earmarked Cleansing Reserve, with the forecast year 1 saving (£55,938) being added to this reserve thereby reducing the net call on the reserve to £360,408, whilst keeping the same level of revenue budget throughout the 5 year period. This would alleviate the need for budget growth.

The replacement of the STU vehicle fleet will generate savings in each of the next 5 years when compared to the existing revenue budget. The forecast savings in year 1 (£76,934) will be broadly maintained in years 2-5 giving an overall saving of £344,742 over this period.

(B) Capital Costs:

The costs of Prudential Borrowing for the replacement of the Cleansing fleet and the STU vehicles will be £4,572,724 (including interest repayments) and will be met from revenue funding over the 5 year period.

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal:
In accordance with the Budget and Policy Framework Procedure Rules, a request to amend the existing budget must be referred to the full Council for decision (paragraph 3a refers)

Under s.29 National Assistance Act 1948 and LAC (93) 10 local authorities have the power to provide free or subsidised transport but they do not have a duty to do so unless a service user has Fair Access to Care Services eligible transport needs identified through a community care assessment.

Likewise, under s.2 Chronically Sick and Disabled Persons Act 1970 a local authority has a discretion to provide assistance with transport.

Local authorities also have responsibilities under s509 Education Act 1996 and the Special Educational Needs Code of Practice, 2001

Human Resources

Equality

1. No Equality Implication
2. ~~Equality Implications identified and mitigated~~
3. ~~Equality Implication identified and risk remains~~

Impact on Service Delivery:

Procurement of a replacement vehicle fleet will allow the service to continue to be delivered in as efficient and effective a manner as possible.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT Strategy (FD1648/12) and Head of Corporate Legal Services (LD1007/12) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

The option to enter into secondary lease periods was considered. However, the current fleet of vehicles would cost substantially more to maintain over coming years, and will also become less reliable and susceptible to breakdown. There

would therefore be substantially more costs incurred through both maintenance and vehicle hire costs.

Implementation Date for the Decision

Following the decision by Council on the 5th September 2012.

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Background Papers:

The following papers are available for inspection by contacting the above officer(s);

Vehicle Tenders January 2012

Vehicle Tenders April 2012

Stage One and Stage Two Tender Evaluation Scoring Spreadsheets

Introduction/Background

Refuse Collection Fleet

1. The current refuse collection fleet is now approaching lease expiry with the 27 leased vehicles reaching their expiry dates between November 2012 and October 2013. The vehicles are used by the Cleansing Section of Direct Services and are based at the Council's 2 operating centres at Hawthorne Road Depot Bootle and Forest Road Depot Southport.
2. The vehicles are also included on the Goods Vehicle Operators Licence issued to the Council and are subject to a rigorous inspection and maintenance regime to ensure compliance with the undertakings of the licence.
3. The current refuse collection fleet comprises a total of 28 vehicles. There are 23 x Mercedes Econic chassis/cabs on a 6 x 4 configuration with a gross vehicle weight of 26000kg fitted with Ros Roca compaction bodies and Zoeller automatic bin-lifts. In addition, there are 5 x Mercedes Atego chassis/cabs on a 4 x 2 configuration with a gross vehicle weight of 15000kg also fitted with Ros Roca compaction bodies and the same bin-lifts. One of the Econic vehicles was purchased not leased, and is owned outright by the Council.
4. The current refuse collection fleet were assigned to 5-year operating lease. The Council has now decided to discontinue using operating leases, preferring to use prudential borrowing to procure such vehicles. This means the asset is owned by the Council and therefore is not subject to any return conditions and/or associated charges at the end of an operating lease term.

STU Welfare Vehicles

5. At least 10 vehicles within the current Specialist Transport fleet are approaching lease expiry within the next 3 months. These vehicles range between 8 and 10 years old and have been subject to lease extensions on a number of occasions. The vehicles are utilised by the Specialist Transport Unit to transport both children and adults and are based at the Council's two operating centres at Hawthorne Road Depot, Bootle, and Forest Road Depot, Southport.
6. Due to the nature of the operation the vehicles are issued with small bus permits by the Traffic Commissioner and are therefore subject to a rigorous inspection and maintenance regime to ensure compliance with the undertakings of the licences.
7. The current STU fleet is currently comprised of 23 coach-built vehicles, of which 11 are '15 seaters', 10 vehicles are '24 seaters' and the remaining 2 are 17 seat minibuses. All of the current vehicles are leased and do not belong to the Council. The Council has now decided to discontinue using such operating leases, preferring to use prudential borrowing to procure any such vehicles. In effect, this means that the asset in question, namely the vehicle(s) is/are owned by the Council, and therefore is not subject to any return conditions and/or associated charges at the end of an operating lease

term. This also means that any residual value of the vehicle at the end of the repayment period belongs to the Council.

8. The current budgetary provision within the Specialist Transport Unit for vehicle repair and maintenance, and for vehicle leasing (capital costs), is a combined £497,900 per year.
9. In September 2011 a new framework agreement for the hire of external buses and taxi's was implemented. This was coupled with the introduction of a new software package which has the capability to allocate clients to particular routes, and using specific vehicles, based on both similarity of customer need, as well as the route to be taken in order to transport a set number of people to and from particular locations via the shortest route possible.
10. It was envisaged that the 'Route Optimisation' function would, by the very nature of the task in hand, take a number of months to work through. However, utilising in-house knowledge and experience, and amending the work rotas of Drivers and Passenger Assistants, coupled with the introduction of a bespoke 'Planning Unit', the Specialist Transport Unit was able to re-allocate resources amongst the existing vehicle fleet and make a large number of routes far more efficient.
11. In turn, this resulted in an opportunity to reduce the then existing in-house fleet by some nine vehicles. This also created a financial saving which brought the operational transport budgets back to an underspend position.
12. The annual operating costs of the 10 'older' vehicles within the fleet, and which are proposed for replacement, are shown in Annex 2. It can be seen that the annual maintenance costs alone for these particular vehicles is nearly £50k. There is a great concern that these vehicles will cost substantially more to maintain in the coming year if not replaced. This will substantially reduce the savings made so far.
13. In addition, the vehicles will become increasingly unreliable, resulting in more expenditure in either hiring vehicles in to cover downtime due to unscheduled maintenance, or outsourcing particular routes on a short term basis whilst repairs are undertaken.
14. It is recognised that a review into the provision of Adult Transport is currently being undertaken, and that this may result in changes to the requirement or provision of transport. However, at this stage there is still a recognised requirement to transport children to and from school and respite care.
15. In budgetary terms, and as shown in Annex 4, the decision to replace the ten aging vehicles would result in a saving of £76k in 2013/14. The Council would also immediately have the benefit of an asset in terms of the resale value of the vehicles, should a decision be taken at a future date to change the way transport is provided to vulnerable groups in Sefton.

Options for vehicle Replacement

16. A number of options have been considered before arriving at the decision to replace the existing Refuse Collection fleet and part of the Specialist

Transport Fleet including:

- (i) Extending existing lease arrangements.
 - (ii) Refurbishment of existing fleet vehicles.
 - (iii) Fleet replacement using Prudential Borrowing facility.
 - (iv) Fleet replacement by external contract Hire.
17. Each of the options has previously been examined in detail, following a Best Value Review of the Transport activity. Of the options listed above only (iii) in house prudential borrowing and (iv) external contract hire are still considered to be suitable to maintain acceptable levels of service provision. Owing to the nature of the work undertaken by the Refuse Collection vehicles, namely domestic and garden waste collection, they are in continuous use and as such generate a high maintenance demand. Also, the nature of the work undertaken by the Specialist Transport vehicles, namely the transportation of vulnerable clients, means that the vehicles have to comply with PCV legislation, and as such generate a high maintenance demand. The service delivery problems experienced by both the Refuse Collection and Specialist Transport Unit when their vehicles are off the road for maintenance, both planned and unplanned, are such that continuing to operate an aging fleet is not considered a sustainable option.
18. External contract hire was reviewed when the last refuse fleet was procured in 2007 with a comparison carried out with in house operating leasing. The review carried out by external consultants revealed that based on cost comparisons the contract hire option was not competitive. It was found to be considerably more expensive (~ £250,000) over the life of the fleet and therefore offered no financial benefit to the Council. As part of the current procurement exercise, contract hire was again considered and explored, and it was established the costs are still more expensive than the procurement route, and as such offer no financial benefit to the Council.
19. Following meetings with colleagues from the Council's procurement section it was decided to utilise the Procurement Partnership Collaborative framework agreement to ensure compliance with all European Procurement Procedures and access to all the specialist vehicle industry manufacturers on the framework. A previous report was presented to Cabinet Member Transportation in August 2011 requesting approval to carry out the tendering exercise.
20. Prior to compiling the tender specifications for the refuse collection vehicles, a review of the service requirements was undertaken. This resulted in a decision to increase the size and carrying capacity of eight vehicles. Increasing the Gross Vehicle Weight to increase payload will reduce the number of trips to transfer loading stations saving fuel and unproductive time.
21. A review of service requirements was also undertaken within the Specialist transport Unit. This resulted in a decision to decrease the size of the vehicles to 15 seats and to include the option of automatic transmission in

an effort to reduce maintenance costs and vehicle downtime. In addition, new legislation was introduced within the industry with effect from 2012 in that all new vehicles must meet stringent requirements known as 'Type Approval'. The proposed vehicles meet all of these requirements and as such the residual value of all of these vehicles will be maintained in future years

Results of the Tendering Exercise

22. A summary of the evaluated scores, for each stage of the evaluation process are shown in Annex 5.
23. Members will note that The Procurement Partnership contacted eight refuse collection vehicle manufacturers inviting them to tender for the vehicles. The following 5 companies returned the completed documentation by the deadline;
- | | | |
|-------------------------|------------------|--------------|
| C P Davidson & Sons Ltd | Dennis Eagle Ltd | Farid UK Ltd |
| Faun Zoeller UK Ltd | Heil Europe Ltd | |
24. Members will also note that The Procurement Partnership contacted seven bus and coach vehicle manufacturers inviting them to tender for the Specialist Transport vehicles. The following 2 companies returned the completed documentation by the deadline;
- Treka Bus Ltd
Mellor Coachcraft
25. Attached in Annex 1 is a summary of the types and number of vehicles required together with details of returned tenders and the lowest price received.

Tender Evaluation/Financial Implications for the Refuse Collection Vehicles

26. Officers from the Transport Section of Direct Services and the Finance Departments Procurement Section have evaluated the returned tenders and supporting documentation using the following evaluation criteria:
- | | |
|---------------------|-----|
| Price | 50% |
| Quality | 20% |
| Experience | 10% |
| After Sales Support | 20% |
27. Stage one of this exercise consisted of scoring each of the tenders using a clear and transparent scoring method and awarding points against each of above factors. This resulted in two tenderers occupying the four highest bid positions each offering 2 options of vehicles to the required specification.
28. Stage two of the tender evaluation involved meetings being held with the two highest scoring tenderers attended by officers from the Cleansing and Transport Sections of Direct Services and the Procurement Section of the

Finance Department.

29. Each of the companies were asked a number of key questions relating to vehicle delivery deadlines, warranty terms and conditions, staff product training, bin lift options and service support arrangements including response times and were scored accordingly by the panel. Tenderers were also given the final opportunity to propose any bid enhancements for each category of vehicle or ancillary equipment.
30. Importantly, in order to critically examine the actual value of each bid, Evaluating officers considered a range of whole life costs at this second stage of evaluation including:
 - Full warranty cover costs
 - Full support cover costs
 - Full vehicle tracking provision costs
 - Workshop re – tooling
 - Camera recording facilities on vehicles
 - Operation downtime attributable to re-training of workshop personnel
 - Annual calibration of vehicle load weighing equipment
 - Non-cost reduction bid enhancements
31. The results of the stage two evaluation meetings were that;
 - (i) The total purchase price for the fleet of vehicles was reduced by £27,485
 - (ii) Tenderer B has offered to fit the manufacturers approved fuel saving device to the ten (8 x 4) 32000kg vehicles at no cost, an initial saving of £13,725 with ongoing fuel savings. We have also negotiated a substantially reduced rate for fitting fuel saving devices to the rest of the proposed fleet, the cost of which is included in the price structure.
 - (iii) The nominated supplier would also provide a dedicated spare bin lift to Sefton, at no cost, for use in the event of breakdown to reduce operational downtime.
32. Meetings and vehicle demonstrations have been held across the Cleansing Section to ensure the vehicles are fit for purpose, compatible with the geography of the dedicated rounds, and can carry the required payloads of both domestic 'residual' and 'garden' wastes.
33. It had been hoped that the use of some vehicles with larger capacities could generate a saving to the Council by a commensurate reduction in the size of the vehicle fleet. Whilst the overall size of the vehicle fleet has indeed reduced by two vehicles, the overall cost to the Council has increased by £360k over the five year period. Since the last procurement exercise was undertaken five years ago there have been huge increases in the cost of raw materials, especially in the steel used to manufacture the vehicle fleet. On average terms the Council paid £115,000 per vehicle five years ago. This exercise has resulted in an average cost of some £145,000 per vehicle,

an increase of over 25%. It should be noted that despite the huge increase in vehicle costs, the proposed one-off use of reserves to fund the difference between budget and procurement cost means that there will be no increase in the transport budget over the next five years.

34. It should also be noted that to extend the existing lease arrangements, coupled with an obvious increases in maintenance costs, would make this option cost prohibitive. However, as the procurement option identified for this new fleet involves the residual assets (the vehicles) belonging to the Council at the end of the repayment term, there may well be a future option to delay the replacement of any or all of the vehicles subject only to ongoing maintenance costs, as there will be no additional procurement costs after the initial five year period.

Tender Evaluation/Financial Implications for the Specialist Transport Vehicles

35. Officers from the Specialist Transport Unit and the Finance Department's Procurement Section have evaluated the returned tenders and supporting documentation which involved a number of checks and assessments including:
- a) Compliance with specification.
 - b) Arithmetic Accuracy.
 - c) Technical Competence.
 - d) Financial Appraisal.
 - e) Warranty and After Sales Support.
36. Meetings and vehicle demonstrations have been held with the Specialist Transport Section to ensure the vehicles are fit for purpose, compatible with the operation and can carry the required number of clients, including wheelchairs and walking aids, and comply with all current legislation

Financial Implications

37. The estimated purchase costs for the proposed new refuse fleet and STU fleet are shown in Annex 1. These costs would be funded from Prudential Borrowing over 5 years
38. In accordance with CIPFA Code of Practice for best value accounting all vehicle recharges to user departments must be at actual cost. It is therefore important that an estimated 5-year prediction be made to provide user departments with confidence in their budget projections.
39. The vehicle maintenance costs have been calculated using historical information from the current refuse collection Mercedes Econic fleet, and the current Mercedes specialist transport vehicles, and includes for all planned maintenance, tyres, unscheduled repairs and excess wear and tear.
40. Inflation in fuel costs cannot be predicted and thus are based on current

annual usage consumption and cost. The new vehicles are fitted with EURO 5 compliant engines, which with the use of an additive called Adblue reduce the exhaust emissions and air pollutants. Members should note that no provision has been made within these estimates for any abnormal inflationary increases or potential changes to fuel taxation policy or fuel supply restrictions. However, it is assumed that such inflationary pressures as might arise would be considered as part of the Council's wider corporate budget considerations.

41. Annex 3 shows the phased implementation of the new refuse collection fleet together with a profile of the estimated expenditure of the vehicles from 2013 to 2017. Members will note a reduction in costs at year 4 following replacement of major vehicle components in year 3. This is a natural part of the life cycle costs and operation of such a fleet, and reflects the actual experience with the current fleet. Costs will increase again at year 5.
42. Annex 3 further summarises the revenue budgetary implications of the proposed changes to the refuse collection fleet for each year to 2017. The overall additional cost, across the 5 year period, is £360,408.
43. Annex 4 summarises the revenue budgetary implications of the proposed changes to the specialist transport fleet for each year to 2017. The overall saving against the current budget over the five year period is £344,742.
44. It is proposed to fund the additional costs of replacing the cleansing fleet in years 2–5 (£416,346) from the partial use of an earmarked Cleansing Reserve, with the forecast year 1 saving (£55,938) being added to this reserve thereby reducing the net call on the reserve to £360,408, whilst keeping the same level of revenue budget throughout the 5 year period. This would alleviate the need for budget growth.
45. The replacement of the STU vehicle fleet will generate savings in each of the next 5 years when compared to the existing revenue budget. The forecast savings in year 1 (£76,934) will be broadly maintained in years 2-5 giving an overall saving of £344,742 over this period.
46. The refuse collection vehicles would also have a residual value after the end of a 5 year usage, and any capital receipts arising from the sale of such an asset could be used towards the replacement costs of the next fleet. Such value may be in the region of £425,000 based on current average market values. This figure however is indicative and would be dependent upon condition and vehicle usage at the end of the 5 year period. In addition, a decision could be taken to delay the purchase of a refuse collection fleet at the end of this procurement period. This would be on the basis that the remaining vehicles would not be subject to any repayments, and it may therefore be cost effective to retain them for an additional period even taking account of increased maintenance costs.
47. Likewise, it is anticipated that the specialist transport vehicles would have a good residual value throughout the usage period. Based on current

average market values the value of the fleet at the end of the five year period could be in the region of £175k, with the value obviously increasing within a shorter timescale. This figure at this stage is therefore purely indicative and would be dependent upon condition and vehicle usage at the end of the 5 year period. However, it is also assumed that by purchasing vehicles which are fully compliant with the new 'Type Approval' legislation, the residual values will remain at a high level.

Existing Fleet Vehicles

48. All vehicles now recommended for replacement are approaching the end of their current lease period and are not subject to any early termination penalty.

Conclusion

49. The current Cleansing refuse fleet, and a large part of the current Specialist Transport fleet, is now approaching the end of its useful life. Maintenance costs are rapidly increasing and vehicle unreliability will result in more downtime and the need to supplement the fleet with externally hired vehicles, which are very expensive and not readily available. The introduction of new vehicles fitted with the latest technology, and to the latest legislative specifications, will ensure delivery of the service is not reduced.
50. The procurement of ten new vehicles for the Specialist Transport Unit will allow the service to continue to operate subject to the findings and recommendations of the ongoing review into adult transportation within the Borough. The remaining 13 vehicles will be coming to the end of their latest lease period in 2013 and at that time a further report can be considered regarding the future operation of the in-house fleet. However, this proposal provides continuity of service for all vulnerable junior clients both during and following the adult transport review, whilst also providing an ongoing asset to the Council
51. Based on the outcome of the second stage of the evaluation process, see Annex 5, the contract for supplying the new fleet of refuse collection vehicles should be awarded to Tenderer B.
52. Based on the outcome of the financial evaluation for the STU vehicles, as per Annex 1, the contract for supplying the ten STU vehicles should be awarded to Tenderer No. 1.
53. To enable the phased introduction of new vehicles, and to accommodate build times, orders will need to be placed during September 2012 to ensure that the vehicle delivery schedules coincide with the return of the first batch of existing fleet in November 2012.

ANNEX 1

NEW VEHICLE PROCUREMENT - REFUSE COLLECTION & SPECIALIST TRANSPORT VEHICLES 2012/13

SPECIALIST TRANSPORT VEHICLES

Tender No	Vehicle Type	Number Required	No.of Companies Invited to Tender	No.of Returned Tenders	Comparison of Submitted Tenders		Total Cost for Ten Vehicles
T:351	Mercedes Coachbuilt 16 Seat Bus	10	7	2	Tenderer No 1	£66,168 per vehicle	£661,680
T:351	Mercedes Coachbuilt 16 Seat Bus				Tenderer No 2	£68,802 per vehicle	£688,020

REFUSE COLLECTION VEHICLES

Tender No	Vehicle Type	Number Required	No.of Companies Invited to Tender	No.of Returned Tenders	Lowest Price which complied in full with tender requirements	
					Cost Per Vehicle	Total Cost
T:380	8 X 4 32,000KG Refuse vehicle with Splitlift	10	8	5	£155,738	£1,557,380
T:383	6 X 2 Rear Steer 26,000kg Refuse Vehicle with Splitlift	15	8	5	£144,341	£2,165,115

ANNEX 2

SPECIALIST TRANSPORT UNIT - FLEET COST BREAKDOWN FOR 2011/12									
COSTS OF 13 'NEWER' VEHICLES FOR 2011/12									
REG NUM	FLEET NO	VEHICLE TYPE		MAINT	LEASE	LICENCE	FUEL	ADMIN	TOTAL
North Depot									
DK08OSG	1820	Mercedes Spinter 15 Seater		3,866.30	11,568.00	165.00	4,049.43	1,236.00	20,884.73
DK08OSL	1822	Mercedes Sprinter 15 Seater		2,662.52	11,568.00	165.00	2,151.93	1,236.00	17,783.45
DK08OSY	1823	Mercedes Sprinter 15 Seater		2,717.96	11,568.00	165.00	3,699.74	1,236.00	19,386.70
DK08OSZ	1824	Mercedes Spinter 15 Seater		3,365.72	11,568.00	165.00	3,491.13	1,236.00	19,825.85
DK58CWM	1830	Mercedes Sprinter 15 Seater		2,621.31	11,568.00	165.00	2,834.11	1,236.00	18,424.42
MV58LNW	1826	Ford Transit Minibus		1,193.69	4,452.00	165.00	1,414.66	1,236.00	8,461.35
South Depot									
DK08OSJ	1821	Mercedes Sprinter 15 Seater		1,808.90	11,568.00	165.00	2,260.00	1,236.00	17,037.90
DK08OSX	1825	Mercedes Sprinter 15 Seater		4,422.15	11,568.00	165.00	3,849.91	1,236.00	21,241.06
DK58CWT	1828	Mercedes Sprinter 15 Seater		2,065.10	11,568.00	165.00	1,477.66	1,236.00	16,511.76
DK58CYG	1829	Mercedes Sprinter 15 Seater		2,355.52	11,568.00	165.00	3,332.52	1,236.00	18,657.04
DK58CWO	1831	Mercedes Sprinter 15 Seater		3,337.78	11,568.00	165.00	3,011.34	1,236.00	19,318.12
DK58CWL	1832	Mercedes Sprinter 15 Seater		2,709.17	11,568.00	165.00	2,592.87	1,236.00	18,271.04
MV58LNU	1827	Ford Transit Minibus		1,185.65	4,452.00	165.00	1,935.04	1,236.00	8,973.69
TOTALS		13 Vehicles		34,311.77	136,152.00	2,145.00	36,100.34	16,068.00	224,777.11

COSTS OF 10 'OLDER' VEHICLES FOR 2011/12

REG NUM	FLEET NO	VEHICLE TYPE	MAINT	LEASE	LICENCE	FUEL	ADMIN	TOTAL
North Depot								
BJ03OUV	1759	Mercedes Vario 24 Seater	3,932.96	9,468.00	220.00	3,026.68	1,236.00	17,883.64
BW04USM	1783	Mercedes Vario 24 Seater	4,320.72	9,708.00	220.00	4,511.54	1,236.00	19,996.26
BW04USN	1784	Mercedes Vario 24 Seater	5,327.06	9,708.00	220.00	4,539.94	1,236.00	21,031.00
South Depot								
MK52PDO	1752	Iveco 24 Seater	3,572.88	9,708.00	220.00	3,851.02	1,236.00	18,587.90
BJ03OTX	1763	Mercedes Vario 24 Seater	6,876.61	9,468.00	220.00	3,931.02	1,236.00	21,731.63
BJ03OTY	1764	Mercedes Vario 24 Seater	4,029.21	9,468.00	220.00	1,796.59	1,236.00	16,749.80
BW04USP	1785	Mercedes Vario 24 Seater	3,867.93	9,708.00	220.00	3,135.96	1,236.00	18,167.89
BX54EFE	1786	Mercedes Vario 24 Seater	5,053.28	9,792.00	220.00	2,584.69	1,236.00	18,885.97
BX54EFF	1787	Mercedes Vario 24 Seater	4,806.11	9,708.00	220.00	1,891.41	1,236.00	17,861.52
BX54EFG	1788	Mercedes Vario 24 Seater	6,935.69	9,876.00	220.00	8,761.04	1,236.00	27,028.73
TOTALS		10 Vehicles	48,722.45	96,612.00	2,200.00	38,029.89	12,360.00	197,924.34

Vehicle Repair & Maintenance Budget 2011/12	£206,250
Vehicle Leasing Charges Budget 2011/12	£291,650
Total Vehicle Operations Budget 2011/12	£497,900
Total 'In House' Vehicle Expenditure 2011/12	£422,701
Underspend / Surplus	-£75,199

ANNEX 3

REFUSE COLLECTION VEHICLE REPLACEMENT PROGRAMME – PRUDENTIAL BORROWING PROPOSAL

					2013/14	2014/15	2015/16	2016/17	2017/18	
	New Vehicles				Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
2013/14	15 Number	26 Ton	Borrowing Costs		451,515	451,515	451,515	451,515	451,515	2,257,575
	RCV with	Bin lift	Other Costs		117,150	181,665	236,085	168,375	236,085	939,360
	10 Number	32 Ton	Borrowing Costs		324,780	324,780	324,780	324,780	324,780	1,623,900
	RCV with	Bin lift	Other Costs		94,200	137,210	173,490	128,350	173,490	706,740
	Existing / Remaining Vehicles									
	1 x 26 Ton Econic		Lease Costs		0	0	0	0	0	0
			Other Costs		12,111	14,911	16,186	13,801	14,686	71,695
	2 x 15 Ton Atego		Lease Costs		0	0	0	0	0	0
			Other Costs		14,876	21,252	21,614	25,746	30,500	113,988
	Estimated fuel costs based on £14059 per vehicle				345,780	345,780	345,780	345,780	345,780	1,728,900
	TOTALS				1,360,412	1,477,113	1,569,450	1,458,347	1,576,836	7,442,158
	Cleansing Refuse Budget Transport				1,416,350	1,416,350	1,416,350	1,416,350	1,416,350	7,081,750
	Variance				-55,938	60,763	153,100	41,997	160,486	360,408
Based on above, the total additional resource required over a five year period from 2013 to 2018 is £360,408 .										
Notes:	1. Fuel estimates based on 25 core vehicle daily use.									
	2. Maintenance costs assume Assume w/shop labour rate of £32 per hour+10% addition to materials cost for handling , storage etc .									
	3. New vehicle borrowing costs based on Finance estimates of 1.41%									

ANNEX 4

SPECIALIST TRANSPORT VEHICLE REPLACEMENT PROGRAMME – PRUDENTIAL BORROWING PROPOSAL

		2013	2014	2015	2016	2017	
		Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Proposed 10 New Vehicle Costs	Borrowing Costs	138,230	138,230	138,230	138,230	138,230	691,150
	Other Costs (Licence, maintenance, admin)	22,000	22,000	22,000	27,000	29,500	122,500
Remaining 13 Vehicle Costs	Lease Costs	136,152	136,152	136,152	136,152	136,152	680,760
	Other Costs (Licence, maintenance, admin)	52,524	57,524	60,000	60,000	60,000	290,048
Estimated Fuel Costs based on £3,136 per vehicle per year		72,060	72,060	72,060	72,060	72,060	360,300
TOTALS		420,966	425,966	428,442	433,442	435,942	2,144,758
Current STU In-house Transport Budget		497,900	497,900	497,900	497,900	497,900	2,489,500
Variance/Saving		-76,934	-71,934	-69,458	-64,458	-61,958	-344,742

Notes:

1. "Borrowing costs" on new vehicles includes 1.41% interest
2. "Other costs" on new vehicles includes nominal £750 per vehicle for maintenance in Years 1, 2 and 3 whilst under warranty.
3. "Other costs" on remaining vehicles includes an estimation based upon current maintenance costs, but only until 2015, as after that time vehicles will be difficult to maintain due to age, condition and mileage of vehicles. A decision will be needed as to future viability, usage and potential replacement of the in-house fleet.
4. Fuel estimates are based on an average usage across 20 vehicles.
5. Maintenance costs assume a workshop labour rate of £32 per hour, plus 10% addition to materials, costs for handling, storage, etc.

ANNEX 5

Tender Evaluation - RCV Fleet Replacement

STAGE 1	Maximum Score Available	Allocated Score	
Tender A Option 1	300	221.95	Taken through to Stage 2
Tender A Option 2	300	223.67	Taken through to Stage 2
Tender B Option 1	300	265.92	Taken through to Stage 2
Tender B Option 2	300	263.57	Taken through to Stage 2
Tender C Option 1	300	211.84	
Tender C Option 2	300	211.4	
Tender C Option 3	300	70.82	(Part offer only)
Tender C Option 4	300	70.79	(Part offer only)
Tender D Option 1	300	186.74	
Tender D Option 2	300	186.55	
Tender E Option 1	300	211.57	
Tender E Option 2	300	211.48	
Tender E Option 3	300	206.55	
Tender E Option 4	300	206.46	

STAGE 2	Maximum Score Available	Allocated Score	
Tender A Option 1	220	153.69	
Tender A Option 2	220	154.98	
Tender B Option 1	220	187.77	Highest Evaluated Bid
Tender B Option 2	220	185.24	