

Report to:	Cabinet	Date of Meeting:	27 July 2017
Subject:	Procurement of Fleet, Machinery & Equipment for Green Infrastructure Integrated Land Management		
Report of:	Head of Locality Services - Commissioned	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Locality Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No,		

Summary:

To seek Cabinet approval to procure machinery and fleet vehicles required for the Green Infrastructure – integrated land management service. (Formerly Parks & Greenspaces, Coast & Countryside & FCERM)

To gain delegated power for the Head of Locality Services - Commissioned to award the contracts to the highest scoring Bidder(s) in accordance with the scoring criteria set out in this report.

Recommendation(s):

- (1) Authorise a procurement process, as set out in this report, for the provision of fleet vehicles and machinery required for the implementation of Green Infrastructure integrated land management service commencing autumn 2017.
- (2) Approves the basis of evaluation of quotations as set out in paragraph 8 of this report;
- (3) Authorises the Head of Locality Services - Commissioned to award the contract(s) to the highest scoring Bidder(s) in accordance with the scoring criteria set out in this report.

Reasons for the Recommendation(s):

The procurement exercise outlined in this report supports the requirement to establish 'appropriate arrangements' for the Green Infrastructure – integrated land management service.

Alternative Options Considered and Rejected: (including any Risk Implications)

Lease hire of fleet vehicles, machinery and equipment to facilitate the GI integrated land management operations. However, this would incur increased revenue costs, limit the

fleet vehicles, machinery and equipment available and restrict the flexibility of future service delivery options.

What will it cost and how will it be financed?

(A) Revenue Costs

The borrowing cost of the capital purchase of the machinery and vehicles (based upon a £1.4m investment) will be £368k over the first 3 years, reducing to £164k in the following 2 years. This can be accommodated within the existing revenue budget provision. Further procurement of equipment and machinery may be necessary in years 4 and 5 to facilitate routine replacement.

(B) Capital Costs

The capital cost of the purchase of the machinery and vehicles is estimated to be up to £1.4m which will be funded from Prudential Borrowing with the cost of borrowing being met by the existing revenue budget.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Legal Implications:
Equality Implications:
There are no equality implications.

Contribution to the Council’s Core Purpose:

Protect the most vulnerable:
Facilitate confident and resilient communities:
Commission, broker and provide core services:
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener The PSR7 Pride in the Environment project is evolving the merger between 3 former services, namely: Coast & Countryside, Parks & Greenspaces and Flood & Coastal Erosion Risk Management into a new ‘Green Infrastructure – Integrated land Management Service (Exact name under development)

The three former services have varied operational responsibilities for the general maintenance, monitoring and strategic development of the main land based amenities and facilities within the borough, from natural landscape conservation and management to leisure and recreational facilities.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 4749/17) and Head of Regulation and Compliance (LD 4033/17) have been consulted and any comments have been incorporated into the report.

Prudential borrowing forecasts have been provided by Finance in respect of a notional split between 3 and 5 year loan calculations.

A report detailing the procurement of fleet, machinery and equipment for the Green Infrastructure integrated land management service was submitted for inclusion in the Capital Programme at the Strategic Capital Investment Group (SCIG) on the 5th June 2017.

Procurement via prudential borrowing, repaid via existing revenue budgets over a 3 & 5 year period was approved in principle.

(B) External Consultations

Not Applicable

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

Introduction/Background

1. The PSR7 Pride in the Environment project is evolving the merger between 3 former services, namely: Coast & Countryside, Parks & Greenspaces and Flood & Coastal Erosion Risk Management into a new 'Green Infrastructure – Integrated land Management Service (Exact name under development)
2. The three former services have varied operational responsibilities for the general maintenance, monitoring and strategic development of the main land based amenities and facilities within the borough, from natural landscape conservation and management to leisure and recreational facilities.
3. These operations require a multitude of different fleet vehicles, specialist machinery and equipment to deliver the varied work across the service areas. Historically these have been procured in isolation by the former services, e.g. direct purchase, commissioned externally via maintenance contracts or supported via partnership working and external funding.
4. In April 2017 the Grounds Maintenance operation for Parks & Greenspaces service were insourced following the termination of the GM Contract. Fleet vehicles, machinery and equipment were procured on lease hire contract for the initial six month period in order to provide the new team with an opportunity to establish the new operation and ensure long term investment in fleet vehicles, machinery and equipment is best matched to the day to day operations. This also gave flexibility, as the formal decision to insource was approved as part of the merger proposal as part of PSR in March 2017. The lease period will expire in September 2017 and it is the intention of the new GI service to replace these with procured assets. The project to insource the GM operations was timed to ensure an opportunity for the GM insourcing project to connect with the evolving PSR7 Pride in Sefton project to deliver an integrated land management service.
5. The majority of fleet vehicles and machinery being operated across the former services: Coast & Countryside, Parks & Greenspaces and Flood & Coastal Erosion Risk Management are coming to the end of their serviceable lifespan and are likely to attract increased maintenance costs in order to ensure the minimum operation support. (E.g. many vehicles are 7+ years old).

Fleet, machinery and equipment required

6. The procurement is for the provision of fleet vehicles, machinery and equipment, via open tender, required to implement PSR7 Pride in the Environment project. This will include a variety of handheld machinery, plant, transport vehicles and specialist equipment required for sports turf and horticultural/conservation maintenance, vegetation management and cleansing operations, e.g. tractors, ride on mowers, pedestrian mowers, tractor mounted implements, sports turf maintenance equipment and forestry equipment.

Procurement of Machinery & Plant

7. The procurement exercise for the horticultural and sports turf machinery will follow an Invitation to Tender (mini competition using YPO Framework agreement 606). Procurement via the YPO framework provides a competitive selection of companies that supply the necessary machinery. This is expected to provide greater cost efficiency.
8. The basis of the quality evaluation will be MEAT (Most Economically Advantageous Tender) taking into consideration a balance between price, customer service & delivery and quality.
9. Estimated costs are expected to be in the region of £800k. Approval is requested for Head of Service delegated authority to award the contract at the conclusion of the procurement process.

Procurement of Fleet Vehicles

10. The procurement exercise for the fleet vehicles will follow a request for quotation exercise using the current framework via Transport Services.
11. The basis of the quality evaluation will be MEAT (Most Economically Advantageous Tender) taking into consideration a balance between price, customer service & delivery and quality.

Estimated costs are expected to be in the region of £600k. Approval is requested for Head of Service delegated authority to award the contract at the conclusion of the procurement process.

Financial Implications

CAPITAL COSTS	2017/18 £ 000	2018/19 £ 000	2019/20 £ 000	2020/21 £ 000	2021/22 £ 000	TOTAL £ 000
£600k (over 3 years)	£600k					
£800k (over 5 years)	£800k					
TOTAL	£1.4m					

REVENUE IMPLICATION	2017/18 £ 000	2018/19 £ 000	2019/20 £ 000	2020/21 £ 000	2021/22 £ 000	TOTAL £ 000
£600k (over 3 years)	£203,610	£203,610	£203,610	*		£610,830
£800k (over 5 years)	£164,734	£164,734	£164,734	£164,734	£164,734	£823,670

NET EXPENDITURE	£368,344	£368,344	£368,344	£164,734	£164,734	£1,434,500
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*equipment/machinery purchased over 3 years may need to be replaced from 2020/21 onwards

Actual resource requirements will continue to be reviewed in light of staff resources and structure as integration is progressed, Council priorities, 2030 vision and the potential impact of further austerity measures.

Overall it is anticipated that the procurement of machinery and fleet vehicles will contribute to the previously approved budget savings for the integrated service under PSR7.