

REPORT TO: Cabinet Member - Environmental
DATE: 16th December 2009
SUBJECT: **VEHICLE/PLANT REPLACEMENTS 2009/10**
WARDS AFFECTED: None Directly Affected
REPORT OF: Peter Moore
Environmental Protection Director
CONTACT OFFICER: J Black
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**EXEMPT/
CONFIDENTIAL:** NO

PURPOSE/SUMMARY:

To advise the Cabinet Member Environmental of the vehicle tendering procedure that will be used in relation to the Annual Vehicle Replacement Programme for departmental vehicles.

REASON WHY DECISION REQUIRED:

To comply with the Contracts Procedure Rules.

RECOMMENDATION(S):

That the Cabinet Member - Environmental notes the use of Commercial Vehicle Framework Agreement - Contract 565, as approved by the Finance Director in accordance with delegated powers, for the procurement of new vehicles and plant for various departments.

KEY DECISION: NO

FORWARD PLAN: Not Appropriate

IMPLEMENTATION DATE: Following the expiry of the "call-in" period for the minutes of the meeting

ALTERNATIVE OPTIONS:

Use of an open tendering procedure, however it is unlikely that this would result in more competitive prices and it is a more time consuming and therefore expensive process.

IMPLICATIONS:

Budget/Policy Framework: None

Financial: There are no direct financial implications as a result of this report. This report advises of the tendering process that will be used for the replacement of vehicles, it does not authorise the replacement of the above vehicles, those will be individual business decisions taken in due course. However it is anticipated that the Council could benefit through both time, and cost savings on procurement of vehicles, by use of the Commercial Vehicle Framework Contract 565.

<u>CAPITAL EXPENDITURE</u>	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £	2012/ 2013 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None

Risk Assessment: None

Asset Management: None

CONSULTATION UNDERTAKEN/VIEWS

FD Comments – 247 - The Finance and Information Services Director has been consulted and his comments have been incorporated into this report

CORPORATE OBJECTIVE MONITORING:

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

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

VEHICLE AND PLANT REPLACEMENTS 2009/10 FINANCIAL YEAR

BACKGROUND

1. The annual review of the Vehicle and Plant fleet has identified a number of vehicles nearing the end of current operating leases and which need to be considered for replacement.
2. Vehicles retained in secondary lease periods often prove to be unreliable and expensive to maintain. This leads to increased external hire costs, to replace fleet vehicles that are unavailable due to unscheduled repairs, which has an adverse effect on departmental service delivery and increases costs.
3. The Vehicle and Plant Replacement Programme has operated successfully over a number of years. It incorporates an in depth analysis of the current fleet, operating costs and consultation with the user departments to determine the most suitable replacements for the various activities. Specifications are then prepared for vehicles included in the replacement programme.
4. Cabinet have previously approved, on 16th June 2005, to amend the Council's Contracts Procedure Rules to enable the powers contained within Contract Procedure Rule 1.7 (Joint Procurement) to be delegated to the Finance Director.

TENDERING PROCEDURES

5. Meetings and vehicle demonstrations have taken place, with staff from user departments and vehicle manufacturers, to ensure that user requirements are reflected in replacement vehicle specifications.
6. Previously, due to the number of vehicles replaced annually and the level of expenditure involved, adverts have been placed in the Official Journal of the European Union (OJEU) and tenders sought using an Open Procedure. This often involved large numbers of returned tender documents and a lengthy evaluation period, prior to the results of tendering being reported to Cabinet for approval to award contracts.
7. Officers from the Transport Section, Environmental Protection Department and the Central Purchasing Section, Finance Department have met to discuss alternative methods for procurement. The use of a framework agreement was proposed to reduce the amount of time and therefore cost associated with procurement. The staff met with officers from Wirral Council who administer the Commercial Vehicle Framework Agreement – Contract 565. This framework agreement caters for the procurement of vehicles and plant by Welsh and Merseyside public sector organisations, which have a combined fleet size of approximately 15,000 vehicles.
8. The benefits to Sefton in utilising this framework is that the Authority can avoid the hidden costs of conducting an OJEU tender exercise and also benefit from the time saved, thus any savings or efficiencies can be realised far sooner.

Sefton will benefit from the combined purchasing power of the Welsh and Merseyside Authorities and the economies that greater annual expenditure will achieve.

9. The framework agreement achieves maximum available discounts from the suppliers involved. Suppliers receive support from vehicle manufacturers via dealership or other retrospective agreements. The Council will conduct a mini-tender exercise via this framework agreement involving designated suppliers, it is anticipated that the majority of vehicles purchased will be from suppliers based within the Council's boundary or the geographical sub-region.

VEHICLE CATEGORY/TYPES

10. The following vehicles will shortly be due for replacement:

Vehicle Type	Number
Car Derived Vans	16
Skid Steer Loader	1
17 Seat Minibus	1
15 Ton Mechanical Road Sweeper	5
3.5 Ton Double Cab Flatback	3
7.5 Ton Curtainsider	5
18 Ton Skiploader	3
7.5 Ton Tipper	7
3.5 Ton Luton Van	3
People Carrier	1
Double Cab 4x4 Vehicle	4
4x4 Landrover Vehicle	4

11. All of the vehicles and plant items being recommended for replacement are at the end of their primary lease or in a secondary lease period and therefore are not subject to any early termination penalty.