

Report to:	Cabinet	Date of Meeting:	April 4 th 2019
Subject:	Locality Services - Cleansing Services Vehicle Fleet Procurement		
Report of:	Head of Locality Services	Wards Affected:	(All Wards);
Portfolio:	Cllr. John Fairclough		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The current refuse collection and recycling vehicle fleet was initially purchased in 2012/13, with the prudential borrowing being repaid over a five year period up to 2017/18. Following the final repayment of all purchase costs, the fleet is currently being operated for an additional two years (2018/19 and 2019/20). At seven years old the fleet will have reached the point at which it is no longer reliable, and an increased number of breakdowns would be expected, coupled with greatly increased maintenance costs. As such, a replacement vehicle fleet will be required.

In order to procure a new fleet during 2020/21, the procurement process must commence over twelve months in advance of the vehicles being required. Therefore, in order to provide continuity of service, permission is being sought to commence the required procurement process in April 2019, albeit with no capital requirement until the 2020/21 financial year.

Recommendation(s):

(1) That Cabinet note the requirement to replace the vehicle fleet in 2020/21 and instructs officers to commence the necessary procurement process to obtain tender prices accordingly.

(2) That Cabinet note that no commitment will be entered into prior to a further report upon completion of the initial procurement process detailing costs and options and funding proposals.

Reasons for the Recommendation(s):

The current fleet is reaching the end of its effective life cycle and needs replacement.

The current fleet is also 'Euro 5' diesel, and to meet the revised and enhanced suite of targets, a fleet of 'Euro 6' compliant, or the potential or possibility of CNG (compressed natural gas) vehicles, or electric vehicles, must be purchased to meet strict carbon and emissions targets by the EU and UK national Government.

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

To not renew the fleet risks the current fleet becoming unmaintainable and the service provision liable to be disrupted. A new fleet greatly reduces/eliminates the risk of service delivery disruption

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue costs of the current fleet, and future fleet replacements, are met from existing transport budgets within the Cleansing Services Section.

Proposals to fund the new fleet will be presented within a future report following completion of the initial tender exercise.

(B) Capital Costs

Until the procurement exercise is undertaken it is not known what the exact capital cost will be. Detail of capital costs will be contained within the further report following the initial procurement exercise.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets):</p> <p>The existing fleet is now 'owned' by the Council, having been paid for in full, and will be classed as an asset to be disposed of accordingly.</p>
<p>Legal Implications:</p> <p>There are no legal implications</p>
<p>Equality Implications:</p> <p>There are no equality implications</p>

Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable:</p> <p>Not Applicable</p>
<p>Facilitate confident and resilient communities:</p> <p>Not Applicable</p>
<p>Commission, broker and provide core services:</p>

The “new” fleet will ensure delivery of core refuse & recycling services for the next seven years.
Place – leadership and influencer: Not Applicable
Drivers of change and reform: The new ‘Euro 6’ engine or CNG (compressed natural gas) or electric fleet will provide a cleaner and greener Sefton, and carry forward the commitment of the Council to prevent global warming.
Facilitate sustainable economic prosperity: Not Applicable
Greater income for social investment: Not Applicable
Cleaner Greener The “new” fleet will help with all aspects of carbon reduction / reduced spillage in streets and improve recycling rates across the Council. The potential or possibility of using CNG (compressed natural gas) or electric vehicles is also being investigated by officers

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5588/19) and the Chief Legal and Democratic Officer (LD4712/19) have been consulted and any comments have been incorporated into the report.

(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.

1. Introduction/Background

- 1.1 The final loan repayment for the current fleet was made in 2017/18. Therefore, by not replacing the current fleet and extending the vehicle life for an additional two years in 2018/19 and 2019/20, there has been a 'saving' in the Cleansing Services transport budget.
- 1.2 However, the fleet is now entering the final year of this 'extension', namely 2019/20, and due to the length of time required for such a large procurement exercise, coupled with the manufacturing 'lead-in' times, permission to commence the procurement exercise is now being sought. This will allow the fleet to start being replaced on a phased basis from the start of the 2020 financial year.
- 1.3 Specific detail of potential capital cost will be further reported following the completion of the initial procurement exercise.
- 1.4 It is requested to purchase 28 replacement vehicles, comprised of a variety of vehicle sizes and weights to provide the required flexibility to deliver the optimal service over the next seven years.
- 1.5 The procurement exercise will utilise various procurement platforms and portals to ensure that the best price is received, and the optimum vehicles are purchased for the Council.
- 1.6 The Council will also include with the invitation and tendering documents an opportunity for companies to offer CNG (compressed natural gas) and electric vehicles.
- 1.7 The current fleet, which is now an asset of the Council, will then be disposed of to generate a sum which can be utilised to offset the fleet cost in year one.
- 1.8 This report seeks permission to commence the procurement process in obtaining prices and options.
- 1.9 Upon completion of the initial procurement process, a further report will be presented to Cabinet detailing costs, options, and funding proposals.