

Report to:	Cabinet	Date of Meeting:	3 rd October 2019
Subject:	Specialist Transport Vehicle Procurement Exercise		
Report of:	Head of Locality Services	Wards Affected:	All
Portfolio:	Cabinet Member – Locality Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary

The current Specialist Transport 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 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.

Recommendation(s):

- 1) That the Head of Locality Services be authorised to conduct a procurement exercise for the replacement of the Special Transport vehicle feet.
- 2) That the Head of Locality Services in consultation with the Cabinet Member for Locality Services be granted delegated authority to award the Contract resulting from the procurement.

Reasons for the Recommendation(s):

The current Specialist Transport fleet is reaching the end of its effective life cycle and needs replacement. Maintenance and repair costs are increasing as the vehicles become older.

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, can be met from existing transport budgets within the Specialist Transport Section.

(B) Capital Costs

Until the procurement exercise is undertaken it is not known what the exact capital cost will be. However, once the cost of the replacement fleet of eight vehicles is established, the capital requirement will be incorporated within the development of the Council's 2020/21 Capital Programme, and form part of the Vehicle Replacement Capital Programme 2020/2023.

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> <p>The "new" fleet will ensure delivery of whatever Specialist Transport functions are required from an internal fleet for the next seven years.</p>
<p>Place – leadership and influencer:</p> <p>Not Applicable</p>
<p>Drivers of change and reform:</p>

New engines and emissions technology will contribute towards 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 vehicles will help with all aspects of carbon reduction and contribute to the Council's climate change agenda.

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: There are no equality implications.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5794/19) and Head of Regulation and Compliance (LD4018/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

There have been no external consultations as this report only seeks permission to undertake a procurement exercise.

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 final loan repayment for the current Specialist Transport 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 Specialist Transport Unit transport budget of approximately £145k per year.
2. However, the fleet is now in the final year of this 'extension', namely 2019/20, and due to the time required for a procurement exercise, 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.
3. The fleet currently consists of 10 vehicles, and when purchased in 2012/13 the unit cost was circa £68k per vehicle.
4. There is provision within the Specialist Transport service budget to fund the capital expenditure required for this procurement exercise. It is this provision which has supported the previous investment from 2012 to 2017 and which has provided a saving over the last two years.
5. The Specialist Transport Unit fleet currently contains two vehicles which are utilised as 'spare vehicles' to cover for maintenance and repairs to the rest of the fleet, or when a vehicle is off the road for a longer period. It is proposed to retain these two spare vehicles to provide the required back-up facility, as even though these vehicles would be older, they would be capable of undertaking a smaller number of journeys and miles over a given year to support the wider fleet as detailed above.
6. This will mean that whilst the number of vehicles in the fleet remains the same at 10 vehicles, the number of vehicles which will be purchased, and subsequently paid for via repayments, will be reduced accordingly to eight vehicles.
7. The procurement exercise will be undertaken via a Framework Partnership Agreement already advertised via an OJEU compliant process, and utilising a mini competition across a number of suppliers. The Council's Procurement Team will oversee the process.
8. The basis of evaluation will be MEAT (*Most Economically Advantageous Tender*) taking into consideration a balance between Quality and Cost.
9. It is anticipated that a new fleet will be procured during the first quarter of the 2020/21 financial year.
10. Once the cost of the replacement fleet of eight vehicles is established, the capital requirement will be incorporated within the development of the Council's 2020/21 Capital Programme, and form part of the Vehicle Replacement Capital Programme 2020/2023.

11. 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.