

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 14 APRIL 2015

VEHICLE REPLACEMENT PROGRAMME FOR 2015 / 2016

REPORT BY STRATEGIC DIRECTOR - COMMUNITIES

ABSTRACT

The Committee is asked to authorise the Strategic Director - Communities to procure fleet vehicles and equipment required for the 2015/16 capital replacement programme.

1. RECOMMENDATION

It is recommended that the Committee:

Authorises the Strategic Director - Communities to procure vehicles and equipment required for the 2015/16 capital replacement programme by purchase and lease, as set out in Section 4 of the Report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Communities that are sustainable
- Our natural and built environment is protected and enjoyed
- Our carbon footprint is reduced

3. BACKGROUND

The Council's vehicle replacement programme has been profiled for 2015/16 to ensure that the vehicles and equipment scheduled for replacement (as detailed in Section 5 below) represent those that are the priority in order to maintain service provision for a number of service areas across the Council as detailed in Tables 1 and 3 in Section 5 below.

The Communities Directorate currently has an operational fleet of 37 leased vehicles that are considered to be essential to service delivery and as such require to be replaced at the end of the lease periods. The leases for 3 of these vehicles are due for renewal during 2015/16 and these are detailed in Table 5 in Section 5 below.

4. PROCUREMENT AUTHORITY

Sourcing Strategy

The supply market has been analysed and it is considered that the market for the supply of the required vehicles and equipment is reasonably competitive through the Scotland Excel procurement framework.

The impact on the locally-based supply chain of procuring this requirement has also been considered and is considered to be minimal. Some of the potential suppliers/dealers are based in Angus and others are national companies.

Consultation has not been undertaken with our Tayside Procurement Consortium (TPC) partners, Dundee City Council, Perth and Kinross Council and Tayside Contracts as these authorities are part of the Scotland Excel Framework.

The procurement is not considered to be a “major procurement” in terms of Financial Regulation 16.8.4. Approval of this report would mean that the contract can be accepted without the need for further approval by the relevant Committee.

Of the 37 leased vehicles, 3 have been identified as being due for replacement in 2015/16

Key Terms Proposed

If this report is approved, it is envisaged that the contracts will primarily be awarded through the Scotland Excel procurement framework, with a mini tender procedure being utilised for some items, with open tender being used in one instance. Contracts are expected to all be instigated to ensure that orders for the required vehicles and equipment can be placed in time to ensure delivery by no later than 31 March 2016.

The value of the services is estimated as detailed in Section 6 below and includes the whole life of the contract and there are no options to extend the contracts.

Procurement Procedure, Evaluation and Award

The procurement process will primarily be carried out through Scotland Excel procurement framework agreement number 02/13 “Supply and Delivery of Heavy and Municipal Vehicles” for the financial year 2014/16. Some procurement will, however, be carried out using a mini tender approach amongst existing framework suppliers and one item will be procured by means of a tender exercise through an approved procurement route e.g. by use of a quick quote or formal tender process. In this regard, the items detailed in Section 6 (Tables 1 and 3) will be procured by the following routes:-

- 5.1 - Items a & b, will be procured using the above noted Scotland Excel framework.
- 5.2 – Items d, e & f will be procured using a mini tender procedure, using existing framework suppliers for these items
- 5.3 – Item c, will be procured by means of a tender exercise through an approved procurement route e.g. by use of a quick quote or formal tender process

Each vehicle or item recommended has been selected as the best fit for Angus Council’s specifications and takes into account whole life maintenance and repair costs, thus ensuring value for money is obtained for the Council.

The mini-competition opportunity does not need to be further advertised as the frameworks have been duly advertised already. It will, however, be issued to all the framework suppliers who are capable of meeting the Council’s requirement here.

Completed tenders returned to the Council shall be evaluated and the contracts will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will 70/30% in accordance with Financial Regulation 16.14.2 and will allow whole life costs, service support and suitability.

The Corporate Procurement Manager has been consulted on the proposed procurement process and outline requirement and is satisfied that that this approach is suitable and likely to produce best value for the Council.

Fleet Services will procure the replacement lease vehicles using the current leasing agreement approved by the Council

5. FINANCIAL IMPLICATIONS

Purchase of Fleet Vehicles - Waste Vehicle Replacement Programme (WVRP)

Table 1 - All vehicles will be utilised in Environmental Management (Waste Operations)

Description	Number	Total Cost(£,000)
a. Refuse Collection Vehicle 26T	4	587
b. Hooklift Vehicle	1	120
c. Landfill Digger	1	130
d. Small Tipper/Bin Lift	1	25
Totals	7	862

The WVRP revised position detailed below will be reflected within the Regulatory, Protective & Preventative Services section of the Financial Plan at its next update to contain the increase in costs (£89k) highlighted below.

Table 2

Funding Of WVRP Purchases	Original Position Report 61/15 (£,000)	Revised Position Per Costs Above (£,000)
Revenue Funding – Waste Strategy Fund *	40	0
Capital Allocation	773	862
Gross Expenditure Allowance	813	862

Purchase of Fleet Vehicles – General Vehicle Replacement Programme (GVRP)

Table 3

Description	Number	Total Cost (£,000)
e. Crew Cab Tipper	2	46
f. GM Trailer	9	28
Totals	11	74

There has been no change to the Gross Expenditure of the GVRP as detailed below.

Table 4

Funding Of General Purchases	Original Position Report 61/15 (£,000)	Revised Position Per Costs Above (£,000)
Gross Expenditure Allowance	74	74

Renewal of Leases

Table 5

	Full Year Cost 2014/15	Full Year Cost 2015/16	Whole Life Costs
Waste Operations - 2 vehicles x 3 year lease	£6,295	£6,300	£18,900
Roads - 1 vehicle x 4 year lease	£2,995	£3,000	£12,000
Total	£9,290	£9,300	£30,900

The lease costs shown for 2015/16 are estimated based on replacing current numbers and type of vehicles with similar models using previous costs and estimates from Leasing Companies. The estimated costs for 2015/16 show small projected increases in costs over the costs incurred in 2014/15. Any additional costs which ultimately result, either from increased costs, changes to vehicle types or any additional leases, will require to be contained within the respective departmental revenue budgets.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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