

MUNICIPAL YEAR 2017/2018 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

OPERATIONAL DECISION OF:
Executive Director –
Regeneration and Environment

Agenda – Part: 1	KD Number: 4577
Subject: 3.5t Tipper vehicle replacement	
Wards: All	

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1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval for the purchase of 48 x 3.5t Gross Vehicle Mass (GVM) base vehicles and subsequent conversion to the agreed specification for the Councils Street Scene Fly-Tipping, Parks and Enfield Council Housing Teams.
- 1.2. An approved framework for the purchase and conversion of the vehicles – Hertfordshire County Council Framework managed by The Procurement Partnership Limited (TPPL) will be used.
- 1.3. Procurement officers have been consulted and fully involved in the procurement process and agree with this strategy. The proposed procurement was presented to SPB and numbers of vehicles to be purchased agreed
- 1.4. The vehicles will have an asset life of 5 years, with the first 3 years of the conversion being warrantied by the vehicle convertor. The maintenance of the vehicles and equipment will be taken on by the Councils Fleet Department.

2. RECOMMENDATIONS

- 2.1. That the Council procures 48 x base vehicles using Hertfordshire County Council's Vehicle Purchasing Framework dated April 2015 managed by The Procurement Partnership (TPPL) to enable them to be converted by the Supplier to the agreed specification for Street Scene Fly-Tipping (23) and Enfield Council Housing (13), Parks Teams (12). Procurement officers have been fully involved and consulted and agree with this strategy.
- 2.2. Notes that the current 48 vehicles will be returned to the contract hire companies and replaced by new owned vehicles, with a 5-year life span.

- 4.3. Do nothing and retain the existing structure of hiring vehicles. This is considered not an option due to being more expensive than outright purchase. We also have no control over market forces increasing prices and costs over the hire period.

5. REASONS FOR RECOMMENDATIONS

- 5.1. The expected savings delivered by this method of procurement is £342,000 over the 5 year life of the assets. The cost of internal maintenance has been taken in to consideration when calculating these savings which have reviewed and approved by finance.
- 5.2. By moving to owned vehicles the Councils Fleet Department will be able to offer timely support to the Fly Tipping, Parks and Housing teams increasing their productivity.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1. Financial Implications

- 6.1.1 This report seeks approval for the purchase of 48 x 3.5t Gross Vehicle Mass (GVM) base vehicles and subsequent conversion to the agreed specification, using The Procurement Partnership Hertfordshire Framework managed by TPPL to enable them to be provided for conversion to the agreed specification for Street Scene Fly-Tipping (23) Enfield Council Housing (13) and Parks Teams (12).
- 6.1.2 The total purchase cost of the 48 3.5t vehicles is £1,089,960, which will be funded from the internal leasing fund "Vehicle & Parks Equipment Replacement Reserve (94729)".
- 6.1.3 The annual contribution to the internal leasing fund (Vehicle & Parks Equipment Replacement Reserve - 94729) is £215.64 per a £1000 per annum.
- 6.1.4 The internal leasing fund is designed in such a way that when the vehicles are due for replacement at the end of their assets life, there would be sufficient contributions made over the assets life into the reserve; to fund the assets replacement costs when they fall due.
- 6.1.5 The business case (Appendix A) demonstrates the savings/reduction in costs to be achieved by moving to an asset purchase model against the continued contract hire of the 48 vehicles, the expected savings/cost reductions to be delivered by this method of procurement is as follows assets (5 year Asset Life).

- 6.2.2. The Localism Act 2011 provides the Council power to do anything that individuals generally may do provided is not prohibited by legislation and subject to Public Law principles.
- 6.2.3. The Council must comply with its Constitution and Contract Procedure Rules (CPR). CPR Rule 8.2 provides that Framework Agreements may be used to procure goods, subject to approval by the Assistant Director Procurement.
- 6.2.4. Procurement have done the due diligence to check that this is a legally compliant Framework which the Council is entitled to access.
- 6.2.5. The Framework may be called off by either Direct Award to the Supplier who obtained the highest score using the original Framework Award criteria or Mini Competition (which must be run by TPPL).
- 6.2.6. There is no Template Call Off Contract provided in the terms of the Framework therefore any Contract entered into must be subject to the prior approval of the Assistant Director Head of Legal Services.
- 6.2.7. As the Call Off value is over £250,000 this is a Key Decision. It has been confirmed that the subject matter of this Report was approved by the Procurement and Commissioning Board in June 2017.
- 6.2.8. The Council must comply with its duty to show Best Value.

6.3. **Property Implications**

- 6.3.1. There are no property implications associated with this report as the recommendation merely changes the vehicles arrangements from a rental supplier to an owned fleet.

6.4. **Procurement Implications**

- 6.4.1. The proposed procurement through the Framework Agreement was in accordance with the framework call off procedure and Councils Contract Procedure Rules (CPRs) and the Public Contract Regulations 2015.

7. **KEY RISKS**

- 7.1. The key risk to the Council is an increase of vehicle down time by continuing to extend the current lease agreement resulting in a reduction in service delivery.
- 7.2. There will be an increase in costs as the service will need to hire additional vehicles to cover these vehicles.
- 7.3. The services may change and the vehicle requirements reduced. This is mitigated by owning the vehicles which gives the council the ability to dispose by means of sale if the need arises

11. HEALTH AND SAFETY IMPLICATIONS

11.1. All the new vehicles and have been designed to meet all health and safety and EU regulations. In addition, we are fully compliant with the forthcoming The Construction Logistics and Cyclist Safety report and Work Related Road Risk regulations. All drivers will have induction training as part of the contract and all workshop technicians will have full training on maintenance and operation of the equipment.

12. PUBLIC HEALTH IMPLICATIONS

12.1. The new vehicles will conform to the latest emission standards (Euro 6) and will be compliant with any proposed extension to the London Ultra Low Emission Zone promoting clean air for the residents of all London Boroughs. Further, the new vehicles will have better fuel efficiency reducing pollution and improving air quality.

12.2. These vehicles deal with the fly tipping issues throughout the borough and will ensure that the street scene crews are able to effectively deal with waste issues which could ultimately lead to further pollution problems.

Background Papers

None.