

Full Council

20 October 2022



Title	Procurement tender report for Waste & Street Cleansing Vehicles
Purpose of the report	To make a Key Decision
Report Author	Jackie Taylor Group Head Neighbourhood Services
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not applicable
Corporate Priority	Community Environment Service delivery
Recommendations	Council is asked to: 1. Authorise the Group Head Corporate Governance to complete all legal formalities to enter into a: - 1.1 contract for the supply of four diesel powered food waste collection vehicles with Supplier A 1.2 seven-year contract for the lease purchase and maintenance of seventeen waste and street cleansing vehicles with Supplier B 1.3 seven-year lease with Supplier B for the use of the depot workshop facilities for the purpose of maintenance of the Councils fleet of vehicles
Reason for Recommendation	A decision was made by Corporate Policy and Resources Committee (CPRC) on 10 October 2022 to recommend the purchase of 4 diesel powered food waste vehicles and the lease of seventeen diesel powered waste & street cleansing vehicles and provide the relevant capital and revenue budgets to enable the completion of the procurement exercise. This report is seeking delegated authority from Council to authorise the Group Head Corporate Governance to enter into contracts for the purchase and lease of the said vehicles and workshop.

1. Summary of the report

This report seeks authority to enter into contracts with:

- **Supplier A** for the purchase of four diesel powered vehicles procured under Framework 960 with the Yorkshire Purchasing Organisation at a one-off cost of £396,905.00.

Procurement of waste & street cleansing vehicles 20.10.22

- **Supplier B** for the lease with full maintenance of seventeen waste and street cleansing vehicles procured under Framework 960 with the Yorkshire Purchasing Organisation at a cost of £754,368.00 per year over seven years.
- Enter into a seven-year lease with **Supplier B** for the use of the depot workshop facilities, for the purpose of maintenance of the Councils fleet of vehicles which is excluded from the security provisions of the Landlord and Tenant Act 1954.

2. Key issues

- 2.1 A report was submitted to CPRC on 11 July 2022 asking permission to commence a procurement process for the purchase & lease of the Council's fleet of waste & cleansing vehicles. The current contract is due to expire in June 2023. The tender exercise which was undertaken through the Yorkshire Purchasing Organisation (YPO) within the following frameworks is nearing completion: -
- Fleet Managed Framework (921) Lot 3 Fleet & Managed Workshops
 - Fleet Managed Framework (960) Lot 1 Specialist Vehicles
- 2.2 The results of the tender exercise were reported back to CPRC on 10 October 2022 along with four options. All members were invited to vote which resulted in a majority vote to recommend approval of **Option 1** to Council on 20th October 2022.
- 2.3 A complete analysis of the different technologies and other factors available was provided within the report presented to CPRC along with a sample breakdown of costs taken from the current procurement exercise.

3. Financial implications

- 3.1 The financial implications associated with the proposed option are as follows:
- **Capital purchase of 4 diesel powered food, textiles, and waste electrical items collection vehicles a budget of £396,905.00**
 - **Lease purchase of seventeen waste & cleansing vehicles which will be a mixture of Capital & Revenue based on the regulations associated with the International Financial Reporting Standard 16 will require additional annual budget of £152,000.**
- 3.2 This £152,000 equates to the additional budget implications over and above the existing budget allocation. This is an ongoing budget requirement over the seven-year term of the lease which will commence in June 23, this date is subject to vehicle availability.
4. The Council adopted International Finance Reporting Statement 16 on 1 April 2022, and the capital costs of acquiring the vehicles will be treated as capital, whereas the maintenance costs will be treated as revenue.
- ## 5. Risk considerations
- 5.1 The current fleet of waste and cleansing vehicles are due for replacement in mid-2023 when the current contract expires. If this procurement exercise is not completed as set out in the timetable, key dates will not be met, and

tendered prices will no longer be valid as manufacturers prices are only held for a specific period, usually 60 days when the markets are so volatile.

- 5.2 Should there be a need to start the procurement exercise again it is anticipated that bidders prices will be much higher than those we are currently working with.

6. Procurement considerations

This procurement process was based on a further competition exercise of the Yorkshire Purchasing Organisations:

- a. Fleet Managed Framework (921) Lot 3 Fleet and managed workshops. The framework had six service providers who were appointed to the Framework following a competitive tender process, compliant with PCR 2015. The Framework commenced in January 2019 for a period of four years.
- b. Fleet Managed Framework (960) Lot 1 Specialist Vehicles. This framework has several service providers who were appointed following a competitive tender process, compliant with PCR 2015. The Framework commenced on 5 October 2019 for a period of four years.

- 6.1 The tender returns were fully evaluated by the Neighbourhood Services, Safety and Procurement Teams.

7. Legal considerations

- 7.1 The Heads of Terms for the grant of a lease have been updated by the Legal team and draft contracts for the supply of vehicles have been prepared.
- 7.2 The Council's procurement standing orders and PCR2015 have been complied with.

8. Other considerations

- 8.1 Supplier B has provided evidence of **ISO9001** and **ISO45001** accreditation.

ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS), the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.

ISO45001 is the world's international standard for occupational health and safety, issued to protect employees and visitors from work-related accidents and diseases and was developed to mitigate any factors that can cause employees and businesses irreparable harm.

- 8.2 Operational and key performance data will be collected by the providers within their fleet management system. The data will be used to monitor supplier and fleet performance throughout the life of the contract which will provide useful indicators of the performance of each of the vehicles in the fleet.

9. Equality and Diversity

- 9.1 Our waste collection services are designed to ensure that all residents can participate in all services offered. This formed the key part of a major service change in 2007 when we moved to an alternate weekly wheelie bin collection service. This procurement exercise will not adversely impact any of our residents or reduce the levels of service we offer.

10. Sustainability/Climate Change Implications

- 10.1 There is a suggestion within the tender returns that **Supplier B** would be able to consider exchanging a diesel-powered vehicle in the contract with an equivalent vehicle powered by an alternative fuel for every year of the seven-year contract.
- 10.2 Neighbourhood Services will also look to make a separate application to the Green Initiatives Fund to exchange its smaller vans used for other service functions from diesel to electric as these are due for replacement.
- 10.3 Supplier B has provided evidence of **ISO14001** accreditation which is an internationally agreed standard that sets out the requirements for an environmental management system. It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste.
- 10.4 Solutions provided by the proposed suppliers to information required as part of the tender evaluation have confirmed that the assets will only be sourced from suppliers with whom the bidders have long-standing and proven effective trading arrangements. Most of these are specialist equipment suppliers whose products are tailored to Local Authority operations and directly familiar with Public Sector expectations in respect of Sustainability and Social Value and who have progressively enhanced their own operations to meet expectations.
- 10.5 Most vehicle parts are built in the UK and where this is not possible, they are constructed within the EU and procured from UK agents. This reduces the environmental impact of delivery options and enhances the sustainability of "UK-plc" which is an informal term given to the collective performance of the UK's economy.

11. Timetable for implementation

- 11.1 Council 20 October 2022
- 11.2 Decision letters published w/c 24 October 2022
- 11.3 Contract award w/c 31 October 2022
- 11.4 Standstill period 10 days
- 11.5 Mobilisation and delivery of vehicles from June 2023 through to March 2024, subject to vehicle availability.

12. Contact

- 12.1 Jackie Taylor Group Head of Neighbourhood Services 01784446418

Background papers: There are none.

Appendices: There are none