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Purchase of new Refuse and Recycling Vehicles
Councillor Marco Cereste , Cabinet Member for Waste, Street Scene and the Environment
May 2021
Deadline Date: May 2021

Cabinet portfolio holder	Councillor Marco Cereste, Cabinet Member for Waste, Street Scene and the Environment
Responsible Director	Steve Cox – Executive Director Place and Economy
Is this a Key Decision? If yes has it been included on the Forward Plan	Yes, reference number – KEY/26APR2021/04 Yes
Is this decision eligible for call-in?	Yes
Does this Public report have any annex that contains exempt information?	Yes Appendix 1
Is this a project	Managed through PCC Procurement

RECOMMENDATIONS
The Cabinet Member for Waste, Street Scene and the Environment is recommended to: 1. Consider and approve the release of capital funding from the capital programme to purchase new refuse freighters. 2. Award the purchase of 24 refuse freighters to Dennis Eagle for the sum of £5,108,131.00

1. SUMMARY OF MAIN ISSUES

- 1.1. This report outlines the details needed for approval to be given to release capital funding for the purchase of new refuse freighters for environmental services delivered within Peterborough by Peterborough Limited (“PL”) on behalf of the Council in accordance with the terms of the Operational Services Agreement (“OSA”) between the Council and PL. The refuse freighters will consist of split body with food pods to allow the city council to continue to carry out a weekly food waste collection.

- 1.2. The capital funding is to (i) replace fleet vehicles and capital assets which have now reached the end of their economic viability (ii) To invest capital to reduce revenue expenditure on leased vehicles
- 1.3. The new refuse freighters will remain the property of the Council (which is currently the case) and will be made available to PL in order to deliver environmental services. The OSA will require amendment to reflect changes to new hire terms to PL.

2. PURPOSE AND REASON FOR REPORT

- 2.1 This report is for the Cabinet Member for Waste, Street Scene and the Environment to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (a)
- 2.2 The purpose of this report is to seek approval to award contracts for purchase of refuse freighters to Dennis Eagle and release capital funds from the capital programme to purchase these new refuse freighters for the delivery of environmental services.
- 2.3 Elements of this report (See Appendix 1) are exempt, that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because they contain information which is commercially sensitive. The public interest test has been applied to the information contained within the exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. BACKGROUND AND KEY ISSUES

- 4.1 The delivery of environmental services is heavily reliant on reliable refuse freighters. A business case has previously been approved for the purchase of these vehicles and the Waste and Recycling element has now been competitively tendered.
- 4.2 Following the competitive tendering exercise, we wish to award contract to Dennis Eagle for the purchase of 24 refuse freighters as follows: -
 - 1 X One Pass Elite
 - 1 X 6x2 Palfinger
 - 2 x One Cell Elite
 - 4 x Twin Pack Elite
 - 16 x Food Pod Elite
- 4.3 All new freighters will be the latest Euro rated engine helping to reduce emissions, we have also moved to all electric lifts to help reduce emissions and noise pollutions.
- 4.4 The Refuse collection vehicles will be operated by Peterborough Limited under the Aragon Direct Services banner. The Council will own the new fleet and the operation, maintenance and repair costs will be borne by PL in accordance with the terms of the OSA.

5. CONSULTATION

- 5.1 No external consultation is required
- 5.2 Internal consultation has been carried out with PL and Council officers.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Award of contracts to Dennis Eagle for the purchase of refuse freighters, leading to improved service levels and less vehicle down time. The purchase will also reduce the cost of hiring replacement vehicles to cover breakdowns due to the age of the current fleet and the cost of repairs should also reduce.

7. REASON FOR THE RECOMMENDATIONS

- 7.1 The current refuse freighters being used to deliver environment services are reaching the end of or have surpassed their economic life. Maintenance costs have significantly increased as a result, which has also increased down time during which the vehicles are not in productive use.
- 7.2 The proposed new fleet is programmed to last until 30/05/2029, to be co-terminus with the end of the OSA initial contract term. This will also enable a non-diesel fleet to be implemented at this time to meet the Council's carbon commitment to have no diesel vehicles by 2030.
- 7.3 The competitive tendering exercise looked at both price and quality and the successful contractor gave the most economically advantageous quotes.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Do nothing – this was not considered viable as we would continue to see machinery down time and increasing costs of mechanical failure.
- 8.2 It was considered as to whether options to lease vehicles on a short- or long-term basis should be used. This was rejected as the business cases for each area showed that this would be a more expensive option for service delivery.
- 8.3 Investigations into purchasing electric vehicles are ongoing and will be pursued in the future if economically viable and currently available. Due to the need to collect weekly food waste we require Food Podded vehicles and at this time electric options for these vehicles are not available.

9. IMPLICATIONS

Financial Implications

- 9.1 Appendix 1 contains the information on the purchase of the refuse freighters from the successful contractor. The total capital purchase is £5,108,131.00.

Legal Implications

- 9.2 The Council is a contracting authority for the purposes of the Public Contracts Regulations 2015 – a body governed by public law. The Council is therefore bound to comply with these Regulations in the procurement of the new fleet.
- 9.3 The use of a legally compliant procurement process has been followed to enable the purchase of these assets.

Equalities Implications

9.4 There are no negative equalities implications.

HR Implications

9.5 None at this time

Carbon Impact Assessment

9.7 Peterborough City Council is purchasing 22 new Refuse and Recycling vehicles for use on the Aragon Direct Services contract, the vehicles will be built to the latest Euro 6 engine and will all have electric bins lifts to help reduce emissions with a reduction in Nitrogen Oxide emissions from 3.5 g/kWh to 2.0 g/kWh

10.BACKGROUND DOCUMENTS

10.1 None

11.DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

11.1 None

12.APPENDICES

- Appendix 1 - Exempted Section Not for Publication Financial bid information