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Purchase of new Street Cleansing Equipment
Councillor Nigel Simons , Cabinet Member for Waste, Street Scene and the Environment
March 2022
Deadline Date: March 2022

Cabinet portfolio holder	Councillor Nigel Simons, Cabinet Member for Waste, Street Scene and the Environment
Responsible Director	Adrian Chapman – Executive Director, Place and Economy
Is this a Key Decision? If yes has it been included on the Forward Plan	Yes, reference number – KEY/26APR2021/08 Yes
Is this decision eligible for call-in?	Yes
Does this Public report have any annex that contains exempt information?	No
Is this a project	Managed through PCC Procurement

RECOMMENDATIONS
The Cabinet Member for Waste, Street Scene and the Environment is recommended to: 1. Approve the release of capital funding of £798,139.04 from the capital programme to purchase 2 x fully electric refuse vehicles (eRCV's) to be used to deliver the waste and recycling service for Peterborough City Council.

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 fleet and plant 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.

- 1.2. The capital funding is to (i) replace fleet vehicles 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 fleet and plant 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 paragraphs (a).
- 2.2 The purpose of this report is to seek approval to award contracts for purchase of 2 eRCV's from RH Commercial Vehicles Ltd and release capital funds from the capital programme to purchase these new vehicles for the delivery of environmental services.

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 vehicles. A business case has previously been approved for the purchase of these vehicles and the award of the eRCVs element has now been competitively tendered.
- 4.2 Following the competitive tendering exercise, we wish to award contract to RH Commercial Vehicles Ltd for the purchase of the 2 electric vehicles that will be used in connection with the OSA for the delivery of Refuse and Recycling element.
- 4.3 The 2 vehicles will be fully electric and the first of there kind to be used in Peterborough, the aim will be to charge the vehicles through the night when electric demand is low. The all-electric vehicles will considerably reduce carbon emission and be the start towards our aim of carbon neutral by 2030. Working with RH Commercial Vehicles Ltd we will be one of the early adopters of their electric refuse vehicles in the UK.
- 4.4 The new fleet will be operated by Peterborough Limited under the Aragon Direct Services banner. 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 Consultation has been carried out with PL and PCC officers.

6. ANTICIPATED OUTCOMES OR IMPACT

- 6.1 Award of contracts to RH Commercial Vehicles Ltd for the purchase of 2 eRCVs, leading to improved service levels and less down time with the machinery. The purchase will also reduce cost of hiring equipment and due to the ages of the current fleet, the cost of repairs should also reduce.

- 6.2 Through this contract award we will see a reduction in CO2 emission from the refuse and recycling fleet, as they will be fully electric and have no reliance on diesel.

7. REASON FOR THE RECOMMENDATIONS

- 7.1 The current remaining RCVs to deliver environment services are reaching the end of, or have surpassed their economic life. Maintenance costs have significantly increased, 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. These 2 eRCVs will be the first to be used in Peterborough and will help towards the Council's carbon commitment to have no diesel vehicles by 2030.
- 7.3 The tendering exercise was conducted through the NEPO Framework Reference 224 - HGVs, thereby reducing the overall procurement timetable and facilitating a shorter time period to vehicle delivery. Of the 19 suppliers invited to submit a bid, only 2 submitted a response. Evaluation of submissions was a two-stage process, based on 100% non-price criteria with a threshold of 65% in order to have price evaluated. The successful tenderer was the one which submitted a tender that exceeded the quality threshold with the lowest price. The quality evaluation was made up of five (5) method statements covering delivery, warranty, charging times, active battery life and payload. Renault Commercial Ltd exceeded the threshold of 65% and submitted the lower price. Furthermore, the cost included having the vehicles in blue, as subsequently requested by Peterborough Ltd, and a dedicated charging post to provide an alternative charging option free of charge within their submission.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Do nothing – this was not considered viable as we would be unable to provide an effective waste collection service, would continue to see vehicle 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.

9. IMPLICATIONS

Financial Implications

- 9.1 The total capital purchase is £798,139.04 to be funded through the capital program set aside for the replacement of the PL fleet.

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 plant and 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 The purchase of the 2 new electric refuse freighters will see a reduction in diesel used by Aragon Direct Services which in turn will have a positive impact on their CO2 reductions.

10. BACKGROUND DOCUMENTS

10.1 None

11. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED

11.1 None

12. APPENDICES

12.1 None