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<b>Purchase of new Street Cleansing Vehicles</b>
<b>Councillor Nigel Simons, Cabinet Member for Waste, Street Scene and the Environment</b>
<b>April 2022</b>
<b>Deadline Date:</b> April 2022

<b>Cabinet portfolio holder</b>	Councillor Nigel Simons, Cabinet Member for Waste, Street Scene and the Environment
<b>Responsible Director</b>	Adrian Chapman – Executive Director, Place and Economy
<b>Is this a Key Decision?</b> If yes has it been included on the Forward Plan	Yes, reference number – KEY/11APR2022/03
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

<b>RECOMMENDATIONS</b>
<p>The Cabinet Member for Waste, Street Scene and the Environment is recommended to:</p> <p>Consider and approve the release of capital funding of £1,373,168 from the capital programme to purchase 6 x 7.5t cage / tipper vehicles and 24 x 3.5t cage / tipper vehicles to be used on the Street Cleansing service operated by Aragon Direct Services on behalf of Peterborough City Council. This includes the cost of £31,000 for the spraying of the vehicles, however this is being investigated further by PCC and Aragon Direct Services, with an aim to have potential options to reduce this cost further.</p>

## **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 cage / tipper vehicles for the delivery of the Street Cleansing service 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 become the property of the Council (which is currently the case) and will be made available to PL in order to deliver Street Cleansing 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 (b).
- 2.2 The purpose of this report is to seek approval to award contracts for purchase of 6 x 7.5t cage / tipper vehicles and 24 x 3.5t cage / tipper vehicles from Guest Motors 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?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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## 4. BACKGROUND AND KEY ISSUES

- 4.1 The delivery of the Street Cleansing services is heavily reliant on reliable fleet vehicles to ensure the city is kept clean and to ensure service continuity. A business case has previously been approved for the purchase of these vehicles and the award of the Street Cleansing element has now been competitively tendered.
- 4.2 Following the competitive tendering exercise we wish to award contract to Guest Motors Ltd for 30 vehicles that will be used in connection with the OSA for the delivery of Street Cleansing element.
- 4.3 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 Guest Motors Ltd for 30 vehicles, leading to improved service levels and less down time with the vehicles. 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.

## 7. REASON FOR THE RECOMMENDATIONS

- 7.1 The current remaining vehicles used to deliver the 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. This will also mean we will be in a position to consider electric / other options to meet the council's aim to be carbon neutral by 2030.
- 7.3 The procurement was carried out by PCC using an approved framework managed by ESPO, Lots 12 (Tippers) and 15 (Hookloader) of Framework 215\_20 Specialist Vehicles. The procurement was separated into 3 Lots; Lot 1: 7.5t tipper vehicles, Lot 2: hookloader and Lot 3: 3.5t tipper vehicles. Of the eight suppliers invited to submit a tender, only one submission was received for Lots 1 and 3, Tippers, from Guest Motors Ltd who subsequently withdrew their submission as market conditions no longer enabled them to meet the quoted price or deliver within the timeframe. Following legal advice, Guest Motors were approached to provide a revised quote and enable direct award of contract for both Lots 1 (7.5t tipper vehicles) and 3 (3.5t tipper vehicles) to Guest Motors Ltd. PL subsequently required the tipper lorries to be resprayed in blue. This increased the revised quote by £31,680.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Do nothing – this was not considered viable as we would be unable to provide an effective and reliable Street Cleansing service, and we 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 £1,373,168 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 was commenced to enable the purchase of these assets, but when the Council was unable to proceed on this basis it has relied on Regulation 32 of the Public Contract Rules 2015 to make a direct award in respect of Lots 1 and 3.

### 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 30 new mini cage tipper vans to be used on the Street Cleansing service operated by Aragon Direct Services these vehicles will have newer engines than currently being used, as such it is hoped it will offer better fuel economy. The production of the new vehicles will result in additional emissions; however, it is

deemed necessary to replace the vehicles due to the current age of the fleet and increase repair costs to keep them road worthy.

## **10. BACKGROUND DOCUMENTS**

10.1 None

## **11. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

11.1 None

## **12. APPENDICES**

12.1 None