

**Report of: Head of Waste Operations, Environment and Housing**

**Report to: Director of Environment and Housing**

**Date: 26<sup>th</sup> February 2015**

**Subject: Waste Operations Vehicle Replacements 2015/16**

**Capital Scheme Number: 16946/000/000**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: 10.4 (3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### **Summary of main issues**

1. As part of the Council's vehicle replacement programme and following consultation with Fleet Services, 16 Refuse Collection Vehicles have been scheduled for replacement. All of these vehicles are beyond their normal vehicle life.
2. The estimated capital cost of replacing these vehicles is £2.505m and this amount is fully provided for within the recently approved capital programme. The scheme is funded by borrowing and the budgets for the financing of these replacement vehicles are now managed centrally as part of the Authority's overall borrowing requirements.
3. All vehicles purchased will have an expected life of 5 years.

### **Recommendations**

4. The Director of Environment and Housing gives Authority to Spend of up to £2.505m for the replacement of 16 Refuse Collections Vehicles.

## 1 Purpose of this report

- 1.1 The purpose of this report is to seek approval of the proposal to purchase up to 16 Refuse Collection vehicles as part of the Council's vehicle replacement programme for 2015-16. These vehicles are all beyond their normal life and have been identified by Fleet Services as in need of replacement.
- 1.2 The estimated cost of these replacements is £2.505m and this amount is fully provided for in the 2015-16 Capital Programme.

## 2 Background information

- 2.3 All Leeds City Council vehicles are procured by Fleet Services and the costs of the vehicles are initially met from the Council's vehicle replacement capital scheme, which is funded from borrowing. The cost of the vehicle is then charged to the Authority's revenue account by means of an annual charge over the anticipated life of the asset.
- 2.4 The Refuse Collection Service in Waste Management uses around 80 collection vehicles (including spare pool cover) each day to provide collections of Residual, Recycled and Garden Waste across the City. These vehicles have a normal road life of 5 years. All of the refuse collection vehicles being replaced as part of this report were acquired in 2008 or 2009. It is proposed to replace 16 refuse collection vehicles.

## 3 Main issues

- 3.1 The following table provides an outline summary of the numbers of vehicles proposed to be replaced and an estimated total capital value (provided by Fleet Services). Actual spend will be determined through a competitive procurement process.

Vehicle	Number Replaced	Estimated Capital Cost (£000s)	Total Estimated Capital Cost (£000s)
26 tonne standard diesel refuse collection vehicle	12	155	1.860
26 tonne compressed natural gas refuse collection vehicle	1	180	180
24 tonne diesel narrow track refuse collection vehicle	3	155	465

TOTAL	16	-	2.505
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3.2 Full details of the replacements are attached in Appendix 1 together with the estimated replacement costs.

It is intended to purchase a range of different sized vehicles to ensure efficiency and flexibility within the refuse service.

3.3 As with last year's replacement programme, the procurement of the Refuse Collection vehicles will be based on the supply of a complete vehicle using a new single supplier framework which came into effect on April 1st 2014.

3.4 7 vehicles running on Compressed Natural Gas (CNG) are already operating in the refuse fleet and one of those is due for replacement this year, and will be replaced with a CNG vehicle as part of this procurement.

3.5 Whilst the option to procure further vehicles utilising alternative fuels such as Compressed Natural Gas (CNG) have been explored, the council is currently limited by the lack of fuelling infrastructure in place. The existing CNG infrastructure is up to operational capacity and no additional fuelling infrastructure is currently available.

3.6 The council is working to develop its fuel infrastructure and any future refuse vehicle procurements will consider possible opportunities to increase the number of vehicles utilising alternative fuels in line with the fuelling infrastructure that is available.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

4.1.1 The specification for the refuse collection vehicles and the selection of vehicles to be replaced has been discussed and agreed with the Head of Waste Operations and with Fleet Services.

### **4.2 Equality and Diversity / Cohesion and Integration**

4.2.1 An Equality, Diversity, Cohesion and Integration screening for the proposed capital scheme has been carried out and this concludes that a full Equality Impact Assessment (EIA) is not required.

### **4.3 Council policies and City Priorities**

4.3.2 The replacement of the fleet Vehicle will be purchased in accordance with the Council's procurement policies.

4.3.3 A framework contract exists for the replacement of all the vehicles and companies on the framework will be invited to tender.

4.3.4 The use of vehicles with the latest Euro exhaust emission standards contributes to the Local Transport Plan by reducing the Councils business travel CO<sub>2</sub> emissions

#### **4.4 Resources and value for money**

4.4.1 The estimated capital cost of £2.5m is included in the 2015-16 capital programme.

4.4.2 The financing costs associated with these new vehicles are fully provided for as part of the Authority's total borrowing requirements.

#### **4.5 Legal Implications, Access to Information and Call In**

4.5.3 Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial affairs of the authority which, if disclosed to the public would, or would be likely to prejudice the commercial interests of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.

4.5.4 Upon final evaluation of the tenders, the delegated decision to purchase the vehicles by accepting tenders will be an administrative decision.

#### **4.6 Risk Management**

4.6.1 The tendering risks have been carried out via the usual contracting process by the Corporate Procurement Unit. The contract risks will be monitored once the contract is up and running.

### **5 Conclusions**

5.1 The Directorate needs to replace 16 Refuse Collection vehicles to ensure that frontline services can continue to be delivered. All of the vehicles being replaced are beyond their normal operating life. A competitive procurement exercise to be completed noting that the costs of the replacements are within the approved budget.

### **6 Recommendations**

6.1 The Director of Environment and Housing gives approval to tender and t Authority to Spend (ATS) of up to £2.505m for the replacement of 16 Refuse Collection Vehicles.

### **7 Background documents<sup>1</sup>**

none

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.