

Report of Head of Waste Operations

Report to Chief Officer Waste Management

Date: 1st June 2016

Subject: Waiver of CPR 8.1 and 8.2 and award a contract directly to Hopkinsons Fairdeals Ltd to purchase a used refuse collection vehicle.

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The refuse collection service requires vehicles of varied sizes and types to deliver a safe, efficient and reliable service. The service occasionally hires vehicles in order to achieve this.
2. A narrow track vehicle is hired by the service at a cost of £800 per week. At year end budget is available and the service wishes to use this budget to purchase the vehicle it currently hires. A procurement process would not deliver in time to purchase the vehicle before year end.
3. This purchase will save the council ongoing revenue costs into 2016/17 and is therefore value for money.

Recommendations

The Chief Officer Waste Management Service is recommended to approve the waiver of CPR 8.1 and 8.2 and award a contract directly to Hopkinsons Fairdeals Ltd to purchase a used refuse collection vehicle.

1 Purpose of this report

- 1.1 This report is to seek a waiver of CPR 8.1 and 8.2 and award a contract directly to Hopkinsons Fairdeals Ltd to purchase a refuse collection vehicle. The cost of the vehicle is £12,500. There are no other ongoing costs.

2 Background information

- 2.1 The operation of the refuse collection service requires vehicles of varied size and types in order to ensure a safe, efficient and reliable service. Working with Fleet Services, the precise profile of the overall fleet has been subject to an ongoing review. As part of this the service requires vehicles of 26 tonne capacity that are narrow and have rear steer functionality. The service has a limited number of these vehicles and need to ensure there is spare vehicle capacity to deal with occasions where there are breakdowns, or scheduled vehicle inspections or services.
- 2.2 In order to achieve this, the service hired a 26t narrow track vehicle on a weekly rental, in order to ensure service was maintained. This vehicle cost approximately £800 per week in ongoing revenue costs.

3 Main issues

Reason for contracts procedure rules waiver

- 3.1 Given the contract value CPR 8.2 requires at least three written tenders to be sought. However, given that the service is only certain that the budget is available very close to year end and that the budget must be spent by year end, there will not be time for a competitive process.
- 3.2 The vehicle will be bought through our Fleet Services section, who have assessed the condition of the vehicle and they have verified that it is value for money for the type of vehicle purchased.
- 3.3 Budget is available before financial year end 2015/16 to purchase this vehicle outright and avoid ongoing revenue costs into 2016/17 financial year. The cost of the vehicle would be £12,500, equivalent to around 15 weeks of ongoing rental costs. This price does compare very favourably with previous formal procurement exercises undertaken for new vehicles of this type. A vehicle of this type will be required in an ongoing fashion within the service and will replace an existing vehicle that has reached the end of its operational life and is not of the desired narrow track profile. There are therefore no additional, ongoing revenue costs to the service of this purchase.

Consequences if the proposed action is not approved

- 3.2 The main consequence of not purchasing this vehicle is the ongoing rental cost of the vehicle into the 2016/17 financial year. The overall cost of purchasing the vehicle is equivalent to 15 weeks of rental cost and is therefore better value for money than continuing with the rental agreement, given that the service has an ongoing need for the vehicle.

Advertising

3.3 No advertising was undertaken.

Corporate considerations

1.1 Consultation and engagement

1.1.1 No formal consultation was required outside of the service. Fleet Service were consulted as part of the process and fed back that the vehicle was value for money, and the vehicle was purchased via Fleet Services.

4.2 Equality and diversity/cohesion and integration

4.2.1 There are no equality and diversity implications for this report.

4.3 Council policies and best council plan

4.3.1 This decision contributes to the Council Plan Objective to be an efficient and enterprising organisation through providing a value for money alternative to ongoing rental of a vehicle.

4.3.2 The decision means that the service can continue to provide a safe, reliable and efficient refuse collection service to the people of Leeds.

4.4 Resources and value for money

4.4.1 This decision represents value for money as described above. It saves the council ongoing vehicle rental costs and saves revenue expenditure into the 2016/17 budget. The one-off purchase is not subject to any ongoing capital repayments as it has been borne entirely through the Waste Operations Service budget.

4.5 Legal implications, access to information and call-in

4.5.1 This is a Significant Operational Decision that is not subject to call in.

4.5.2 The Chief Officer has considered the content of this report and is satisfied that he award of this contract is the best course of action for the Council. The Chief Officer is satisfied that this represents best value for the Council.

4.6 Risk management

4.6.1 The risks of this decision are low given the value of the procurement and the clear value for money considerations above. The future requirement for such narrow track vehicles will be considered as part of the fleet replacement programme and subject to formal procurement.

Conclusions

1.2 In conclusion, given the above and the ongoing need for this vehicle, a waiver of CPR 8.1 and 8.2 is a decision that delivers best value for money to the council.

Recommendations

6.1 The Chief Officer Waste Management Service is recommended to approve the waiver of CPR 8.1 and 8.2 and award a contract directly to Hopkinsons Fairdeals Ltd to purchase a refuse collection vehicle for the sum of £12,500.

Background documents

7.1 None.