

**Report of Head of Fleet Services****Report to Director of Resources and Housing****Date: 19 October 2017****Subject: Localities – Replacement Wash / Graffiti Vehicles****Capital Scheme Number: 16946/ENV/ENA**

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>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 or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or 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.</p>	

**Summary of main issues**

1. This report seeks approval to award a contract to Northern Commercials for the supply of three new 7t Wash Vehicles for a total capital cost of £214,626.00 following a recent tender exercise.
2. This decision is a consequence of a previous decision which gave authority to tender for the supply of all vehicles on the 2015/16 Vehicle Replacement Programme.
3. The new vehicles to be purchased are alternative fuelled CNG vehicles and will replace old Diesel engine fleet vehicles currently being used within Localities.
4. The new CNG vehicles can be used across all Locality areas over Leeds and one of the vehicles will be based in and dedicated to City Centre use.

**Recommendations**

5. The Director of Resources and Housing is requested to approve the award of a contract to Northern Commercials in the sum of £214,626.00 for the supply of three

new 7t CNG Wash Vehicles as advised in the 2015/16 Vehicle Replacement Programme for Localities.

## **1. Purpose of this report**

- 1.1 To seek approval to award a contract to Northern Commercials Ltd. for the sum of £214,626.00 for the supply of three new 7t CNG Wash Vehicles.
- 1.2 To seek authority to incur an expenditure of £214,626.00 from capital scheme number 16946/ENV/ENA

## **2. Background information**

- 2.1 A delegated decision to purchase various vehicles identified for replacement for the financial year 2015/2016 was approved on the 28<sup>th</sup> November 2015 (D42888).
- 2.2 As part of the 2015/16 Vehicle Replacement Programme, a competitive tender exercise was undertaken by Fleet Services for the supply of a number of 7t Wash Vehicles for Localities.
- 2.3 From this tender exercise, three vehicles (to which this report covers specifically) are required by Localities to replace three existing wash vehicles which came up as due replacement on the 2015/16 Vehicle Replacement Programme.

## **3. Main issues**

- 3.1 These vehicles have been specified in the tender to be CNG fuelled (Compressed Natural Gas) - in keeping with the Councils direction towards accomplishing an alternative fuelled vehicle fleet in order to meet upcoming and increasingly stringent future emissions standards.
- 3.2 There were some issues with the previous wash vehicles around their water carrying capacity - which had to be carefully monitored to save overloading the vehicle. The new vehicles will have an increased chassis size / Gross Vehicle Weight which will provide additional service savings around reduced mileages with increased water carrying capacity and additional stability to suit.
- 3.3 Tender submissions were invited from all the suppliers within the appropriate alternative fuel category on the Councils Supply of Vehicles Framework arrangement, thus ensuring all prior checks, due diligence etc. had already been passed and were in place.
- 3.4 Due to the specialised nature of the vehicle/s specified, only one tender submission was returned.
- 3.5 The returned tender submission from Northern Commercials Ltd. (Iveco Trucks), met the Council's exacting specification in all respects.
- 3.6 Upon approval, it is intended to award this contract to Northern Commercials Ltd.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The scheme proposal has been the subject of consultation with Fleet Services along with the requirements of the service and in line with the Vehicle Replacement Programme.
- 4.1.2 Fleet Services completed a technical specification for the vehicle/s required and have undertaken the procurement exercise.

- 4.1.3 Fleet Services have worked with the Cutting Carbon and Improving Air Quality breakthrough project to ensure that vehicles being purchased support the strategic work to reduce emissions from our fleet and make a contribution to improving public health through improving Air Quality. Fleet services are also consulting with senior managers to ensure that vehicles purchased will be compliant with the upcoming government legislation which will enforce a Clean Air Zone in Leeds.

## **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening report has been considered but it was concluded there is no direct nor specific impacts on any of the groups falling under equality legislation and the need to eliminate discrimination and promote equality.
- 4.2.2 One vehicle will be changed for another vehicle therefore there are no aspects of discrimination in this proposal.

## **4.3 Council policies and best council plan**

- 4.3.1 This process has been carried out in accordance with the Council's vehicle procurement policies.
- 4.3.2 The proposals within this report will contribute to the continued delivery of an effective Localities street cleaning / graffiti cleaning service for Leeds City Council.
- 4.3.3 The proposal would be delivered under the 'cutting carbon and improving air quality' programme within the Best Council Plan.
- 4.3.4 This proposal contributes directly towards the 2017/18 'low carbon' priority, specifically the 'reducing emissions' target through the reduction in diesel and petrol exhaust fumes by making the switch to ULEVs. (Ultra-Low Emission Vehicles).
- 4.3.5 The Council need to lead by example and are aiming for 100% fleet vehicles to be ULEV or Zero Emission by 2025, which this proposal will support.

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

- 4.4.1 The firm price following the tender exercise is a total of £214,626.00 (£71,542.00 per vehicle x 3 vehicles required = £214,626.00).
- 4.4.2 Whilst these costs breach estimates due to the decision to acquire larger vehicles than initially envisaged, overall Localities are under budget through savings in other fleet vehicle areas of procurement and thus can be afforded.
- 4.4.3 A number of vehicles have already been procured for Localities and there is adequate provision in the remaining available budget.
- 4.4.4 Please see attached Appendix 1. (Localities vehicle replacement schedule spreadsheet) for further detailed information.
- 4.4.5 The expenditure for this procurement exercise is assigned and will be funded through the vehicle capital programme.

## **4.5 Legal implications, access to information, and call-in**

- 4.5.1 The award of this contract would be the consequence of a previous delegated decision which gave the Authority To Tender for all vehicles on the 2015/16 Vehicle

Replacement Programme. As a result it is classed as a significant operational decision and is therefore not subject to call in.

- 4.5.2 The attached appendix is considered 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.

#### **4.6 Risk management**

- 4.6.1 No legal risks and no procurement risks as Fleet Services have undertaken a procurement exercise in compliance with the Councils Contract Procedure Rules and there was only a single respondent to this tender exercise.
- 4.6.2 There may be risks or unforeseen issues generally in changing from diesel engine vehicles to CNG vehicles. However these risks have been considered in overview in that previous CNG (refuse) vehicles which were purchased and brought into service in 2008 have proved successful. In addition, an expansion to the existing CNG fuel station is being planned and should be in place by the end of 2018, which will service all Council fleet requirements as necessary as well as the general public.

#### **5. Conclusions**

- 5.1 Localities and Fleet Services have examined the issues around replacing the old wash vehicles with new CNG vehicles, have carefully specified a vehicle to match the requirements and deem it necessary to replace these vehicles.

#### **6. Recommendations**

- 6.1 The Director of Resources and Housing is requested to approve the award of a contract to Northern Commercials in the sum of £214,626.00 for the supply of three new 7t CNG Wash Vehicles as advised in the 2015/16 Vehicle Replacement Programme for Localities.

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

- 7.1 Appendix 1. - Localities vehicle replacement schedule.

---

<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.