

Authority to Procure Fleet Replacement Programme 2023/24

Date: 28 April 2023

Report of: Chief Officer Civic Enterprise Leeds

Report to: Director of Strategy and Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report seeks authority to spend £7.8m for the 2023/24 fleet replacement programme to ensure that the Council continues to replace vehicles with modern equivalents which produce less emissions and are more fuel efficient to contribute in tackling the climate emergency.

The approved TPPL (The Procurement Partnership Limited) framework will be used to both seek tenders for the required vehicle types and to place orders with the company providing the best tender.

Quantity	Vehicle Type	Replacement Type	Reason for Replacement	Estimated Cost
1	308 car	Hybrid Car	Age, wear & tear	£40,000
1	Boxer 333 Tipper T/L	3500kg Tipper	Age, wear & tear	£40,000
4	CR50 Welfare Mellor	Welfare Bus	Age, wear & tear	£95,000.00 each
41	CR50 Welfare Treka	Welfare Bus	Age, wear & tear	£90,000.00 each
1	L110H Wheeled Loader	Miscellaneous/Plant	Age, wear & tear	£220,000
2	Expert Van	Medium Van	Age, wear & tear	£30,000.00 each
21	Sprinter Coachbuilt	Welfare Coachbuilt	Age, wear & tear	£105,000.00 each
3	Transit 350L tipper	3500kg Tipper	Age, wear & tear	£40,000.00 each
40	Transit Custom 290L1	Medium Van	Age, wear & tear	£30,000.00 each

Leeds City Council has a vehicle fleet of approx. 1300 vehicles.

Recommendations

The Director of Strategy and Resources is requested to:

- a) Approve spend of £7.8m for the 2023/24 essential fleet replacement programme.
- b) To approve the procurement of vehicles using the TPPL framework

What is this report about?

- 1 The purpose of this report is to seek authority to spend £7.8m for the 2023/24 approved fleet replacement programme.
- 2 This report also seeks authority to procure these vehicles using the TPPL framework

What impact will this proposal have?

- 3 The main impact of the proposal is to replace older, less reliable and expensive to maintain vehicles with their modern equivalents. Leading to a reduction in emissions, provide improved fuel efficiency, reduce the existing cost of maintaining the fleet as well as contribute to tackling the climate emergency and improving air quality.
- 4 The proposed spend of £7.8m reflects approved spend following support of the replacement programme through the Strategic Investment Board gateway process prior to approval of the 2023/24 Capital Programme by Council. This proposal is not impacted by the corporate led Fleet Task Force Working Group whose purpose is to maximise utilisation of the fleet to meet the Council's ambitions.
- 5 The service is contributing to the 2023 capital programme review on the basis that the extension of vehicle lives will only provide temporary reductions in debt financing costs since these vehicles will eventually need to be replaced, unless vehicle numbers can be reduced and we need take into account the Council's climate emergency and ensure effective longer-term planning is in place to comply with the Government's ban on the sale of new diesel and petrol vehicles by 2030.
- 6 There are 114 vehicles to be replaced summarised above under the Brief Summary section, together with estimated replacement costs. All vehicles will be purchased in compliance with the latest Euro emission standard engines.
- 7 The age of the older vehicles on fleet that are to be replaced, does mean emission benefits will still be secured, with replacement to modern current diesel standard. Improving the vehicle technology for the older vehicles being replaced, means both emission and fuel efficiency improvements can be realised, in addition to lower maintenance costs.
- 8 Newer vehicles are usually equipped with more advanced safety technologies, such as forward collision warning and automatic emergency braking. These can protect both drivers and reduce risk. Newer vehicles having more efficient systems lead to better fuel consumption, leading to long term reduction in the fleet's fuel expenditure. Updated regulations for larger vehicles also allow for better aerodynamic design which leads to further fuel efficiency.
- 9 Procuring through the TPPL Framework will allow the opportunity to attract the best provider who understands the Council's statutory requirements and, therefore, demonstrate how their service can support the Council to meet those requirements and contribute to supporting the Council to achieve its Best Council plans.
- 10 The TPPL framework carries suppliers of vehicles which will assist the Council in meeting its operational and strategic needs. TPPL provides better value for money in terms of charges for suppliers for accessing the frameworks, which reflects in lower costs to Leeds City Council. The number of suppliers on the TPPL frameworks is vastly greater than the Council would be able to attract if it procured its own framework and will therefore give added value for money through increased competition at mini-competition stage.
- 11 Fleet vehicles are one of the key means by which the Council delivers essential services such as refuse collection, passenger transport and the repair and maintenance of Council properties.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

12 Approving this report will enable the replacement of older vehicles and contribute to the Leeds zero carbon ambition by 2030 through progressively reducing emissions. In addition, reducing harmful emissions from older engines will improve the City's air quality and, therefore, having a positive impact on the health and wellbeing of the Leeds population.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

13 Fleet Services have consulted with senior officers as part of the Strategic Investment Board review process for capital programme bids including the vehicle replacement programme. These include the Directors of Resources and City Development, Chief Financial Officer, Chief Officer Asset Management and Regeneration, Chief Officer Climate Emergency and Green Spaces and the Chief Officer CEL.

14 Consultation has also taken place with colleagues attending the CEL Weekly Assurance meetings and procurement colleagues.

What are the resource implications?

15 The procurement will be progressed in accordance with Contract Procedural Rules to ensure value for money is obtained and costs are restricted within the approved funding envelope of £7.8m. The 114 vehicles identified above will be procured by obtaining tenders using the TPPL framework

16 Procurement and Commercial Services (PACS) and Fleet services have the resources to procure these vehicles using the TPPL framework.

Capital funding and cash flow

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2022 £000's	FORECAST				
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026 on £000's
Land (1)	0.0		0.0				
Construction (3)	0.0		0.0				
Furniture & Equipt (5)	7800.0		0.0	7800.0			
Design Fes (6)	0.0		0.0				
Other Costs (7)	0.0		0.0				
TOTALS	7800.0	0.0	0.0	7800.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2022 £000's	FORECAST				
			2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026 on £000's
LCC Funded	7800.0			7800.0			
Any Other Income (Specify)	0.0						
Total Funding	7800.0	0.0	0.0	7800.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

What are the key risks and how are they being managed?

17 To mitigate against any risk and ensure compliance with procurement legislation, the procurement exercise will be conducted in line with Contract Procedural Rules.

18 The Council has a duty of care to its employees, to ensure that their vehicles are safe and legal to drive, a key component to this the reliability and safety element of every vehicle on the road. This industry is highly regulated, and compliance and safety regularly tested through the Driver Vehicle Standards Agency.

19 Failure to ensure compliant vehicles would result in the loss of the Goods Vehicle Operators Licence and render all Fleet Services within Leeds City Council inoperable. The purchase of new vehicles is essential in maintaining fleet safety.

What are the legal implications?

20 This is a key decision and is subject to call in.

Options, timescales and measuring success

What other options were considered?

21 Wherever possible, fleet services have extended vehicle lives (beyond their normal replacement cycle) but the vehicles proposed for this procurement do need to be replaced, so as to mitigate any excessive pressures arising from their increasing maintenance spend and increased risk of causing service failure.

How will success be measured?

22 Through the successful purchase of the vehicles and delivery of reduced emissions from Fleet Services.

What is the timetable and who will be responsible for implementation?

23 Given the current lead in times for the delivery of vehicles from the order point, we expect the vehicles to be delivered within 12 months from the point of all stages of the governance process for this procurement being complied with. The Head of Catering and Fleet Services will be responsible for implementation.

Appendices

- Appendix A - DPIA
- Appendix B – EDCI

Background papers

- N/A