

# Chichester District Council

**CABINET**

**7 June 2022**

## **Chichester Contract Service: Procurement of new refuse collection vehicles**

### **1. Contacts**

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### **2. Recommendations**

- 2.1. Cabinet resolves that three 12 -15 tonne (Gross Vehicle Weight) refuse collection vehicles (paragraph 5.1) be purchased from tenderer C at a total cost of £397,209 excluding VAT. Funded from the existing vehicle replacement budget.**
- 2.2. That Cabinet resolves that the vehicle replacement budget be supplemented by a further £7,209 from reserves to enable completion of the procurement exercise.**

### **3. Background**

- 3.1. The three current vehicles are now be beyond economical repair, given their average age of nine years and that they will be over 10 years old when replaced. Replacement vehicles are therefore required to ensure continuity of the refuse collection service.
- 3.2. At the Cabinet meeting held in 1 June 2021 and full Council on 20 July approval was given to commence procurements, and associated budgets as follows:

Vehicle Type	Budget approved
2 x New Electric RCVs	£820,000
12 x New Diesel RCVs (9 x 26 Tonne and 3 12 Tonne)	£1,869,000 (including £390,000 for smaller vehicles)
5 x Used RCVs	£515,000

Total	£3,204,000
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- 3.3. Separate procurements have commenced for the diesel and electric vehicles.
- 3.4. The purchase of the diesel refuse collection vehicles required that tenders were invited in compliance with Public Contract Regulations 2015 (as amended), using the ESPO Framework agreement ref 215 – Lot 1 Specialist Vehicles valid between 1/12/2020 to 30/11/2024
- 3.5. The original tender was for nine 26 tonne and three 12 tonne vehicles in accordance with the asset replacement programme. On receipt of tender responses there were no fully compliant bids for the three 12 tonne vehicles, although procurement of the 26 tonne vehicles have now been approved and completed (December 2021 Cabinet Item 14.0)
- 3.6. A review was undertaken to ascertain why no compliant bids were received for the smaller vehicles and following this another procurement in accordance with section 3.4 above was commenced for three 12 -15 tonne vehicles
- 3.7. The original estimate for the replacement vehicles was in line with the asset replacement plan. However, all of the bids received exceeded this estimate. The proposed bid to be accepted was also the lowest price of those submitted.

#### **4. Outcomes to be achieved**

- 4.1. Replacement vehicles will offer reduced emissions and continue to meet future business need. In addition, all new vehicles will include Euro 6 compliant engines with improved fuel economy and significant reduction in emissions.
- 4.2. Stringent Euro 6 emission regulations result in significant lowering of pollutants. Nitrogen oxide reduces from the previous Euro 5 specification to 0.4g/km (from 2g/kWh), carbon monoxide 1.5g/kWh (no change), hydrocarbons 0.13 (from 0.46) and particulates 0.01g/kWh (from 0.02g/kWh).
- 4.3. High vehicle payload and manoeuvrability are critical to service efficiency. The proposed vehicles to be purchased have a maximum gross vehicle weight (GVW) of 13.5 tonnes replacing 12.0 tonne GVW vehicles. Each new vehicle will be capable of achieving a payload of 4.98 tonnes an increase of 488 kg to those being replaced. The new vehicles will be 500 mm longer and have additional ground clearance to the rear axle. This should make these vehicles more robust in servicing the more remote locations throughout the district.
- 4.4. Two vehicles will be fitted with bin weighing systems to make them suitable for use on trade rounds, allowing for bin weights to be monitored and if appropriate additional charges to be levied for heavy bins.

## **5. Proposal**

- 5.1. The EPSO framework is open to all potential RCV suppliers to the UK market. Four responses were received from companies A, B, C, and D. The most economically advantageous tender, taking into consideration price, delivery, warranty and on-going service support as well as environmental characteristics, was received from Contractor C See Appendix.

## **6. Alternatives that have been considered**

- 6.1. Vehicle life extension was not considered appropriate given the increasing maintenance costs of the aging fleet.
- 6.2. Lease or hire vehicles were not considered financially viable.
- 6.3. Reduce the size of the fleet was also deemed not feasible based on current working practices due to the housing growth within Chichester District.
- 6.4. Alternative fuel proposals were proposed within the previous cabinet report and reviewed at cabinet and council, resulting in the approval to purchase two electric vehicles instead of a further two diesel units..

## **7. Resource and legal implications**

- 7.1. Release of £390,000 from the Asset Replacement Plan (ARP) and withdraw an additional £7,209 from reserves to fund the additional costs above that included within the ARP.
- 7.2. The increased vehicle costs due to the increased prices will be reflected in the 25 year asset replacement programme as part of the 2022-23 budget process.

## **8. Consultation**

- 8.1. The procurement process has been checked by finance and procurement. Both are satisfied with adherence to procurement regulations.

## **9. Other Implications**

<b>Crime &amp; Disorder:</b>	None
<b>Climate Change:</b>	Reduced vehicle emissions (nitrogen oxide and particulates) Paragraph 4.2
<b>Human Rights and Equality Impact:</b>	None
<b>Safeguarding:</b>	None

