

# Chichester District Council

**CABINET**

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

### **1. Contacts**

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### **2. Recommendations**

- 2.1. That three 26 tonne (Gross Vehicle Weight) refuse collection vehicles (paragraph 5.1) be purchased from tenderer D at a total cost of £505,600 excluding VAT.**
- 2.2. That Cabinet approves release of the required funds from the Asset Replacement Fund (paragraph 7.1).**

### **3. Background**

- 3.1. The three current vehicles will shortly be beyond economical repair, given their average age of eleven years. Replacement vehicles are therefore required to ensure continuity of the refuse collection service.
- 3.2. The purchase of refuse collection vehicles required that tenders were invited in compliance with Public Contract Regulations 2015, using the EU compliant 4 year Framework Agreement for Refuse Vehicles Outright Purchase established by Braintree District Council
- 3.3. The original tender was for two vehicles in accordance with the Asset replacement programme. Subsequent tender re-issue included a third vehicle planned for replacement during 2016/17. Economies of scale attracted an additional discount of £3,000 per vehicle.

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

- 4.1. Replacement vehicles that offer reduced full-life costs, reduced emissions and meet future business need. Maintenance and servicing costs should reduce by at least £1,500 per vehicle per annum. In addition, Euro 6 compliant engines improve fuel economy and reduce emissions. Fuel usage is

anticipated to generate fuel consumptions savings of 4% which equates to a minimum of £320 per vehicle.

- 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. The vehicles will be fitted with electric bin lifters in preference to hydraulic variants. The former produce less than 57db of noise without any loss of performance. Hydraulically operated lifters produce average noise levels of a 75db.
- 4.4. High vehicle payload and manoeuvrability are critical to service efficiency. Each new vehicle will be capable of achieving a payload of eleven tonnes. This reduces the number of daily runs to the transfer station with associated fuel savings and improved efficiency. Rear-steer axle/wheels improve turning circle capability. This enables access to areas previously served by smaller vehicles with a maximum payload of 7 tonnes. Two of the outgoing vehicles were in this category.

## **5. Proposal**

- 5.1. Tender invitations were sent to all 5 pre-qualified suppliers and 4 responses were received from companies A, B, C and D. The most economically advantageous tender, taking into consideration whole life vehicle costs and environmental characteristics, was received from Contractor D. See Appendix (not for publication).

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

- 6.1. Vehicle life extension was not considered appropriate given the costs of current vehicle refurbishment and introduction of Euro 6 reduced emission engines.

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

- 7.1. Release of £505,600 from the Asset Replacement Fund. Introduction of Euro 6 engine specification increased procurement cost by £18.5k per vehicle (£168.5k - £150k) beyond the original Asset Replacement Fund estimate of £450k for 3 vehicles. £300k has been approved, to replace 2 refuse collection vehicles as part of the 2015-16 Asset Replacement Programme (Cabinet Feb 15). A further £150k is estimated for the third vehicle replacement in 2016/17, a total shortfall of £55.6k for three vehicles.
- 7.2. The increased vehicle costs due to the Euro 6 emissions regulations will be reflected in the 25 year asset replacement programme as part of the 2016-17 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

## 10. Appendix

- 10.1 Evaluation matrix (not for publication)