



Cambridge City Council

To: Executive Councillor for Environmental and Waste Services, Jean Swanson
Report by: David Cox
Scrutiny committee: ENVIRONMENT SCRUTINY COMMITTEE
Wards affected: None

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Vehicle replacements 2014/15

Recommendation/s

Financial recommendations –

- The Executive Councillor is asked to approve the commencement of the 2014/15 Vehicle Replacement programme (PR017) which is already included in the Council's Capital & Revenue Project Plan
- The total cost of the project is £563,500, funded from R&R funds
- There are no ongoing revenue cost implications arising from the project.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of the Vehicle Replacement programme (PR017) for 2014/15
- Subject to:
 - The permission of the Director of Business Transformation being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

Project Name:

1 Summary

1.1 The project

The purchase and replacement of life expired vehicles and items of plant and equipment as per the Vehicle Replacement Programme PR017

Target Dates:

Start of procurement	1 st April 2014
Award of Contract	
Start of project delivery	
Completion of project	31 st March 2015
Date that project output is expected to become operational (if not same as above)	

1.2 Anticipated Cost

Total Project Cost	£563,500
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Cost Funded from:

Funding:	Amount:	Details:
Reserves	£	
Repairs & Renewals	£563,500	R&R cost centre number 03702 from departments: Refuse & Environment; Streets & Open Spaces and resources
Developer Contributions	£	
Climate Change Fund	£	
Other	£	

1.3 Procurement process

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled for replacement in 2014/15, as part of a rolling programme necessary to replace out of life vehicles that would otherwise significantly increase maintenance costs.

All replacement vehicles and items of plant or equipment will be procured using The Procurement Partnership Ltd (PPL), The Government Procurement Service (GPS) or ESPO (Eastern Shires Purchasing Organisation), using R&R funding. All the vehicles and items of plant and equipment are available on framework agreements held by the three procurement bodies listed above all of which are OJEU compliant. All of the vehicle supply framework contracts are nationwide and offer the best value for money and largest discounts available.

Vehicles are also procured collaboratively through the Joint Vehicle Procurement Group with our partnering authorities, South Cambs, Fenland District, Hunts DC and East Cambs. In 2012/13 a joint procurement for refuse vehicles was carried out with the partners.

The replacements, in fleet number order, are:

Fleet number	Description	Year of purchase	Replacement cost
59	Luton van	2003	25,000
92	Sweeper - precinct	2009	70,000
93	Sweeper - precinct	2009	70,000
105	Post rammer	2005	3,500
111	Mower ride-on	2008	25,000
117	Flail	2008	5,000
119	Mower ride-on	2009	7,500
130	Mower ride-on	2008	25,000
185	Leaf sucker	2008	7,500
186	Leaf sucker	2008	7,500
187	Leaf sucker	2008	7,500
251	Sweeper - precinct	2009	70,000
252	Sweeper - precinct	2009	70,000
277	RCV Green	2006	170,000

563,500

2 Project Appraisal & Procurement Report

2.1 Project Background

The Project is the purchase of the Council's fleet vehicles, plant and equipment scheduled for replacement in 2014/15, as part of a rolling programme necessary to replace out of life vehicles that would otherwise significantly increase maintenance costs. After purchase all vehicles and items of plant and equipment are given a set life of between five and seven years depending on type and

usage. The item is then depreciated for the life period before the asset is again replaced.

Alternative options considered were:

- not replacing vehicles, but this could lead to increased maintenance costs;
- leasing vehicles, but this is cost prohibitive, as the monthly rentals would be higher than current depreciation costs;
- the purchase of second hand vehicles, but again maintenance costs could be high and procurement is difficult.

2.2 Aims & objectives

The project contributes towards the Council's vision for a city:

- in the forefront of low carbon living and minimising its impact on the environment from waste and pollution

The replacement vehicles will be more fuel-efficient and will therefore use less fuel and in turn produce less carbon dioxide. The replacement vehicles will all be Euro VI compliant as opposed to Euro III and IV for those they are replacing. Euro IV emission standard led to a legal requirement of 50% reductions in oxides of nitrogen (NOx) and 40% reductions in particulates compared to Euro III levels. Euro V emission standard lowered the limits even further with another reduction of 55% of nitrogen oxide (NOx). The comparison between the original Euro I emissions and Euro VI emissions is a 95% reduction in NOx and a 97% reduction in particulate matter.

2.3 Major issues for stakeholders & other departments

The main impact on departments is that of finance as new vehicles cost less to maintain. By replacing the vehicles at the correct intervals, maintenance costs are controlled and manageable within current revenue budgets.

If the project does not take place the maintenance costs on the vehicles will increase, having a negative effect on revenue accounts.

2.4 Summarise key risks associated with the project

Service delivery is at risk without the replacement programme. Without adequate and reliable transport and equipment the workforce may not be able to provide an efficient and effective service.

Older vehicles are also less reliable than newer ones; therefore there is a strong possibility of increased vehicle downtime leading to customer dissatisfaction. As per 2.3 above this will also lead to increased maintenance costs. It may also lead to the need for hiring replacements due to vehicle downtime.

2.5 Financial implications

a. Appraisal prepared on the following price base: 2014/15

b. Specific grant funding conditions are:

- None

c. Other comments

The planned replacement of all vehicles and items of plant and equipment is provided for by budgeted contribution to an R&R fund.

2.6 Net revenue implications (costs or savings)

Revenue	£	Comments
Maintenance	0	Servicing and inspection costs are provided for within current maintenance budget
R&R Contribution		No change to contributions to R&R funds
Developer Contributions		See Appendix B
Energy savings	()	See below
Income / Savings	()	
Net Revenue effect	0	Cost/(Saving)

2.7 VAT implications

There are no adverse VAT issues with the purchase of these fleet and equipment items.

2.8 Energy and Fuel Savings

(a) Is this project listed in the Carbon Management Plan?	No
	If 'No', move to Section 2.9.

(b) Estimated Annual Energy Cost Savings

Year 1	
Ongoing (£ per year)	
Anticipated project lifetime (years)	
On what basis have you specified this project lifetime?	

(c) Which cost centre energy budget should these savings be retrieved from?

Cost Centre Name	Cost Centre Number	Account code	Cost Centre Manager

(d) Monitoring of Savings

2.9 Climate Change Impact

Positive Impact		No effect	Negative Impact	
	+M			

2.10 Other implications

Positive implications on the environment as the replacement vehicles emit less CO₂, less nitrogen oxide and less particulates.

A review is planned of grass cutting which will take effect in the forthcoming financial year. Depending upon the outcome of this review fleet numbers 111; 119; 123; 124 and 130 on the above list may not be replaced. This may provide a further saving of £106,500.

Review will be carried out in 2014/15 with Asset Management and Audit to look at the methods of vehicle procurement and replacement with a view to increasing life and utilisation of vehicles.

The list of fleet replacements above takes into consideration ten vans and three items of equipment that have been deferred and therefore will not be replaced in this forthcoming financial year. This has led to a saving on next year's capital spend on fleet replacements of £286,000.

An Equality Impact Assessment has not been prepared for this project.

2.11 Staff required to deliver the project

Project will be delivered within existing staff resources

2.12 Dependency on other work or projects

None

2.13 Background Papers

None

2.14 Inspection of papers

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