



CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT

Title	Purchase of Refuse Collection Vehicles X 12 through Lot 1 of the NEPO HGV Purchase Framework and Contract award for spare parts and maintenance for these vehicles.
Report of	Executive Director, Environment
Wards	All
Status	Public
Enclosures	None
Officer Contact Details	Vishal Thaker, Head of Transport Service Email: vishal.thaker@barnet.gov.uk Telephone: 020 8359 5109

Summary

To award the contract for the supply of 26 tonne Refuse Collection Vehicles x 12 as per the specification issued through the Lot 1 of the North-East Purchasing Organisation (NEPO) framework for purchase of HGV, with total contract value up to £2,462,000. The specification was released by NEPO Contract Management team to the supplier to confirm that London Borough of Barnet's requirement could be facilitated under the framework provision. NEPO HGV Purchase Framework complies with public procurement rules.

Decisions

1. Authorise the Transport Services to award the contract to S&B Commercials Plc for the purchase of 26t Refuse Collection Vehicles x 12 as per the specification issued through the NEPO HGV Purchase framework, with total contract value up to £2,462,000.
2. Authorise the Transport Service to award the contract for spare parts and maintenance of vehicles to the following suppliers for a period of 5 years through NEPO HGV Purchase framework:
 - A) S & B Commercials Plc with total estimated spend of up to £220,000
 - B) Dennis Eagle Ltd with estimated spend of up to £180,000
 - C) Terberg Matec UK with estimated total spend of up to £200,000

1. WHY THIS REPORT IS NEEDED

- 1.1 To enable the procurement of 26t Refuse Collection Vehicles X 12 for Recycling & Waste Collection Service to ensure service continuity in replacement of the existing life expired vehicles and achieves the Medium Term Financial Strategy (MTFS) savings.
- 1.2 The procurement of vehicles have been approved in the Procurement Forward Plan by Policy and Resource Committee, with contract award to be approved by Strategic Director of Environment in consultation with Environment Committee Chairman, in accordance with the Council's Constitution, Article 10 Table B.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The current fleet of vehicles used to provide the Collection Service are more than 6 years old, not cost effective and not fit for purpose to ensure efficient and reliable service delivery. They would not meet the new London Emission Zone (LEZ) from October 2020 and Ultra Low Emission Zone (ULEZ) standards from October 2021.
- 2.2 Recycling & Waste Collection Services had undertaken market assessment of a number of different makes and models of Refuse Collection Vehicles that are available through the framework and in the market over last few months. The vehicles selected were of the similar overall specification but were evaluated for their operational ease, available support from the manufacture, carrying capacity, service requirement and performance on Barnet Streets. The combination of Mercedes Chassis with Dennis Eagle body and Terburg bin lift were assessed to meet the Service requirement due to the flexibility it offered and had overall operator acceptance.
- 2.3 Transport Services seeks to identify cost effective methods of procurement of vehicles and related services through alternative methods going forward, with the aim to attain replacement fleet through approved frameworks in compliance with Contract Procedure Rules and financed through Capital Funding.
- 2.4 LOT1 of NEPO HGV Purchase Framework can facilitate the direct call off of identified Refuse Collection Vehicles, with the NEPO contract management team overseeing the process.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The NEPO HGV Purchase framework provided the most effective procurement method to meet the timeframe requirements and ensured the vehicles were procured in a compliant manner to enable Recycling & Waste Collection Service to achieve the service efficiency and improvements identified. The NEPO framework was subject to a compliant tender process. A procurement procedure led by London Borough of Barnet was considered but rejected as the NEPO framework provided a compliant route to market which did not have additional resourcing impact in delivering the requirement.
- 3.2 An option to lease and/or hire 26t Refuse Collection Vehicles was also considered and rejected because of the specialist nature of the vehicles required by London Borough of Barnet and the cost involved. The unpredictable lead time required to confirm suitable lease/hire vehicles availability would have delayed provision of the vehicles. Option to hire vehicles for long term also did not provide value for money due to potential increase in the vehicle cost by circa £15k per annum per vehicle, when compared with purchase.

4. POST DECISION IMPLEMENTATION

- 4.1 Supplier will be notified of the contract award for the procurement of 26t Refuse Collection Vehicles in accordance with procedure set out in NEPO Framework. Transport Services will raise the Purchase Order confirming the vehicle specification, value and delivery date.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Having access to appropriate, cost effective and fit for purpose vehicles, the Transport Services can support the Recycling & Waste Collection Services delivery unit to ensure they meet the Council's Strategic Objective, namely "Where service are delivered efficiently to get value for money for the taxpayer".

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Capital funding required for this purchase has been approved in capital budget plan for 2019/20 for £2,453,000. The contract value has been set at a level to ensure the full complement of vehicles is achieved - given the chosen framework is to provide best value. If on completion and invoice the difference (of £9,000) has not been resolved or funding is not at that time available in capital for this, then the service will need to make a revenue contribution (from reserves if necessary) to fund the balance.
- 5.2.2 Recycling & Waste Collection Service have revenue budget for the purchase of spare parts and vehicle maintenance service.
- 5.2.3 The procurement of 26t Refuse Collection Vehicles X 12 is being carried out through the NEPO Framework, Lot 1 which commenced in November 2017 and ends November 2021.

5.2.4 Transport Services conducted direct call off for this procurement due to the non-standard nature of the vehicle specification.

5.2.5 The procurement undertaken is in accordance with Contract Procedure Rules, Appendix 10 Table B

5.3 **Social Value**

5.3.1 The provision of the Refuse Collection Vehicles for the Recycling & Waste Services supports delivery of social value through the community benefit as the Recycling and Waste Collection Service is able to improve the public realm environment within the Council and brings economic benefit.

5.4 **Legal and Constitutional References**

5.4.1 This procurement undertaken is in accordance with the Council's Constitution Article 10 Table B (Contract Procedure Rules (CPR's) December 2017). The procurement activity has been authorised by the Procurement Forward Plan and for procurements over £500,000 a Chief Officer in consultation with the Chairmen of the relevant Thematic Committee has authority to award a contract where it is within Budget. Before entering into a Framework Agreement CPR's require due diligence checks to be carried out to demonstrate that the Council can lawfully access the Framework Agreement and that it is fit for purpose and provides value for money.

5.4.2 The purchase of vehicles is a public contract within the meaning of the Public Contracts Regulations 2015 (the Regulations) and as the value is above £181,302 a fully compliant EU procurement must be followed. However, where an EU Compliant Framework is to be used through the award of a call-off contract, the Regulations deem this to be in compliance, where the Council has been identified as being able to use the Framework and it is used in accordance with the rules laid down in the Framework and the Regulations. Officers have confirmed the NEPO Framework is available to the Council and has been established through a compliant procurement procedure which enables the direct call off through the framework agreement, meets the Council's requirements and provides value for money. Where any further legal assistance is required officers should instruct HBPL accordingly.

5.5 **Risk Management**

5.5.1 Failing to enter on to this framework would create significant risk to on-going service delivery and operational efficiency to achieve MTFS savings.

5.5.2 The risk to future savings will be addressed by the procurement of these vehicles through Capital purchase as an alternative would expose the Council to the risk of higher market rates for Spot Hire which would impact the savings.

5.5.3 The risk of challenge to the future procurement process will be mitigated by following the standard procurement process with officers ensuring the process complies with Contract Procedure Rules and procurement law.

5.6 Equalities and Diversity

5.6.1 There are no equalities implications of this decision.

5.7 Corporate Parenting

5.7.1 Not applicable

5.8 Consultation and Engagement

5.8.1 None

5.8 Insight

5.8.1 Recycling & Waste Collection Service has reviewed the operational requirement by considering various products in the market to achieve the objectives as part of service transformation and efficiency. There are currently 4 vehicles with the similar specification being used to deliver the collection service in Barnet. The Service has also analysed the current and historic information on vehicle operating cost, number of bins collected per week and tonnage collected with vehicle capacity in order to determine the suitability and the number of machines required. The 26t Mercedes Econic Refuse Collection Vehicles with Terburg Bin lift provide flexibility and continuity for operators that the Collection Service requires to deliver the service more efficiently.

5.8.2 The new vehicles will be fully compliant with the proposed implementation of Ultra Low Emission zones and changes in London Low Emission Zone as they will be equipped with Euro VI engines.

6. BACKGROUND PAPERS

6.1 Policy and Resources Committee 1 December 2016 Agenda item 10
Annual Procurement Forward Plan 2019/20
<http://barnet.moderngov.co.uk/documents/s50126/Annual%20Procurement%20Forward%20Plan%20APFP%202019-2020.pdf>

6.2 Funding for this procurement is included in the Capital programme,
<https://barnet.moderngov.co.uk/documents/s38111/Appendix%20C2%20-%20Capital%20Programme%20by%20Delivery%20Unit.pdf>

6.3 Article 10 of the Constitution, Decision Making.
<http://barnet.moderngov.co.uk/documents/s43171/11Article10DecisionMaking.docx.pdf>

Chairman:

Has been consulted

Signed Chairman of the Environment Committee

05 September 2019

Date

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed

A handwritten signature in black ink, appearing to be 'S.3LL'.

Date 3rd September 2019
