

To: Procurement Sub Committee

On: 16 September 2015

Report by:

**Joint Report
by
The Chief Executive & Director of Community Resources**

Contract Authorisation Report

Vehicle Replacements

1. Summary

- 1.1. The purpose of this report is to seek the approval of the Procurement Sub-Committee to award contracts for the purchase of various vehicles required under the Council's Vehicle Replacement Programme for 2015/2016.
 - 1.2. A contract strategy document was approved by the Head of Strategic Procurement and Business Support and the Director of Community Resources on 20 September 2013 which covered the four vehicle replacement programmes from 2013/14 to 2017/18.
 - 1.3. The budget for Community Resources was approved at the Council meeting on 12 February 2015.
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2. Recommendations

- 2.1. It is recommended that the Procurement Sub Committee:
 - 2.1.1 Authorise the Head of Corporate Governance to award contracts up to the following values with the Suppliers as noted below, for the provision of vehicles as detailed in Appendix 1 of this report. All contracts are individual direct

awards under the Scotland Excel Framework Agreement for Heavy and Municipal Vehicles (ref: 02/13).

- Nu-Track Limited: up to £391,603
- Heil Farid European Company Ltd: up to £265,620
- FAUN Zoeller UK Ltd: up to £85,476

2.1.2 The delivery dates for the vehicles are detailed within Appendix 1.

3. Background

- 3.1. Scotland Excel has established a Framework Agreement for Heavy and Municipal Vehicles (ref: 02/13). All 32 Local Authorities in Scotland have the opportunity to utilise in this Framework Agreement.
- 3.2. Scotland Excel advertised the requirement for this framework agreement in the Official Journal of the European Union through Public Contracts Scotland portal. The tender process was conducted using the Public Contracts Scotland tender system (PCS-Tender).
- 3.3. The procurement process undertaken to establish this Framework Agreement was the open tender procedure and was conducted in compliance with the Public Contracts (Scotland) Regulations 2012. The Framework Agreement allows for “Direct Awards” to be utilised as the Selection Procedure where the Council can demonstrate best value for money.
- 3.4. Analysis of the Suppliers on the relevant Lots of the Scotland Excel Framework Agreement for Heavy and Municipal Vehicles (ref: 02/13) was undertaken. The analysis demonstrated that best value for money could be achieved by making direct awards to relevant suppliers for the requirements as detailed in Appendix 1 of this report. This analysis took into consideration the benefits of continuity of fleet following an investment in training and maintenance equipment. This analysis also considered whole life costing of the vehicles and the pricing from all suppliers able to meet the minimum requirements, on the relevant Lots of the Framework Agreement.
- 3.4 The procurement exercises were conducted in accordance with the Council’s Standing Order Relating to Contracts and in accordance with the requirements under the Framework Agreement for Heavy and Municipal Vehicles (ref: 02/13).
- 3.6 The costs for these contracts will be met from the Community Resource’s Capital budget allocation for the Vehicle Replacement Programme for financial year 2015/16.
- 3.7 The environmental considerations for each type of vehicle are detailed in Appendix 1 of this report.

3.8 Community and additional benefits were requested on a voluntary basis from the suppliers. The following commitments have been provided.

3.8.1 Nu-Track Limited:-

- Support Renfrewshire schools and colleges by providing three free training seminars in relation to Nu-Track's day to day working environment.

3.8.2 Heil Farid European Company Ltd:-

- Support educational visits to view the company's manufacturing base in Dunfermline.

3.8.3 FAUN Zoeller UK Ltd:-

- Provision of work experience placements for depot apprentices and/or Renfrewshire school pupils;
- Support Renfrewshire schools and colleges by providing free talks/ training seminars on RCV bodies and lifts;
- Provide sponsorship for local events for various community groups i.e. colleges, football matches, charitable events throughout Renfrewshire.

Implications of the Report

1. **Financial** – These contracts will be funded from the capital budget allocation for the Vehicle Replacement Programme for FY2015/16, which has been set at £2.157 million.
2. **HR & Organisational Development** – None
3. **Community Planning** – In addition to the benefits outlined in Sections 3.8, the order of these vehicles aims to improve the quality of the Council's vehicle fleet to reduce fuel use and reduce emissions. Additional details are provided within Appendix 1 of this report.
2. **Legal** – The purchase of vehicles from these Suppliers was carried out in accordance with Renfrewshire Council's Standing Orders Relating to Contracts for direct awards under an existing framework, Contract Standing Order 27.5 and in accordance with the requirements under the Scotland Excel Framework Agreement for Heavy and Municipal Vehicles (ref: 02/13).

5. **Property Assets** – None.

6. **Information Technology** – None.

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – All suppliers' health and safety tender submissions were evaluated by Scotland Excel at the time of awarding places to the Framework Agreement and were deemed to meet the minimum requirements.

9. **Procurement** – The procurement procedure outlined within this report shall ensure that the Council meets its statutory requirements in respect of procurement procedures, efficiency and Modern Government.

10. **Risk** – None.

11. **Privacy Impact** – None.

List of background papers

(a) Non Housing Capital Investment Programme Report, 2015/2016 and 2017/2018, 12 February 2015

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Appendix 1

Supplier	Vehicle Requirement	Quantity	Scotland Excel Framework Agreement Utilised	Contract Value	Vehicle Delivery By	Environmental Benefits / Considerations
Nu-Track Limited	30 Seater Bus	3	Heavy and Municipal Vehicles (02/13) Lot 8	£314,486	One vehicle available for immediate delivery. Remaining two vehicles delivery February 2016	Will conform to new Euro 6* emission standards in line with EU regulations (please see explanation below)
Nu-Track Limited	26 Seater Bus	1	Heavy and Municipal Vehicles (02/13) Lot 8	£77,117	Available for immediate delivery	Will conform to new Euro 6* emission standards in line with EU regulations (please see explanation below)
Heil Farid European Company Ltd	RCV Chassis Refurbishment and new body / lifter	3	Heavy and Municipal Vehicles (02/13) Lot 7	£265,620 includes refurbishment of chassis and potential hire vehicle to cover	January 2016	N/A
FAUN Zoeller UK Ltd	RCV Chassis Refurbishment and new body / lifter	1	Heavy and Municipal Vehicles (02/13) Lot 7	£85,476 includes refurbishment of chassis and potential hire vehicle to cover	January 2016	N/A

Since 1993, when the very first 'Euro 1' legislation was introduced for trucks and buses, the European Commission has regulated the amount of pollutants coming out of the tail-pipe of a diesel engine. In particular, the Commission identified two key constituents within the exhaust stream - Oxides of Nitrogen or 'NOx', and 'Particulate Matter' (basically soot particles) - as being harmful, and which needed to be controlled and reduced. For each vehicle type, different standards apply. European emission standards define the acceptable limits for exhaust emissions of new vehicles sold in EU member state. All vehicles over 7 tonne i.e. heavy vehicles need to comply with Euro 6, this is the latest diesel engine emission legislation being driven by the European Commission.