



Rochford District
Council

REPORT TITLE:	Purchase of Waste & Street Cleansing Vehicles
REPORT OF:	Executive Lead Member for Environment, Cllr Chris Stanley

REPORT SUMMARY

The report sets out in Appendix 1 the vehicles that require purchasing to ensure continuity of delivery for the Waste and Street Cleansing service undertaken by Rochford Norse.

At the request of the Executive Lead Member for Environment, the purchase of two mechanical sweeps is to proceed, whilst a further business case for the purchase of the remaining fleet is re-presented.

RECOMMENDATIONS

- R1 - To delay purchase of the remaining vehicle fleet, with the exception of the purchase of two mechanical sweeps at an approximate cost of £253,000, whilst a further business case is presented for consideration.**
- R2 - To instruct Rochford Norse to arrange for the purchase of the vehicles.**

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 To comply with the Service Agreement of the Rochford Norse Joint Venture.
- 1.2 To provide road-worthy and reliable vehicles for the delivery of the waste collection and street cleansing service, thus ensuring consistency of service and business continuity.

2.0 BACKGROUND INFORMATION

- 2.1 A new fleet of waste and street cleansing vehicles is required as part of the contract with the Rochford Norse Joint Venture. The vehicles would continue

- to be funded and owned by the Council and leased at nil-cost to Rochford Norse as part of the Service Level Agreement.
- 2.2 Previously the Council's waste contract costs have been reduced by using Council-provided capital to directly purchase the vehicles required for the delivery of the service. Rochford Norse Ltd expressed a clear preference for such an approach to continue.
 - 2.3 The initial purchase in 2022 consisted of 10, 26-tonne refuse collection vehicles and one, 18-tonne refuse collection vehicle. Initially, the fleet replacements were limited to the aspects of the service where there was a reasonable level of commercial certainty. When greater certainty over the total service requirement could be established, it was proposed that the remainder of the fleet could be ordered.
 - 2.4 The lead-in time for the delivery of any further new vehicles from the date of confirming an order, is approximately 12-months. Therefore, there will an intervening period of time, when the Council's existing fleet of vehicles will have to continue be utilised by Rochford Norse to service the contract whilst the delivery of the new fleet is finalised.
 - 2.5 If the Council was to procure the vehicles directly themselves (as was done previously in 2015), then it would require undertaking a Find a Tender Service (FTS) process or using a compliant framework arrangement. There would be a cost associated with such a process and the timetable would need to be considered carefully, with further delay a possible risk.
 - 2.6 Instead it is proposed that Rochford Norse purchases the vehicles on behalf of the Council, taking advantage of an existing procurement agreement that the Norse Commercial Services Ltd. has in place. This procurement would still comply with the public procurement regime, demonstrate value for money, and ensure a quicker time-table for the delivery of vehicles.
 - 2.7 A condition survey, undertaken by Peninsular Logistics, considered that all the vehicles set out in Appendix 2 are beyond, or at the end, of their economically useful life, with repair and maintenance cost beginning to exceed that typical of the market value for these vehicles. Given the age and work undertaken by the vehicles, replacement, at this time is typical of industry standard practice. It should be noted that lead in times for vehicle delivery is approximately 12-months, therefore the existing stock will be approximately a year older than at present, the matter of vehicle replacement will only become more pressing over time.
 - 2.8 Further, the Service Agreement states that vehicles transferred to the Joint Venture should be in good condition. It is acknowledged that the legacy fleet provided to Rochford Norse, at the termination of the previous contract with Suez Environmental, are of fair/poor condition, given the age and typical usage of the fleet, it was to be expected. To comply with the Service Agreement the remaining legacy fleet now requires replacement.

- 2.9 At the request of the Executive Lead Member for Environment, the purchase of the further vehicles listed in Appendix 1 (at an approximate cost of £580,000 in total) are to be considered as part of separate report, once a further review, revisiting the waste collection and street cleansing service, has been completed.
- 2.10 The delay to purchasing the remaining vehicle fleet set out in Appendix 1 may result in a breach of the service agreement; impact upon the business continuity of the service due to lack of reliability of an ageing fleet; and, increase service costs, through higher maintenance cost of the fleet and the need to hire additional vehicles as replacements for the service.
- 2.11 To minimise any further risk to service continuity, it is proposed that a report recommending the purchase of the remaining fleet is presented to the next Environment & Climate Committee on the 4th July.

3.0 OTHER OPTIONS CONSIDERED

- 3.1 As part of the vehicle replacement programme, where practicably possible, electric alternatives should be considered, taking into account the financial constraints of the capital programme, and the limitations of the electric supply feed into the South Street depot.
- 3.2 The refuse collection vehicles and the mechanical sweepers identified in Appendix 1 could be replaced with an electric alternative rather than a new diesel powered model. This would cost an approximate additional £280,000, and would also require an upgrade to the existing upgraded electric supply and sub-station (at an estimated £250,000). There are presently concerns raised regarding the suitability of the electric version of the vehicles for more rural districts such as Rochford where the distance travelled are considerably higher, and would challenge the range limit of the electric capacity.
- 3.3 A Business Case will be presented at for further consideration outlining the feasibility of purchasing electric powered alternatives for the remaining fleet listed in Appendix 1, will be presented at the July Committee.

4.0 RELEVANT RISKS

- 4.1 Value for Money is achieved through the use of recognised procurement frameworks compliant with the UK procurement law and the Council's Contract Procedural Rules.
- 4.2 Should the vehicles listed in Appendix 1 not be purchased, there is a significant risk of rising maintenance costs, increased down-time for the repair of the existing fleet, and reduced service reliability. A less reliable service may impact on the Council reputation, with failure in a front line service causing visible impact such as failure to collect domestic or street bins.

5.0 ENGAGEMENT/CONSULTATION

- 5.1 None.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The expenditure as set out in Appendix 1, the £253,000 for the two mechanical sweepers is contained within the existing agreed capital programme and financial resources of the Council.
- 6.2 The cost of obtaining additional hire vehicles to cover the anticipated potential increase in vehicles breakdowns may result in a higher overall operational cost. The hire costs are estimated at approximately £30,000 at present. This could result in the loss of the dividend to the Council as a shareholder within the Rochford Norse joint-venture.

7.0 LEGAL/GOVERNANCE IMPLICATIONS

- 7.1 Any legal and governance implications are covered within the body of the report.

8.0 EQUALITY & HEALTH IMPLICATIONS

- 8.1 There are not any equality or health implications arising from the report.

9.0 ENVIRONMENT & CLIMATE IMPLICATIONS

- 9.1 The purchase of two new mechanical sweeps are both compatible with 'bio-diesel' fuel alternatives should the Council be minded to introduce a alternative to mineral diesel, seeking to reduce the carbon footprint of the vehicle fleet at this time.
- 9.2 Best industry practice would recommend the replacement of these two vehicles after approximately 5 years. Therefore, there will a further opportunity to seek alternatives to diesel powered vehicles before the target of achieving net-zero by 2030 for the Council.

10.0 ECONOMIC IMPLICATIONS

- 10.1 There are not any economic implications arising from this report.

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APPENDIX 1

VEHICLE TYPE	VEHICLE GVW	CONDITION REPORT	REPLACEMENT VEHICLE TYPE	COMMENTS / RATIONALE	MODEL / MAKE	LIST PRICE
IVECO EURO CARGO	7500	Poor	7.5 T Cage Tipper with Tail-lift	Required for bulky waste collections	Izuzu Grafter 5T	£ 41,745.00
IVECO DAILY	3500	Poor	4.5 T LWB Cage Tipper with Tail-lift	Adds versatility to fleet without the requirement for an additional 7.5t vehicle – Fly Tip team	Izuzu Grafter 5T	£ 41,745.00
IVECO DAILY	3500	Poor	3.5 T LWB Cage Tipper	Shop Fronts & urban Team (East)	Ford E-Transit	£ 53,250.00
IVECO DAILY	3500	Poor	3.5 T LWB Cage Tipper	Shop Fronts & urban Team (West)	Ford E-Transit	£ 53,250.00
IVECO DAILY	3500	Poor	3.5 T LWB Cage Tipper	Open Spaces -litter & bins	Ford E-Transit	£ 53,250.00
IVECO DAILY	3500	Poor	3.5 T LWB Cage Tipper	Rural Litter Pick & Cleaning	Ford E-Transit	£ 53,250.00
IVECO DAILY	3500	Poor	3.5 T LWB Cage Tipper	Deep Cleanse team	Ford E-Transit	£ 53,250.00
VEHICLE TYPE	VEHICLE GVW	CONDITION REPORT	REPLACEMENT VEHICLE TYPE	COMMENTS / RATIONALE	MODEL / MAKE	LIST PRICE
RCV	18000	Poor	18t RCV open-back with tail lift	Need for Narrow Access/rural on garden waste	Dennis Eagle	£ 233,905.00
VEHICLE TYPE	VEHICLE GVW	CONDITION REPORT	REPLACEMENT VEHICLE TYPE	COMMENTS / RATIONALE	MODEL / MAKE	LIST PRICE
Schmidt Swingo 200	4500	Fair	Karcher	Replace old vehicle	Karcher MC250	£ 99,216.00
Hire Sweeper	11000	Fair	Scarab Maxim / Merlin	Replace old vehicle	Scarab Merlin 62	£ 153,396.00

Total Capital Cost	£ 836,257.00
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Vehicle Condition Survey - Rochford Norse, River side Industrial Estate, South Street, Rochford, SS4 1BL on 11th February 2024

Vehicle Registration	Vehicle Type	Odometer	Service	Notes	Net Book Value
EF14 VCW	White DAF LF 55.22 12000Kg	135303 KM	Narrow Access	Significant wear and tear. EML light on dashboard. Immobiliser fault. Non-starter	£ 5,000.00
VO15 KXR	White Dennis Elite 6 W 6X2 RS 26000Kg	192034 KM	Refuse / Recycling	Significant wear and tear. EML light on dashboard. Sweep Plate and ram bushes require replacement Non-starter	£4000 - 5000
VO15 KXT	White Dennis Elite 6 W 6X2 RS 26000Kg	110262 KM	Refuse / Recycling (spare)	Significant wear and tear. EML light on dashboard. Regen required for emissions system Non-starter	£4000 - 5000
VO15 KXV	White Dennis Elite 6 W 4X2 RS 18000Kg	102262 KM	Narrow Access (Green 5)	Significant wear and tear.	£4000 - 5000
LX65 JYB	White Iveco Eurocargo 75-E16 7500Kg	229860 KM	Bulky & POPS	Significant wear and tear. Gear linkage requires attention. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 4,000.00

Appendix 2

LX65 JYF	White Iveco Daily 35-130 3500Kg	91369 Miles	Shop Fronts 1	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00
LX65 JYG	White Iveco Daily 35-130 3500Kg	175578 KM	Shop Fronts 2	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00
LX65 JYH	White Iveco Daily 35-130 3500Kg	107446 Miles	Open Spaces	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00
LX65 JYC	White Iveco Daily 35-130 3500Kg	132298 Miles	Deep Cleanse	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00
LX65 JYD	White Iveco Daily 35-130 3500Kg	119295 Miles	Fly-tips	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00

LX65 JYE	White Iveco Daily 35-130 3500Kg	134075 Miles	EPA	Significant wear and tear. Cage body not suitable for operation - no side gates. No storage area for tools.	£ 3,000.00
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Condition Report	RAG Status	Recommendation
Poor / Fair		Continuous maintenance costs in excess of NBV of vehicle - replace vehicle
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Poor / Fair		Continuous maintenance costs in excess of NBV of vehicle - replace vehicle
Poor / Fair		Continuous maintenance costs in excess of NBV of vehicle - replace vehicle
Poor / Fair		Replace vehicle - cage body heavy and unsuitable for operations. Constant replacement of DPF and emissions system means the vehicle is uneconomical to run and should be replaced with a newer, environmentally compliant vehicle.

Poor / Fair		Replace vehicle - cage body heavy and unsuitable for operations. Maintenance and replacement of parts at service means the vehicle is unecomical to run. Vehicle downtime and parts availability problematic. Vehicle should be replaced with a newer, environmentally compliant vehicle.
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Appendix 2

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