

CABINET MEETING - 7 DECEMBER 2011

EXECUTIVE SUMMARY SHEET - PART 1

Title of Report:

Procurement Of Specialist Grass Cutting And Horticultural Equipment

Author(s):

Executive Director of City Services

Purpose of Report:

To approve the procurement of up to 20 specialist grass cutting and horticultural machines.

Description of Decision:

Cabinet is recommended to approve the procurement of up to 20 specialist grass cutting and horticultural machines to replace the equivalent number for use in the Council's grounds maintenance services as part of the planned replacement programme.

The number of items which were due for replacement was 41 but after review this number was reduced due to either lease extensions or the items no longer being required.

Is the decision consistent with the Budget/Policy Framework *~~Yes~~/~~No~~

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

In accordance with the Constitution, Cabinet approval is required to the principle of letting a contract exceeding £250,000 in value.

Alternative options to be considered and recommended to be rejected:

No alternative options are offered for consideration

Is this a "Key Decision" as defined in the Constitution? Yes/~~No~~

Is it included in the Forward Plan? Yes/~~No~~

Relevant Scrutiny Committee:

Environmental and Planning

REPORT OF EXECUTIVE DIRECTOR OF CITY SERVICES

PROCUREMENT OF SPECIALIST GRASS CUTTING AND HORTICULTURAL EQUIPMENT

1. PURPOSE OF THE REPORT

- 1.1 To approve the procurement of up to 20 specialist grass cutting and horticultural machines.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to approve the procurement of up to 20 specialist grass cutting and horticultural machines to replace the equivalent number for use in the Council's grounds maintenance services as part of the planned replacement programme.

3. BACKGROUND

- 3.1 Street Scene has a planned replacement programme for specialist grass cutting and horticultural machines. Machines are replaced on a 5- year cycle, from the date of acquisition, as they become uneconomic to maintain and create risks in respect of service delivery and health and safety..
- 3.2 Driven by the Fleet and Transport Service Review, Street Scene evaluated the 41 items on leases due to expire to determine if they need to be replaced. The review has identified that only 20 items out of the 41 need replacing the remaining items can either have their lease extended or not required, resulting in an efficiency of c.£31k contributing to the service review. The 20 specialist grass cutting and horticultural machines that require replacing under this programme during 2011/ 2012 have a total procurement cost of approximately £292k. This is translated into an annual revenue cost of c.£85,000 based on the previous lease charges.
- 3.3 An Open Tender process will be used and each type of equipment will be offered as a separate lot to ensure best value is achieved.
- 3.4 The method of financing the acquisition will be determined by the Executive Director of Commercial and Corporate Services upon receipt of tenders and may take the form of an Operating or Finance lease or loan.

4. PROCEDURE

- 4.1 Discussions have indicated that, due to the diversity of the grass cutting and horticultural machinery, more than one supplier may be required to achieve 'Best Value'. It is recommended that each type of equipment is indicated as a 'lot' during the tender process and that tenders are sought for one or a number of lots from potential contractors.

- 4.2 The total value of the machines is estimated at £291.900 and is, therefore, subject to the procurement regulations and Official Journal of the European Union (OJEU) procedures.
- 4.3 The successful contractor(s) will supply the specialist grass cutting and horticultural machinery in accordance with the Council's requirements.
- 4.4 A schedule of procurement costs along with machine reliability and suitability and delivery times will provide the basis on which the supply will be evaluated.

5. REASON FOR DECISION

- 5.1 In accordance with the Constitution, Cabinet approval is required to the principle of letting a contract exceeding £250,000 in value.

6 ALTERNATIVE OPTIONS

- 6.1 Replacing the equipment 'like for like' was discounted in order to achieve efficiencies..

7. RELEVANT CONSIDERATIONS/CONSULTATIONS

- 7.1 The views of the City Services Department and Corporate Procurement have been incorporated in this report.
 - a) **Financial considerations**
Provision for the procurement is made within the 2011/12 budgets for the parks and grounds maintenance.
 - b) **Legal Implications**
The machines are required to enable the Council to comply with operational health and safety responsibilities, policy and service level agreements covering all aspects of horticultural work.
 - c) **Procurement**
The Corporate Procurement Manager has been consulted in respect of the procurement procedure.

8. BACKGROUND PAPERS

- 8.1 No background papers were relied upon in the preparation of this report.