

CABINET MEETING 9 OCTOBER 2013 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: Procurement of replacement grass cutting, horticultural and mechanical road sweeping equipment	
Author(s): Deputy Chief Executive	
Purpose of Report: To approve the procurement of up to 30 replacement grass cutting and horticultural machines and 2 mechanical road sweeping machines	
Description of Decision: Cabinet is recommended to approve the procurement of up to 30 grass cutting and horticultural machines and 2 mechanical road sweeping machines to replace those in use to maintain the efficiency and effectiveness of services as part of the planned equipment replacement programme. There is budgetary provision and no net increase in costs to the Council.	
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: To delay the replacement of this equipment would reduce operational efficiency and increase maintenance costs.	
Impacts analysed; <div style="display: flex; justify-content: space-between; align-items: center;"> Equality <input type="text" value="Y"/> Privacy <input type="text" value="N/A"/> Sustainability <input type="text" value="Y"/> Crime and Disorder <input type="text" value="N/A"/> </div>	
Is this a “Key Decision” as defined in the Constitution? Yes Is it included in the 28 day Notice of Decisions? Yes	Scrutiny Committee

Report of the Deputy Chief Executive

PROCUREMENT OF REPLACEMENT GRASS CUTTING HORTICULTURAL AND MECHANICAL ROAD SWEEPING EQUIPMENT

1. PURPOSE OF THE REPORT

- 1.1 To seek approval for the procurement of up to 30 replacement grass cutting and horticultural machines and 2 mechanical road sweeping machines.

2. DESCRIPTION OF DECISION

- 2.1 Cabinet is recommended to approve the procurement of up to 30 specialist grass cutting and horticultural machines and 2 mechanical road sweepers to replace similar equipment used by the Council as part of the planned replacement programme to ensure their operational effectiveness and efficiency.

3. BACKGROUND

- 3.1 The Streetscene Fleet and Transport Unit operates a planned replacement programme for specialist grass cutting and horticultural machines ensuring they are replaced on a 5 year cycle, as they become uneconomic to maintain and operate and pose risks in respect of front line service delivery and health and safety. Mechanical road sweeping machines, classed as Large Goods Vehicles (LGV's) are acquired, operated and replaced on a 7 year cycle due to their higher purchase cost. Currently the Council operates a fleet of four of these vehicles, two of which are used on front line operational duties which are all due for replacement.
- 3.2 Driven by the Fleet and Transport service review, the Fleet and Transport Unit evaluated the items of equipment on lease due for replacement in 2013 /14. The review has identified that up to 30 grass cutting and horticultural machines require replacing during 2013/ 2014.
- 3.3 The Council operates a system of routine and targeted road sweeping, attending road traffic accidents and servicing special events where required. The cost of maintenance and repair of the Council's current fleet of mechanical road sweeping machines is increasing and reliability decreasing, due to them reaching the end of their operational life. A review of operational needs has shown that the Council could reduce to two LGV mechanical road sweepers without reducing capability and capacity, through better serviceability and coordination with our fleet of smaller sized sweepers. It is proposed to replace the four old LGV mechanical road sweepers with two new LGV mechanical road sweepers. The £250K purchase cost will be offset by the reduced overall cost of maintenance and operation.

- 3.4 These proposals will not reduce the frequency or quality of the Council's existing grass cutting or road sweeping operations.
- 3.5 There are no direct employee implications resulting from this proposal.
- 3.6 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.
- 3.7 The method of financing the acquisition will be determined by the Executive Director of Commercial and Corporate upon receipt of tenders and may take the form of a Finance lease or loan to purchase.

4. PROCEDURE

- 4.1 Due to the diversity of the grass cutting and horticultural machinery, more than one supplier may be required to achieve value for money. It is recommended that each type of equipment is included as a 'lot' in the procurement process and that tenders are sought for one or a number of lots from potential contractors. The procurement of the new LGV mechanical road sweepers comprises a single lot through a separate tender.
- 4.2 The total value of the equipment is estimated at approximately £600K (£350K for grass cutting and horticultural machinery and £250K for the two mechanical sweepers) and is, therefore, subject to the procurement regulations and Official Journal of the European Union (OJEU) procedures.
- 4.3 The successful supplier (s) will provide the specialist grass cutting and horticultural equipment and mechanical road sweeping machinery in accordance with the Council's specification.
- 4.4 A schedule of submitted procurement costs along with a quality assessment of machine reliability and suitability will provide the basis on which the tender will be evaluated.

5. REASON FOR DECISION

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

6 ALTERNATIVE OPTIONS

- 6.1 To delay the replacement of the grass cutting and horticultural equipment and mechanical road sweeping machinery would result in reduced efficiency and increased maintenance costs due to its age. Furthermore to replace the equipment on a like for like basis will not achieve efficiencies required to meet targets in the Fleet and Transport service review.

7. Impact Analysis

- 7(a) Equalities** - An Equalities Impact Needs Requirements Assessment (INRA) has been undertaken. This has shown that the proposal will not introduce any new equalities issues, as the service will operate in exactly the same way as currently provided.
- 7(b) Privacy Impact Assessment (PIA)** – The proposal will not introduce any new PIA issues

8. Other Relevant Considerations / Consultations

- (a) Financial Implications / Sunderland Way of Working** – The Head of Financial Resources, on behalf of the Executive Director of Commercial and Corporate Services, has been consulted on this proposal and confirms that there is provision in the existing Fleet and Transport revenue budget.
- (b) Employee Implications** – The Director of Human Resources and Organisational Development has been consulted and has there are no direct Council employee implications.
- (c) Legal Implications** – The Head of Law and Governance has been consulted and confirms that legally compliant procedures are being pursued.
- (d) Health & Safety Considerations** – The tenders will be evaluated to ensure compliance with the health and safety obligations of the Council. The Director of Human Resources and Organisational Development has been consulted and has no objections.
- (e) Procurement** – The Procurement Team representing The Head of Corporate Procurement has provided advice and guidance on this proposal.

9. List of Appendices

None

10. Background Papers

Fleet and Transport Review working paper outlining the maintenance, operational cost and efficiencies of the proposal.

<http://www.sunderland.gov.uk/committees/cm5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/8006/Committee/1636/Default.aspx>

These can be obtained by contacting Colin Curtis, Assistant Head of Streetscene, on (0191) 5614525 or email: colin.curtis@sunderland.gov.uk

