

Report to: **Executive**
Date: **5 July 2005**
Report of: **Executive Member for Environment & Transport**
Subject: **Purchase of Replacement Vehicles 2005**
Ward: **All**

1. Purpose of Report

- 1.1 To seek endorsement to retrospective action for the implementation of Article 4 (Emergency Provisions) for the recent purchase of 4 new vehicles.

2. Consultations

This report has been prepared by the Fleet Manager with assistance from the Finance Unit, Lease Company, Internal Audit, the Monitoring Officer, the Horticultural Unit Manager/Drivers, East Durham Homes Manager and the Executive Member for the Environment. The Director of Community Services was consulted prior to the purchase of these vehicles and gave consent based on the value for money that these proposals entail.

3. Summary

- 3.1 The Fleet Manager recently took the opportunity to acquire four new vehicles at a significantly discounted price from two of the Council's main vehicle suppliers (North East Truck and Van and Carr's Billingham Agricultural). Details of costs and specifications are shown in Appendix 1.
- 3.2 The vehicles will replace two council owned vehicles, one external hired vehicle and one vehicle currently on operating lease.
- 3.3 All of the vehicles have been identified for replacement in this years vehicle acquisitions programme.
- 3.4 The vehicles would normally be purchased following a full tender exercise. However, the Fleet Manager took the opportunity to purchase the vehicles and take advantage of the special discounts that were available for a limited period only.

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- 3.5 The discounts were only available on a 'first come first served' basis consequently a rapid decision was required to secure the vehicles and an order placed. Neighbouring authorities have also taken advantage of the discounted rates.
- 3.6 The vehicles were replaced following consultation with the drivers/operators and line Managers to ensure the vehicles are fit for purpose.
- 3.7 *b-ēf-aì êÙ-ā-eiēf-sÉUāāÉ*
- 3.7.1 Over the last 18 months a hire vehicle operated by East Durham Homes has been sourced from an external supplier. Purchase of a replacement vehicle has allowed considerable savings on these costs, with maintenance to be undertaken through workshop operations at Hackworth Road.
- 3.7.2 East Durham Homes have been fully consulted and are satisfied with the decision.
- 3.7.3 It is however accepted that there will still be a need to externally procure some vehicles on short-term hire agreements to suit operational requirements. This decision will be reviewed periodically.
- 3.8 *eçéíāī āīī ē-ā-āç-eāūī' -ōē-sÉUāāÉē*
- 3.8.1 Two Council vehicles have recently come to the end of their useful life and have been assessed as being uneconomical for repair. One of these vehicles is used by the Horticultural section, the other by Highways. Accordingly the Fleet Manager has been sourcing replacement vehicles and took advantage of the deal. The East Durham Homes vehicle and two vehicles described above were purchased from North East Truck and rental at significantly reduced rates.
- 3.8.2 A further vehicle due for replacement is a tractor. The tractor is on a operating lease which expires this year. An appraisal of three suppliers has been evaluated by the operator/driver in order to replace this vehicle.
- 3.8.3 The selection criteria for choosing the preferred supplier was carried out by the operator and Fleet Manager on the basis that the vehicle is fit for purpose and is value for money. An opportunity did however arise to purchase an ex-demonstrator tractor to the specification required from Carrs Billingham Agricultural at a significantly discounted rate and a decision was therefore made to proceed with this.

4. Implications

4.1 *ciã-ããã-ã*

There are no additional financial implications. All allocated expenditure has been taken from existing budgets.

4.1.1 Approximately £10,000 of savings have been realised through accessing the special discounted rates.

4.2 *iÉÖ-ã*

The report complies with the Standing Orders - Article 4 (Emergency Provisions).

4.3 *mçããó*

The action taken by the Fleet Manager supports the National Procurement Strategy Key milestones and the Governments 'efficiency agenda'.

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A full Risk Assessment has been carried in compliance with current protocol.

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There are no communications issues to raise.

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The action taken within this report supports the Councils Corporate Objectives:

'Better Transport'
'Making the District Safe'
'Quality Service for our People'

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The action taken has no equality and diversity implications.

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The action taken has no E-Government implications.

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The action taken supports the requirements of the Council's Strategic Procurement function, particularly in relation to efficiency savings.

5.0 **Recommendations**

- i) That the procurement actions detailed in this report be noted and endorsed.
- ii) That £10,000 be counted towards cashable savings in the Council's Annual Efficiency Statement for 2005/6.

Background Papers/Documents referred to:

- (i) Research and price bench marking results obtained as a result of the Best Value Review into environmental operations.
- (ii) Risk Assessment - Purchase of Vehicles.

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APPENDIX 1

The Optional extras are not included in the NEPO based tender prices therefore £10,000 savings mentioned in 4.1.1 would be the total savings across the 4 vehicles.

| Make | Model | Optional Extras | Tender Price | Discounted Price | Savings |
|-----------------|------------------------|--------------------------------------|---------------------|----------------------------|----------------------------------|
| Iveco | 35 C12 Dropside | | £14,188 | £13,173 | £1,015 |
| Iveco | 35 C12 Crew Cab Tipper | Tow Bar + Beacon + Rear Light Guards | £16,718 | £13,801 | £2,917 |
| Iveco | 35 C12 Day Cab Tipper | Tow Bar + Beacon + Rear Light Guards | £15,488 | £13,155 | £2,333 |
| Massey Ferguson | 5455 Tractor 100 BHP | Creeper Box + Air Con Pack | £25,500 | £23,500 | £2,000 |
| | | | | TOTAL | £8,265.00 |
| | | | | inclusive of Extras | savings approx £10,000.00 |