

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Cabinet
14 March 2023

Report Title: Procurement of Fleet – Sustainable Environment Directorate

Submitted by: Executive Director of Sustainable Environment

Portfolios: Recycling & Environment

Ward(s) affected: All

Purpose of the Report

To ask cabinet for authority to go out to procurement using the Hertfordshire NEPO frameworks for the supply and delivery of 7 Street Sweepers for the Streetscene Service and the ESPO NEPO frameworks for the procurement of 14 Refuse Collection vehicles for the Recycling and Waste Service.

Recommendation

That Cabinet:-

- 1. Approve the scheduled replacement of vehicles within the Streetscene and Recycling & Waste service, namely street sweeping, and refuse collection vehicles.**
- 2. Cabinet approve the use of the Hertfordshire NEPO frameworks for the procurement of 7 Street Sweepers and the ESPO NEPO frameworks for the procurement of 14 Refuse Collection vehicles, delegating authority to the Head of Sustainable Environment in consultation with Portfolio holder For Recycling & Environment for the award of contract on the completion of the procurement and evaluation process.**

Reasons

The Council has a rolling ten-year fleet replacement programme which sees a number of vehicles and plant equipment replaced each year. Over the next twelve months the Council needs to replace a large proportion of its street sweeping equipment, and a large number of refuse collection vehicles, as the current fleet is aging, and becoming increasingly unreliable.

1. Background

- 1.1 For a number of years the Council has produced and maintained a vehicle and plant replacement programme, which looks forward by up to ten years. This is reviewed on an annual basis by officers from both finance and Sustainable Environment to ensure the Councils Capital programme accurately reflects vehicles and plant which requires replacing, and the costs for doing so.**

- 1.2 A full and detailed review of the fleet replacement programme was undertaken in September 2022, and has been revised to reflect the outcome of the review.
- 1.3 Importantly this time the review looked at bringing alternative powered vehicles and plant into the Councils fleet as part of the Councils journey towards net zero by 2030,

2. **Issues**

- 2.1 The Streetscene service currently operates 2 x 15 tonne large HGV Sweepers, 4 x 4.2 tonne Compact Sweepers and 2 x 1.5 tonne sub-Compact Sweepers.
- 2.2 Of the two large sweepers, one is now ten years old, with high incidents of breakdown, which is impacting on sweeping schedules. The four Compact Sweepers are four years old and used intensively, and are now becoming increasingly unreliable, with increasing costs in relation to repair and maintenance. These vehicles are typically operated in the town centres, zone 1's and residential areas. These Compact Sweepers are no longer available in the market, therefore requiring the Council to rethink its sweeping operations moving forward. The two Sub Compact Sweepers are five years old and used for sweeping in tight locations, supporting the town centre cleansing, as well as being used for residential footpaths, subways, and open space /parks, pavements, tennis courts and so on.
- 2.3 One of the Councils key priorities (P3) of the new Council Plan is to 'Secure a step change in street cleanliness and the quality of the public domain' The current fleet is both unreliable and inefficient given the resources employed to carry out sweeping operations, and needs to be rationalised in terms of the various sizes of sweepers currently operated and updated.
- 2.4 The refuse vehicle fleet for domestic, garden and trade waste services are now approaching seven years old, and are starting to show signs of age, with increasing numbers of breakdowns and unreliability. Their age is considered within the industry to be the optimum time for replacement.
- 2.5 Officer engagement and vehicle demonstrations and trials have been undertaken with suppliers of both street sweeping and refuse collection vehicles, including electric street sweeping vehicles.
- 2.6 Over the next ten years the market for these vehicles will change dramatically, as legislation forces the end of traditional combustion engines being produced. Currently the market for sweepers and refuse collection vehicles has electric vehicle options, although limited to certain types and sizes of vehicle, therefore not the whole of the Councils current fleet. There is some movement towards hydrogen power for RCV's but it is unlikely this technology will be sufficiently developed on a fully commercial scale for some years to come. Additionally the infrastructure at the depot will need to change to support more electric powered vehicles moving forward.

3. **Proposal**

- 3.1 With the street sweeping vehicles it is proposed that the current fleet is replaced with the following without delay –

- Replace one sub compact sweeper with a similar available vehicle.
- Replace two of the current compact sweepers with new version of compact sweeper.
- Procure three large sweepers to replace the current ten year old one and two of the current compact sweeper and one of the subcompact sweepers.

3.2 These changes in sweeping fleet configuration will enable the Council to better achieve its environmental quality standards in terms of tackling road litter and detritus and to ensure there is sufficient vehicle resource to tackle leaf fall. By increasing the large sweeper fleet a number of efficiencies and service enhancements will be achieved in comparison to the current use of compact sweepers, namely –

- Increased speed in sweeping suburban estates
- Increased area of coverage during operational hours circa 40%
- Increased sweeping frequencies during January to September further enhancing street cleanliness
- Increased leaf fall clearance, from October to December again enhancing street cleanliness and reducing flood risk issues.
- Reduced time and travel associated with less offloading of sweepings. It is estimated that the large sweepers will generally only require tipping off once a day compared to three to four times a day by the current compact sweepers.
- Large sweepers have increased suction in comparison with compact sweepers providing improved quality of debris removal and therefore reducing repeat sweeping of localised issues.

3.3 There are 17 refuse collection vehicles that are scheduled for replacement on the Councils fleet replacement programme. These are standard single bodied vehicles utilised for the collection of refuse, garden waste, and trade waste. 13 are standard 26 tonne vehicles with 1 x 16 tonne vehicle.

3.4 That an option to procure electric street sweeping vehicles and refuse collection vehicles is fully explored as part of the procurement process.

4. **Reasons for Proposed Solution**

4.1 The current street sweeping fleet is unreliable, and the market changes for Compact Sweepers in the same configuration to the ones the Council currently operates necessitates a change in thinking. The proposal will significantly improve efficiency of street sweeping and provide a more robust resource.

4.2 The refuse collection vehicles utilised for refuse, garden and trade collections are nearing the end of their economic life and need to be replaced if the Council is to maintain high standards of collection services.

5. **Options Considered**

5.1 The Council could opt to delay procurement, however this would result in increased revenue costs for increased maintenance and hire vehicles to ensure statutory services were still delivered to residents.

5.2 The Council could also look to contract hire vehicles moving forward rather than purchase and maintain in-house. Experience shows that this would not necessarily save any money,

and would be a significant change which requires more research and modelling, which could not be achieved in the time frame necessary to replace the vehicles detailed in this report.

6. Legal and Statutory Implications

6.1 The use of the Hertfordshire and NEPO frameworks for the sweepers and NEPO, ESPO or Alton Housing for the refuse collection vehicles, offers a compliant procurement process in line with Public Contract Regulations 2015.

6.2 Regularity and Assurance Compliance is established as part of the methodology offered by both suppliers proposal/s.

7. Equality Impact Assessment

7.1 An equality impact assessment is not required as part of this report.

8. Financial and Resource Implications

8.1 A Capital Budget as part of the fleet replacement programme is agreed and available for the replacement of a number of street sweepers and refuse collection vehicles.

8.2 For 2023/24 there is £790,000 Capital funding Agreed for the sweepers, and £3,460,000 for the refuse vehicles following the annual review of the fleet replacement programme. This includes an option for two electric vehicles.

8.3 Based on quotations obtained indicate that the likely cost of the sweepers will be around £720,000. It is anticipated that the refuse vehicles will come within budget

9. Major Risks

9.1 The use of a compliant framework agreement to procure vehicles and plant minimises possible procurement challenges.

9.2 The timely and controlled processes that will be provided as part of the solution for the supply of temporary staffing is intended to minimise the risks caused to service delivery to residents as a result of any shortfalls in staffing due a range of factors.

9.3 Failure to have an up to date fleet, in an ever changing world of technology places a risk in the Councils reputation, as service standards could fall through unreliable old machinery and vehicles, as well as adverse revenue implications for increased maintenance, and hire of replacement vehicles and plant, which can quickly run into tens of thousands of pounds.

10. UN Sustainable Development Goals (UNSDG)

10.1 The procurement of streetscene sweepers and refuse collection vehicles will include the option for purchasing electric vehicles, will support the Councils target for being net zero for its own operations by 2030, as well as delivery of the following UNSDG:





11. **Key Decision Information**

11.1 This is a key decision as expenditure over the life of the contract will exceed £250,000 capital expenditure.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There are no earlier Cabinet/Committee Resolutions.

13. **List of Appendices**

13.1 There are no appendices.

14. **Background Papers**

14.1 There are no background papers.