

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO CABINET**

06 February 2024

Report Title: Procurement of Streetscene and Mobile Multi Functional (MMF) Vehicles & Plant

Submitted by: Service Director – Sustainable Environment

Portfolios: Sustainable Environment

Ward(s) affected: All

<p><u>Purpose of the Report</u></p> <p>To gain Cabinet approval to replace the current fleet of Streetscene 3.5 tonne and 4.5 tonne pickup vehicles on a direct award basis utilising The Procurement Partnership Limited (TPPL) procurement framework. The 3.5 tonne pickups are the optimum vehicle for the purpose and cost effective to replace with electrical driven versions (EV's) available. Additionally following agreement to take on the operation of urban highway grass cutting from the County Council, there is a need to procure additional mowing equipment in the form of ride on mowers utilising the ESPO framework.</p>	<p><u>Key Decision</u> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>
<p><u>Recommendation</u></p> <p>That Cabinet</p> <ol style="list-style-type: none"> 1. Approves the direct award process for 12 (3.5 & 4.5 tonne) pickup vehicles utilising the TPPL procurement framework 2. Approves the procurement of ride on mowers through a mini competition process utilising the ESPO procurement framework. 3. That our Streetscene and two MMF 3.5 tonne pickups, are replaced by electrically driven vehicles. 	
<p><u>Reasons</u></p> <p>The current Streetscene fleet, consisting of 3.5 and 4.5 tonne pickups are now coming to the end of their economic life and need to be replaced. The MMF service is currently operating utilising hire vehicles, and needs permanent vehicles moving forward. The market for electric vehicles has increased significantly since the vehicles to be replaced were procured, therefore there now exists a viable option to procure a number these vehicles powered by electricity.</p> <p>The Council's current fleet of ride on mowers are scheduled for replacement in the next twelve months, however with agreement now reached with the County Council to take on</p>	

the operation of the urban highway grass cutting on their behalf, there is a need to purchase two additional ride on mowers in order to fulfil that contract.

1. **Background**

- 1.1 The current fleet of Streetscene pickups were procured in 2016 and are scheduled in the Council's fleet replacement programme to be replaced. Additionally, the Council's fleet of ride on grass cutting mowers are scheduled for replacement in the next twelve months.
- 1.2 The current fleet consists of six 4.5 tonne crew cab pickups, four 3.5 tonne single cab pickups. The 4.5 tonne pickups are also used for towing trailers and moving plant and equipment mainly used for grounds maintenance operations, mowers etc.
- 1.3 The market for Electric Vehicle's (EV's) has grown considerably in the last few years, and where there were no electrically powered pickups economically available to purchase when the current fleet was procured in 2016, there are now a number of options which are available and are a positive alternative to diesel powered vehicles of this type. However, they are not currently suitable for replacement of the 4.5tonne pickups, which also need to tow relatively heavy plant and equipment such as mowers.
- 1.4 Officers have for a number of years worked closely with TPPL who are a private limited company offering a range of procurement solutions and services to the Public Sector. Their products and services maximise the efficiency of its member organisations, drive value for money and meet PCR2015 compliance regulations (NuLBC being a listed member).
- 1.5 Through TPPL's collaborative approach, members are able to obtain fully supported procurement solutions, with the benefit of product specific technical expertise to help scope product and procurement specifications. By blending Public Sector values with Private Sector ethos, they maximise member's purchasing power, to both save money and to improve quality.

2. **Issues**

- 2.1 The current Streetscene fleet is now seven years old and due for replacement before maintenance costs start to escalate. The MMF team was set up in 2023, and is currently utilising hired vehicles, which is not financially sustainable in the long term
- 2.2 The Council needs to decarbonise its operations and meet its net zero target by 2030. As part of this aim, use of EV's needs to increase significantly and this procurement opportunity allows positive progress to be made in reaching this goal.

- 2.3** The Councils fleet of ride on mowers are scheduled for replacement in the next twelve months. Confirmation of the Council undertaking the urban highway grass cutting operation requires two additional mowers, and therefore, a procurement exercise for these items of plant is required.

3. Recommendation

3.1 That Cabinet

- Approves the direct award process for 12 (3.5 & 4.5 tonne) pickup vehicles utilising the TPPL procurement framework
- Approves the procurement of ride on mowers through a mini competition process utilising the ESPO procurement framework.
- That our Streetscene and two MMF 3.5 tonne pickups are replaced by electrically driven vehicles.

4. Reasons

- 4.1 The current fleet of Streetscene pickups are at the end of their economic life and are scheduled for replacement as part of the Councils agreed fleet replacement capital programme. The MMF team are currently utilising two hired vans, which need to be replaced with more appropriate permanent vehicles moving forward.
- 4.2 The Council needs to maximise its opportunities to move away from combustion engine vehicles where possible in order to meet its net zero target for 2030.

5. Options Considered

- 5.1 Defer replacement of the pickups to the following year; however, they are now seven years old and starting to require greater maintenance to keep them safe and roadworthy.
- 5.2 Not to replace any of the pickups with electrically driven vehicles and stick with diesel using HVO fuel. The Council needs to decarbonise its operations by 2030, and currently only has a small number of EV's. The Council needs to take the opportunity to build its EV fleet when economic to do so, and start learning lessons from running and maintaining EV's to inform on future purchases.

- 5.3 Is there a lease option with a presumption that this would not be cost effective to the Council?

6. **Legal and Statutory Implications**

- 6.1 The use of the TPPL framework for the Streetscene and MMF vehicles, offers a compliant procurement process in line with Public Contract Regulations 2015.
- 6.2 The use of the ESPO framework for the supply of the ride on mowers also offers a compliant procurement process in line with Public Contract Regulations 2015.
- 6.3 Regularity and Assurance Compliance has been established as part of the methodology offered by both suppliers proposal/s.

7. **Equality Impact Assessment**

- 7.1 There are no equality impact implications arising from this report.

8. **Financial and Resource Implications**

- 8.1 The fleet replacement approved capital programme has £420,000 allocated for the replacement of Streetscene pickups and £162,000 allocated for replacement ride on mowers. Two additional mowers are required to fulfil the urban highway grass cutting operation. The funding for these will be supported from the agreed service fee paid by the County Council.
- 8.2 Soft market testing utilising the TPPL framework indicates there is sufficient funding within the Councils fleet replacement capital programme to replace the Streetscene fleet including the purchasing of four EV's.
- 8.3 The purchase of two pickups for the MMF service will cost £60,000, which is equivalent to the current hire costs for vehicles based over a seven-year life.
- 8.4 Moving forward the service and maintenance costs should be cheaper for the EV's than equivalent diesel-powered vehicles. However, the council is now at the point where workshop technicians need to be provided with specific training regarding maintaining EV's as more of the fleet moves over to them in the coming years.
- 8.5 There will be a possible income from the sale of existing fleet of vehicles. This is difficult to predict, as the market continually fluctuates, but the market for used vehicles is currently quite strong.

9. **Major Risks & Mitigation**

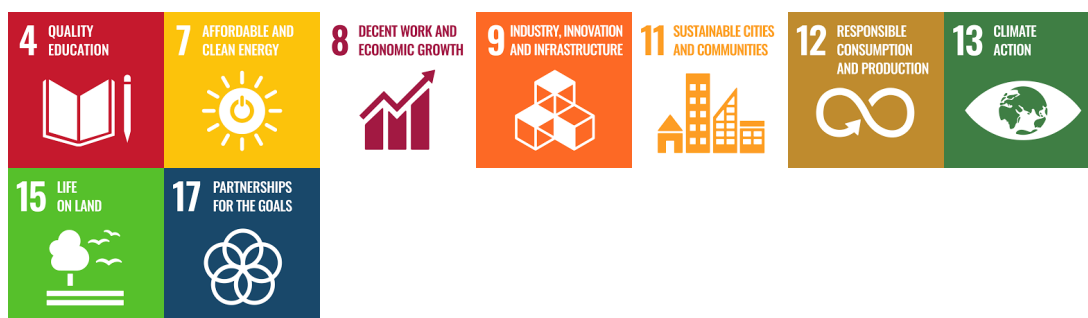
- 9.1 The move to EV's is vital if the Council is to reach its net zero target by 2030, and the Council will need to ensure it has sufficient Capital provision, or

alternative finance options in place to replace vehicles with combustion engines moving forward.

- 9.2** The Council will need to consider the installation of necessary and appropriate electrical charging infrastructure at its depot. This is currently being considered and actioned through a joint project with three other LA's with in-house operational services in the Staffordshire Waste Partnership (SWP) to be completed during 2024.

10. Decarbonisation & UN Sustainable Development Goals (UNSDG)

- 10.1** The current fleet of diesel powered pickups generates 51.80 tonnes of CO2 per year
- 10.2** The new fleet with six electrically powered vehicles, and the others utilising HVO instead of white diesel will achieve a carbon reduction of 48.67 tonnes of CO2 (94% reduction).
- 10.3** The new fleet of vehicles and plant will contribute to the following UN Sustainable Development Goals.



11. Key Decision Information

- 11.1** This is a key decision due to the procurement process being above the Capital threshold in the Councils financial regulations.

12. Earlier Cabinet/Committee Resolutions

- 12.1** March 2023 Cabinet approval to procure refuse collection vehicles (RCV's) and streetscene sweepers.

13. List of Appendices

- 13.1** None

14. Background Papers

14.1 None