

Delegated Officer Report

Decision Maker:	Helen Lockwood, Executive Director for Economy, Skills & Neighbourhoods
Date of Decision:	
Subject:	Approval to Purchase of 5 Response Vans
Report Author:	Dave Durham, Fleet & Workshop Manager
Ward (s):	N/A

Reason for the decision:

To seek approval for the purchase of 5 response vans.

Summary:

Fleet Management seek to purchase 5 Response vans for the First Response and Pest Control service as the existing vehicles have come to the end of their economical life. A quote was sought from Peugeot Motor Company Plc under the YPO framework for the Purchase of Car & Light Commercial Vehicles and the Modification of Cars & Light Commercial Vehicles (653) (Ref: FC1087). In line with the framework guidelines the option of direct award was exercised. Peugeot Motor Company Plc submitted a quote and vehicle which best meets the specification issued by the Council via the Chest which has been assessed by Fleet Management, Response Services and Commercial Services.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option 1: To approve the award of the contract to Peugeot Motor Company Plc under the YPO Purchase of Car & Light Commercial Vehicles & the Modification of Cars & Light Commercial Vehicles framework. The vehicle requested from Peugeot Motor Company Plc met the Council's requirements.

Option 2: To not approve the recommendation of this report. Due to service requirements another viable route would need to be identified extending timescales which would negatively affect service delivery and would incur additional revenue cost in hiring the vehicles short term.

Consultation: including any conflict of interest declared by relevant Cabinet Member consulted.

N/A

Recommendation(s):

It is recommended that the response vans are purchased from Peugeot Motor Company Plc under the YPO Purchase of Car & Light Commercial Vehicles & the Modification of Cars & Light Commercial Vehicles framework (653).

Implications:

What are the *financial* implications?

Capital

The current Response Services/Pest Control vehicle fleet contains 7 vehicles, 5 of which were acquired in 2014/15. The assumed life of these 5 vehicles was 5 years but they have become dilapidated after 4 years. As a result, the vehicles now need replacement urgently.

The cost of acquiring 5 suitably equipped Response Service vehicles will be £85k.

As the vans will be subject to intense usage they are expected to have a shortened service life of four years each. The vehicles will be capitalised and funded using prudential borrowing over that time period.

There is adequate capital resource within the Fleet element of the capital programme to fund this acquisition.

The surplus vehicles will be sent to auction for disposal. Each sale will generate a capital receipt. The value of each receipt is unlikely to be significant as the vehicles are not in good condition due to heavy usage. Due to this the value of the capital receipt cannot be determined. Any proceeds will be available to fund the capital programme as these receipts have not been included in any estimates.

Revenue

The current prudential interest rate is 3.05% p.a. and the cost of borrowing (principal and interest) will be £22.9k p.a. (£91.5K in total over 4 years).

As the existing 5 vehicles are being replaced a year earlier than anticipated there is an outstanding prudential borrowing of £17.9k due in the next financial year. This will be met from the Fleet Replacement programme reserve.

The cost of repayment for the vehicles will be met from an existing budget allocation of £890k held within the service for replacing vehicles. A review of the Response Service vehicle budgets indicates that whilst there will be a small increase in fleet recharges, this can be contained within the existing budget provision of the service as a whole.

(Nigel Howard / Sadrul Alam)

What are the legal implications?

The Council has followed Rule 4.1 of its own Contract Procedure Rules and used a framework agreement to select a preferred provider which meets with its specific procurement requirements. (Elizabeth Cunningham Doyle)

What are the procurement implications?

Commercial Services supports the approval of the preferred option to purchase the vehicles from Peugeot Motor Company Plc under the YPO Purchase of Car & Light Commercial Vehicles framework (00653) (FC1087). The process undertaken complies with point 4.1 of the Council's Contract Procedure Rules states that if an existing framework is available it should be used.
Emily Molden (Sourcing & Contracts Consultant)

What are the Human Resources implications?

N/A

Equality and Diversity Impact Assessment attached or not required because (please give reason)

An EIA was not undertaken as the decision is not likely to affect any vulnerable group.

What are the property implications

N/A

Risks:

N/A

Co-operative agenda

As a Co-operative Council we are committed to ensuring we have the equipment and resources required to support the delivery of Oldham's priorities, leading to better outcomes and delivery. Renewing Oldham's fleet will ensure that Oldham can continue to deliver excellent services, with equipment that meets the needs and standards of the authority.

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?

Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?

Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council?

No

There are no background papers for this report

Report Author Sign-off:	
	
Date:	11.12.18

In consultation with Director/Executive Director

Signed :  Date: 11.12.18.