

Wiltshire Council

Cabinet

12 September 2023

Subject: Fleet Vehicle Replacement 2023/24 to 2025/26

Cabinet Member: Cllr Caroline Thomas – Cabinet Member for Transport, Street Scene and Flooding

Key Decision: Key

Executive Summary

The Procurement Partnership Limited (TPPL) Framework has been identified as the best route to market to meet the Council's requirements for its vehicle replacement programme 2023/ 24 to 2025/ 26. The framework allows the easiest call off of vehicles against a schedule of rates and access to the most competitive prices with the economies of scale the framework provides.

The Council has approved a Capital budget allocation for 2023/ 24 to 2025/26 of which £6.463m is uncommitted.

The engine type priority of provision will be electric; however, for many reasons alternatives will be necessary. This could be hybrid or a provision of fossil fuel vehicle to allow the option of running on alternative fuels such as hydrotreated vegetable oil, sometimes known as Renewable Diesel (HVO).

The capital provision, using the TPPL framework will ensure the Council maximises the use of its capital spend with the replacement of vehicles supporting services and moving to more sustainable forms of travel.

Proposals

Cabinet is asked to approve:

- 1) the use of The Procurement Partnership Limited (TPPL) framework to procure light goods vehicles and specialist vehicles for the period 2023/ 24 to 2025/26 up to a total value of £6.463m.
- 2) that the award of contracts for the vehicles to be delegated to the Director of Highways and Transport, in consultation with the Cabinet Member for Transport, Streetscene and Flooding.

Reason for Proposals

To award a vehicle purchasing contract to The Procurement Partnership Limited (TPPL) for the replacement of 118 vehicles for the period 2023/ 24 to 2025/ 26.

Terence Herbert
Chief Executive

Wiltshire Council

Cabinet

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Subject: Fleet Vehicle Replacement 2023/24 to 2025/26

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Purpose of Report

1. That the Cabinet approves the use of The Procurement Partnership Limited (TPPL) framework to procure light goods vehicles and specialist vehicles for the period 2023/24 to 2025/26 up to a total value of £6.463m.
2. To approve the award of contracts for the vehicles to be delegated to the Director of Highways and Transport, in consultation with the Cabinet Member for Transport, Streetscene and Flooding.

Relevance to the Council's Business Plan

3. The vehicle provision and its costs impact upon the delivery of all services within the Council and the delivery of the Business Plan.

Background

4. The Council has approved a Capital budget for 2023/ 24 to 2025/ 26:

Description	Budget 2023/24 £m	Budget 2024/25 £m	Budget 2025/26 £m
Fleet Vehicle Uncommitted Capital	£2.363	£1.879	£2.221

5. The capital funding has been approved to:
 - (i) Ensure the Council's owned and operated fleet operations move to be carbon neutral by 2030.
 - (ii) Meet the requirements of the Council's Medium-Term Financial Strategy.
 - (iii) Provide a fleet of vehicles that are fit for purpose, safe to operate and meet our statutory commitments.
 - (iv) Ensure the Service objectives of the Council are met and the requirements for best value; and
 - (v) Maximise the Council's performance and the opportunity for innovative ways of working.

6. The Council's approved vehicle capital replacement programme for 2023 to 2025 includes for the replacement of the following vehicles: (£millions)

2023/24 Standard

Vehicle type	Quantity	Estimated cost
Small panel vans	27	£0.864
Car	9	£0.270
TOTAL	36	£1.134

2023/ 24 Specialist

Vehicle type	Quantity	Estimated cost
4x4 Single Cab	4	£0.180
Minibus Wheelchair	7	£0.630
Tanker	2	£0.320
TOTAL	13	£1.130

2024/ 25 Standard

Vehicle type	Quantity	Estimated cost
Medium Van	4	£0.224
TOTAL	4	£0.224

2024/ 25 Specialist

Vehicle type	Quantity	Estimated cost
4x4 Single Cab	2	£0.090
4x4 Double Cab	11	£0.495
Minibus Wheelchair	15	£1.050
TOTAL	28	£1.635

2025 /26 Standard

Vehicle type	Quantity	Estimated cost
Small panel van	12	£0.384
Medium Van	2	£0.112
Large Van	9	£0.625
Car	6	£0.180
TOTAL	29	£1.301

2025/ 26 Specialist

Vehicle type	Quantity	Estimated cost
Medium Van Pest Control	2	£0.112
Box Van	1	£0.070
Minibus Wheelchair	2	£0.140
Library Buses	2	£0.400
Display Vehicle	1	£0.110
TOTAL	8	£0.832

7. The engine type priority of provision will be electric; however, for many reasons alternatives will be necessary. This could be hybrid or a provision of fossil fuel vehicle to allow the option of running on alternative fuels such as hydrotreated vegetable oil, sometimes known as Renewable Diesel (HVO).
8. The Vehicle Replacement Plan recognises that different fuel types will give business continuity cover should one fuel source be disrupted. The desired ratio of replacement will be two electric/ hybrid vehicles for every fossil fuel.
9. Extensive consultation has been carried out with staff directly involved in the future use of the vehicles. This consultation has formulated the proposals in relation to the type of vehicles to be procured.
10. The major impact with fleet provision is not on the Fleet Service, but the receiver of the service. Whilst cost savings are easily achieved with buying smaller more efficient vehicles these may not always meet the service needs.
11. Every non-electric vehicle ordered will need a business case provided to ensure it is appropriate. The Fleet Strategy recognises that not every service can move to electrified vehicles. Reasons would include:
 - (i) Electric vehicles not currently being available. For example, larger and specialised vehicles.
 - (ii) Range of travel does not allow electric vehicles. Examples would include minibus usage by the Passenger Transport Unit.
 - (iii) Business Continuity requires a number of vehicles to be non-electric to ensure services can be maintained during periods of disruption – for example power outages.
 - (iv) In 2023/24 the Council is installing circa 100 workplace electric vehicle charging points. This number is restrained by the power supply to buildings (this is the maximum number of charge points that can be provided without major infrastructure investment). The emerging Depot Strategy allows for greater power supplies and resilience (battery storage). However, until recommendations from the Depot Strategy come forward for agreement and are implemented the move to electric vehicles will be slowed by the infrastructure available. For the time being

this may not be a major issue due to the need for a business continuity provision.

12. Every new vehicle is now fitted with monitoring equipment (telematics which records vehicle use) to ensure the fleet provision is maximised.

Main Considerations for the Council

13. Procurement will be using capital budget already committed.
14. The procurement route will be in accordance with best value requirements.
15. The full financial implications will be confirmed following the procurement exercises but based on the estimates described above, there is sufficient approved budget within the existing capital programme.
16. The use of Frameworks allows greater economies of scales to be realised and also reduces selection costs and times by allowing a call off (decision on preference) against a list of different vehicles with a schedule of rates, rather than tendering groups of vehicles at regular time intervals.
17. There are currently a number of fleet framework agreements available for the Council to use for procurement of light goods vehicles and specialist vehicles. Each framework agreement has a set of terms and conditions, call-off arrangements, monitoring, management and key performance indicators. Many of these are common to all of the framework agreements, others are unique to individual framework agreements. It is essential that the terms and conditions of any contracts entered into under the framework agreements are consistent with the Council's procurement requirements and meet the needs and risk levels of the Council.
18. The Framework providers consideration included TPPL, Crown Commercial Service (CCS) and Eastern Shires Purchasing Organisation (ESPO) arrangements. The TPPL Framework has been identified as best for meeting the Council's requirements as it allows the easiest call off of vehicles against a schedule of rates.
19. Feedback from other framework users, suppliers and our own experience is that this type of agreement is fit for purpose and works effectively. The cycle of framework renewals also provides for the benefits of development in vehicle technology and efficiency to be captured within new and replacement framework agreements. This ensures that the Council has access to the most up to date alternative fuel vehicles to increase the sustainability of the fleet and reduce emissions.
20. TPPL has provided helpful advice and will run further competitions if required on behalf of the contracting authority on its own e-portal, dealing with all questions, prompting suppliers as the closing date approaches and sending bids to the contracting authority for evaluation following the closing date.
21. TPPL is not a contacting authority in its own right – it works with local authorities to award vehicle and vehicle related contracts and manage them on their behalf.
22. The capital provision, using the TPPL framework will ensure the Council maximises the use of its capital spend with the replacement of vehicles supporting services and moving to more sustainable forms of travel.

Overview & Scrutiny Engagement

23. A briefing for the Chairs and Vice-chairs of Environment Select Committee and Overview and Scrutiny Management Committee will be provided on 8 September 2023.

Safeguarding Implications

24. None.

Public Health Implications

25. With the move to lower emission vehicles this delivers better air quality outcomes.

Procurement Implications

26. The approved Procurement Sourcing Plan recommends that a direct award under TPPL's frameworks is used for the purchase of all required vehicles in this three-year period of the Fleet Replacement Programme.

Equalities Impact of the Proposal (detailing conclusions identified from Equality Analysis, sections 4 and 5)

27. None.

Environmental and Climate Change Considerations

28. With the move to a more modern fleet vehicles will assist in delivering the Council's pledge to be carbon neutral by 2030.

Risks that may arise if the proposed decision and related work is not taken

29. Committed Fleet Service budget savings for the period will not be achieved.
30. A carbon neutral fleet will not be possible by 2030.
31. Service disruption due to having an older and unreliable fleet, with the associate loss of effectiveness and increased costs.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

32. Poor Quality Products. The supplier is required to deliver vehicles that conforms to industry mandated specifications. Failure to deliver products that meet the required standard will be dealt with within the mechanisms contained within the contract. Ultimately the contract contains the mechanism to terminate the contract for poor supplier performance.

Financial Implications

33. Capital budget for the Fleet programme was approved as part of 2023/24 budget setting and covered the period 2023/24 to 2025/26, of this £6.463m is uncommitted and available for future Fleet requirements. The Capital budget is funded by borrowing and revenue budget to cover the borrowing costs has been built into the MTFS..
34. Revenue savings to be achieved from moving to a more modern fleet have been included within the 2023/24 budget of £0.039m and a further £0.139m has been included within the MTFS to be achieved in 2024/25 and 2025/26.
35. A procurement route is required to ensure vehicles can be procured efficiently, ensuring competitive prices are secured and long lead in times avoided. Procurement delay could result in higher prices being paid for vehicles purchases and delay savings delivery. Due to the age of the fleet and breakdowns, a procurement delay could result in service distribution and increased running costs.

Legal Implications

36. This report recommends that approval is given to direct award under an existing framework.
37. Any Call off contract must be carried out in accordance with the Call Off Process set out in the Framework Agreement.
38. Legal Services will provide advice to ensure that that the compliance with the Framework Agreement and call off process. It should be noted that the terms and conditions will be those as set down by the Framework Agreement and the client department should satisfy themselves as to whether they are suitable for their requirements.

Options Considered

39. The alternative options considered were:

- **Do nothing. Rejected.**

There is an expectation the Council moves to a carbon neutral fleet. The age of the Council's current fleet, with its associated breakdowns, causes disruptions in service delivery and this will only get worse the longer the time passes.

- **Let a bespoke council contract. Rejected.** The capital spend is in scope of EU Procurement Regulations which would require a full EU compliant tendering exercise which would require significant officer resource and would take time to carry out.

The Council's capital funding, although significant cannot compete with economies of scale that existing framework contracts offer. The bespoke approach does not deliver best value to the Council. Using an existing framework will save officer resources and deliver greater value for money.

Conclusions

40. The Council has approved a Capital budget for 2023/ 24 to 2025/ 26 of which £6.463m is uncommitted.

41. The Council's approved vehicle capital replacement programme for 2023 to 2025 is for the replacement of 118 vehicles:
42. The engine type priority of provision will be electric; however, for many reasons alternatives will be necessary. This could be hybrid or a provision of fossil fuel vehicle to allow the option of running on alternative fuels such as hydrotreated vegetable oil, sometimes known as Renewable Diesel (HVO).
43. The TPPL Framework has been identified as best for meeting the Council's requirements as it allows the easiest call off of vehicles against a schedule of rates and access to the most competitive rates with the economies of scale the framework provided.
44. The capital provision, using the TPPL framework will ensure the Council maximises the use of its capital spend with the replacement of vehicles supporting services and moving to more sustainable forms of travel.

Samantha Howell
Director, Highways & Transport

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Appendices

None

Background Papers

None