

Report to the Cabinet

Report reference: C-046-2022/23

Date of meeting: 13 March 2023

Portfolio: Contracts and Commissioning (Cllr Nigel Avey)

Subject: Procurement of Waste Fleet Vehicles

Responsible Officer: James Warwick (01992 564350).

Democratic Services: Adrian Hendry (01992 564246).



**Epping Forest
District Council**

Recommendations/Decisions Required:

- (1) Subject to the approval of a provision of £9.22 million within the Capital Programme for 2023/24 and associated revenue costs, agree to proceed with the procurement of Waste Fleet Vehicles; and**
- (2) To procure the vehicles through The Procurement Partnership Framework.**

Executive Summary:

Epping Forest District Council (EFDC) does not own the waste vehicles used for the current waste contract, therefore EFDC will be required to procure new waste fleet to allow the waste management service to maintain and appropriately manage its statutory duties around domestic and commercial waste collections for the new waste contract starting November 2024.

Not owning the fleet means the EFDC have no control over the maintenance and scheduling of maintenance of the waste vehicles. This has led to the current issue of large volume of missed collections due to vehicle breakdowns. EFDC will have more control and business continuity in the future which will reduce future risks to the contract if EFDC owns the fleet.

There is currently a long lead in time to procure waste vehicles, which could be as much as 15 months once the vehicles have been ordered. The new waste vehicles must be ready for the new waste contract in November 2024.

Reasons for Proposed Decision:

To ensure EFDC can maintain and appropriately manage its statutory duties around domestic and commercial waste collections.

Other Options for Action:

Lease the vehicles but would be more costly and would still need to start the process as soon as possible to order make sure the vehicles are in place in time for the new contract.

Leasing the vehicles also means that EFDC will not own the fleet as an asset.

Report:

1. Epping Forest District Council (EFDC) has since 1990 used outside contractors to provide most of the waste collection & cleansing services in the district. This tender exercise was forced by the new regulations of Compulsory Competitive Tendering (CCT) with the Direct Labour Organisation losing substantially especially on the financial aspects.

DS/AH (November 2020)

2. The maintenance of the fleet was carried out in house at Langston Road depot up to the last three contracts. The fleet has not changed in any substantive way since the establishment of the current food and garden service in 2008. The current situation with Biffa and with the end of the contract within 20 months makes the procurement of a new fleet essential.

3. The current fleet for refuse and food and garden collections (excluding narrow access) consists of 26 and 32 tonne freighters. There are currently 5 refuse rounds and 7/8 Food & Garden rounds. The current fleet for recycling collections (excluding narrow access) consists of 26 and 32 tonne freighters. These have a split body based on 70% household recycling and 30% for glass. There are currently 6 recycling rounds. There are three narrow access vehicles on the contract that now collect each of the three major services separately.

4. To procure a new fleet EFDC will need to produce a specification as to the type of vehicles required to deliver the waste services in the most efficient and cost-effective way. At this stage we are proposing to procure the similar vehicle mix that is currently used for the waste contract. We will consider and factor in any future requirements and changes to the collection of waste. For instance, where there is uncertainty with the most appropriate vehicle due to potential changes to collection methods, we will consider leasing options until we have certainty of what is required to minimise risk.

6. The maintenance of the vehicles will also be considered and determined as part of the procurement process. Some manufacturers include the option for them to maintain the vehicles and supply the parts. There is also the opportunity under social value to offer apprenticeships and train local people to work on the maintenance of the vehicles.

7. To ensure value for money and that the vehicles are procured in sufficient time for the new waste contract we intend to work with The Procurement Partnership Limited (TPPL). The Procurement Partnership 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 their member organisations, drive value for money and meet PCR2015 compliance regulations. Through a collaborative approach, members can obtain fully supported procurement solutions, with the added value of product specific technical expertise to help scope the product and procurement specifications.

8. The Procurement Partnership Ltd have completed an OJEU tendering exercise for the Procurement of HGV and Specialist Vehicles Framework Agreement including HGV and Specialist Vehicles, Electric and Hydrogen drivetrain conversion systems to pre-existing and glider chassis.

Resource Implications:

The indicative capital cost of the procurement of new waste vehicles is £9.22 million and has been included in the latest Capital Programme and Medium-Term Financial Plan (2023/24 to 2027/28) approved by full Council on 28th February 2023.

Capital expenditure must be funded, and at this point it is assumed that the Council will have to borrow to achieve this. The consequences of this are twofold. Firstly, interest will be paid on the borrowing, and secondly, there will be a need to set aside a statutory revenue provision each year to repay the debt (known as Minimum Revenue Provision or "MRP").

The rate of interest payable and MRP repayments are based on PWLB rates as at 20th January 2023; these will be subject to change because the rates may be different at the time the waste fleet procurement is completed and financing is necessary.

The waste fleet procurement is expected to be completed by January 2024, therefore three months interest costs related to the associated borrowing has been included in the 2023/24 budget and Medium-Term Financial Plan. Full interest and MRP repayments will commence in 2024/25 and are included in the table below.

	Estimated Revenue Cost	
	23/24	24/25 Onwards
Fleet Procurement Project	£	£
Revenue Consequences of Capital Investment:		
Borrowing Costs - Interest	103,495	413,980
Minimum Revenue Provision (MRP)	-	995,650
Total Annual Cost of Capital Investment	103,495	1,409,630

Legal and Governance Implications:

NEPO and The Procurement Partnership Ltd have completed an OJEU tendering exercise for the Procurement of HGV and Specialist Vehicles Framework Agreement including HGV and Specialist Vehicles, Electric and Hydrogen drivetrain conversion systems to pre-existing and glider chassis. These solutions can be applied to pre-existing and new glider chassis, covering Minibuses, Buses, Coaches, Light, Medium, and Heavy Goods Vehicles.

Safer, Cleaner and Greener Implications:

As part of the procurement process all environmentally friendly options will be considered and alternative fuel types will be considered wherever feasible.

Consultation Undertaken:

None

Background Papers:

North Weald Vehicle Depot Cabinet Report – 6th February 2023

Risk Management:

Failure to procure new waste fleet is essential to allow the waste management service to maintain and appropriately manage its statutory duties around domestic and commercial waste collections.

EFDC owning the vehicles provides stronger business continuity and reduces the risks if things go wrong with the waste contract. The vehicles will be a council asset

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. **All Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA.** An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details
Your function, service area and team: Contracts (Waste Management)
If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: N/A
Title of policy or decision: Procurement of waste fleet vehicles
Officer completing the EqIA: James Warwick Tel: 4350 Email: jwarwick@eppingforestdc.gov.uk
Date of completing the assessment: 01/02/23

Section 2: Policy to be analysed	
2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? New Project
2.2	Describe the main aims, objectives and purpose of the policy (or decision): Provide a depot for waste and highways at North Weald Airfield What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? Procure a new waste fleet vehicles for the new service delivery and ensure EFDC can fulfill its statutory duty to collect residents' waste.
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> • service users • employees • the wider community or groups of people, particularly where there are areas of known inequalities? <p>Enables EFDC fulfill its statutory duty to collect residents' waste.</p> <p>Will the policy or decision influence how organisations operate? Provides greater resilience to EFDC and business continuity for waste delivery. The aim is to improve the waste contractors service delivery and how EFDC manage the waste contract. It reduces the risks and provides resilience and more flexible options to improve and deliver waste services to residents.</p>
2.4	Will the policy or decision involve substantial changes in resources? Capital funding will be required
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? <ul style="list-style-type: none"> • Procurement of the new waste contractor • Development of an EFDC waste depot • Corporate plan.

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1 What does the information tell you about those groups identified?
The current contract serves all residents of the district, and all residents can access EFDC's waste collection service. We have a statutory duty to collect all residents' waste.

3.2 Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?
N/A

3.3 If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:
N/A

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral This service is available to all residents regardless of age and enables EFDC to carry out its statutory duty of collecting residents' waste and should reduce the long-term costs of the waste contract.	L
Disability	Neutral The service is available to all residents and assisted collections can be arranged	L
Gender	Neutral The service is available to all residents.	L
Gender reassignment	Neutral The service is available to all residents.	L
Marriage/civil partnership	Neutral The service is available to all residents.	L
Pregnancy/maternity	Neutral The service is available to all residents.	L
Race	Neutral The service is available to all residents.	L
Religion/belief	Neutral The service is available to all residents.	L
Sexual orientation	Neutral The service is available to all residents.	L

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No	
		L	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: JENNIFER GOULD

Date: 02/02/23

Signature of person completing the EqIA:



Date: 01/02/23

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqIA you undertake to the director responsible for the service area. Retain a copy of this EqIA for your records. If this EqIA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.