

Report to the Council

Committee: Cabinet

Date: 31 July 2012

Portfolio Holder: Councillor Will Breare-Hall
(Environment)

SUPPLEMENTARY CAPITAL ESTIMATE – REPLACEMENT OF FIVE MOWING MACHINES

Recommending:

That a supplementary capital estimate of £123,750 for 2012/13 be approved in order to enable the Directorate of Environment and Street Scene's Grounds Maintenance Section to purchase five Ransomes' Highway3 ride-on mowers

1. In 2008, the Council's Grounds Maintenance Section entered into a lease agreement for the purchase of five ride-on mowers in order to meet the requirements of the Council's grounds maintenance contracts. The lease came to an end in April 2012 but has been extended whilst arrangements for future funding of replacement mowers is considered.
2. As part of the procurement process, a number of different manufacturers' equipment was tested and assessed and Ransomes' machines were selected on the basis of previous reliability and operational features.
3. The specification was subjected to a tender process via the Essex Procurement Hub and the lowest tender submitted was in the sum of £123,750.
4. The cost has been subjected to a capital/lease comparison which has shown that capital funding would be more cost effective than leasing. On the two previous occasions when mowers were renewed the operating lease option was the most cost effective solution and as result no capital provision was made in the 2012/13 Capital Programme.
5. If the required capital provision is approved, a sum of £23,000 per annum currently in the Continuing Services Budget (CSB) for funding lease costs will not be required and can be identified as a saving.
6. There is separate provision in the 2012/13 CSB for the necessary servicing and maintenance of the machines.
7. Although the present lease could be extended, repairs to the existing machines are becoming more frequent and this is not considered a viable option.
8. Accordingly, we recommend at set out at the commencement of this report.