

Report to Cabinet

Wednesday, 22 May 2024

By the Cabinet Member for Environmental Health,
Recycling and Waste

DECISION REQUIRED



**Horsham
District
Council**

Partially Exempt

**Appendices A & B exempt under Paragraph 3 of
Part 1 of Schedule 12A to the Local Government
Act 1972**

Refuse Vehicle Refurbishment Tender Award

Executive Summary

The purpose of this report is to seek approval to award a contract for the refurbishment of our remaining un-refurbished fleet of thirteen Refuse Collection Vehicles (RCVs) following the termination of the contract with the previous contractor.

In January 2023, the Council entered into a contract with a contractor to refurbish 22 of our RCVs. This contract has been terminated by mutual agreement between the Council and the contractor for the reasons contained in the exempt appendix A to this report.

The RCVs are all reaching the end of their useable life and are increasingly costly to maintain which leads to more time off the road when we can't use them.

Therefore, a procurement exercise was undertaken to identify a replacement contractor and the council now needs to award the subject contract to the winning bidder as detailed in the exempt appendix B to this report.

Recommendations

Cabinet is recommended to:

- i) Approve the award of the contract for refurbishing the Refuse Collection Vehicles to the supplier named in Appendix B and on the terms contained in that Appendix.
- ii) Delegate authority to the Director of Communities in consultation with the Head of Legal & Democratic Services to finalise terms and conditions of and enter into the contract for the refurbishment of the Refuse Collection Vehicles.

Reasons for Recommendations

- i) To ensure that the RCV fleet is refurbished without further delay. This will extend their usability for another six years, providing an opportunity for alternative fuel options to become more accessible at a reasonable price.

Background Papers

None

Wards affected: All wards

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Background Information

1 Introduction and Background

- 1.1 Horsham District Council manages a fleet of 22 Refuse Collection Vehicles (RCVs) which are used to provide recycling and waste collections. RCVs typically have a usable life span of seven years before they need to be replaced. Our current fleet are seven years old and therefore were due to be replaced. In line with the Council's objective to be carbon neutral by 2030, there is a need to shift away from diesel/HVO powered vehicles and to move towards either electric vehicles, or other alternative fuels.
- 1.2 At its meeting on 24 November 2022, Cabinet considered a report that recommended that all of the Council's RCVs be refurbished in both their bodies and cabs in order to prolong their operational lifespan while minimising downtime and maintenance expenses. The purpose of this investment was to give more time for the market to develop alternative fuelled RCVs that could be acquired towards 2030. This approach also fits in with the Council's re-use strategy.
- 1.3 As such, the Council approved the award of a contract for the refurbishment of the RCVs. However, that contract was terminated by mutual agreement between the Council and the contractor for the reasons noted in the exempt appendix A to this report.

2 Relevant Council policy

- 2.1 Inspiring Greener futures - Refurbishing these vehicles to become an integral part of the collection fleet will help work towards helping businesses and residents to waste less and recycle more.

3 Details

- 3.1 The rationale for seeking approval for the refurbishment of the RCV fleet is contained in the report to Cabinet dated 24 November 2022.
- 3.2 Only eight vehicles have been refurbished to date under the previous contract, leaving thirteen incomplete. Therefore, we needed to engage a supplier through appropriate procurement procedures to carry on with the refurbishments and fulfil the planned objectives.
- 3.3 Accordingly, a procurement exercise was undertaken to identify a suitable supplier as detailed in appendix B.

4 Next Steps

- 4.1 All legal work will be undertaken to give effect to the award of the RCV refurbishment contract.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The Senior Leadership Team have been consulted on the contract termination and also on the plan to seek a new supplier.
- 5.2 The Monitoring Officer and the Director of Resources were both consulted to ensure legal and financial probity.

6 Other Courses of Action Considered but Rejected

- 6.1 The Council could have continued with the current contract, but this was rejected for the reasons contained in the exempt appendix A to this report.
- 6.2 The Council can continue using the current RCVs and not continue with the refurbishment plan but this is not recommended as they are becoming unreliable, are costlier to maintain and need to have their economic life extended.

7 Resource Consequences

- 7.1 The total costs to finish the thirteen refurbishments will be approximately £702,000 based on a quote of around £54,000 per vehicle inclusive of Framework charges.
- 7.2 We already have a capital budget set for the initial refurbishment contract and will ensure that the new supplier remains within this budget. Therefore, we are not requesting the approval of any further funds.
- 7.3 The new contract should help to stabilise the escalating revenue costs in maintenance and hire costs.

8 Legal Considerations and Implications

- 8.1 A Waste Collection Authority ("WCA") in England is a District Council. Section 30 Environmental Protection Act 1990 ("EPA 1990").
- 8.2 A WCA must arrange for the collection of household waste in its area. Sections 45-48 EPA 1990.
- 8.3 A WCA must arrange for the collection of commercial waste from a premises in its area if requested to do so by the occupier of the said premises. Section 45(1)(b) EPA 1990.
- 8.4 Every statutory provision conferring or imposing a function on a Local Authority confers a power to enter into a contract for the provision of services in connection with the discharge of the function by the Local Authority. Section 1 of Local Government (Contracts) Act 1997.
- 8.5 Section 1 of the Localism Act 2011 allows Local Authorities to do anything that individuals generally may do. Therefore, a Local Authority has the power to arrange for the collection of commercial waste otherwise than under section 45(1)(b) of the EPA 1990.
- 8.6 Section 135 of the Local Government Act 1972 allows Local Authorities to make standing orders about contracts.

- 8.7 The Council's Constitution and Procurement Code make provision for the (i) making of contracts, and, (ii) procurement regime.
- 8.8 Otherwise, in-house legal resources will be used to complete the legal documentation to facilitate the award of the RCV refurbishment contract.

9 Risk Assessment

- 9.1 If the proposed options are not approved, then there is a significant risk of the current revenue budgets being affected due to increased costs of repairing and maintaining our aging fleet. There is also a significant risk to the Council Operators Licence which has strict guidelines on the upkeep and maintenance of our heavy goods vehicles.
- 9.2 Assumptions
1. Technology will improve within next 5 to 6 years including vehicles and batteries
 2. Alternative technologies such as Hydrogen (already in use in Scotland and N America) will become available for larger vehicles (RCVs and large sweepers)
 3. Charging infrastructure will improve with a move toward smart charging at charge-points to manage demand in real-time.
 4. Introduction of lower time of use (ToU) tariffs using multiple charge-points not exceeding maximum power capacity at the site.
 5. Advancement of different types of ultra-low emission vehicles (ULEVs) including zero emission, extended range electric vehicles, plug-in hybrids for larger (HGV) and fuel cell electric (FCEV- hydrogen vehicle)

10 Procurement implications

- 10.1 The Council has complied with all necessary Procurement Regulations and the Council's Procurement Code. The procurement processes have been overseen by the Council's Procurement Senior Procurement Officer, supported by the Senior Solicitor ensuring compliance.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 The recommendation has no negative impact on any particular groups and an Equalities Impact Assessment is not required.

12 Environmental Implications

- 12.1 The utilisation of HVO instead of conventional diesel results in emission reductions. Repurposing existing vehicles also aligns with our sustainability and environmental strategy.

13 Other Considerations

- 13.1 The procurement will ensure GDPR and data protection processes are in place and compliant with all relevant legislation.
- 13.2 Crime and disorder incidents are unlikely to occur but do need to be taken into consideration for potential vehicle or infrastructure vandalism. Monitoring processes are in place to deter this behaviour.

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