

**REPORT**

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: FLEET PROCUREMENT 2015 LIGHT VEHICLE TENDER AWARD (3)
From: ACTING EXECUTIVE DIRECTOR OF REGENERATION & ENVIRONMENTAL SERVICES		
Date: 26 <sup>th</sup> April 2016	Ref: KW/GJ/JS	

**1. INTRODUCTION**

1.1 The purpose of this report is to note the action taken by the Head of Business for Legal and Democratic Solutions following consultation with Convener of Environmental Services, in approving the purchase of, three (3) excavators and two (2) breakers.

**2. BACKGROUND**

2.1 This report details the outcome of this procurement exercise for three (3) excavators and two (2) breakers through Scotland Excel Heavy plant framework schedule number 09/14

2.2 An option appraisal was carried out by the Fleet Operations portfolio manager which showed that it was more cost effective for the three (3) excavators and two (2) breakers to be subjected to an operating lease. This process requires the vehicles to be purchased by the council at a cost of £76,080 then the Treasury Section arranges for the vehicles to be sold to a Finance Leasing Company who become the owners of the vehicles, and they in turn lease the vehicles back to the council.

2.3 After consultation with procurement it was agreed that a mini competition would be conducted to ensure best value, as detailed below, and suppliers on the framework were invited to compete.

Lot 1 - TRA/86a/2016 –Excavator (Quantity 3)

See appendix A showing the winning tender submission.

**3. TENDERS**

3.1 An evaluation team was appointed to evaluate the mini competition responses. The sole tender received was evaluated and deemed to be acceptable in terms of price and quality.

3.2 Upon the successful completion of the procurement exercise, authorisation to proceed and place an order for three (3) excavators and two (2) breakers was given by the Head of Business for Legal and Democratic Solutions following consultation with Convener of Environmental Services.

**4. FINANCIAL IMPLICATIONS**

4.1 The purchase cost of the three (3) excavators and two (2) breakers is £76,080. The estimated annual leasing cost for the three excavators and two (2) breakers will be

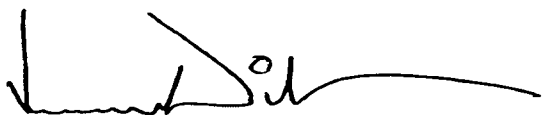
£10,410.03 per year. This leasing cost is charged to the user department which has an existing budget for this.

The user department has been given an indicative cost per vehicle for these new leases until the final lease value is known once the vehicles have actually been sold to the leasing company. The user department will have to fund any increased costs and it has already been made aware of this.

4.2 All three (3) mini excavators and two (2) breakers are based on a six year lease period.

## 5. RECOMMENDATION

5.1 The committee are asked to note the decision taken by the Head of Business for Legal and Democratic Solutions and the Convener of Environmental Services, to proceed with the procurement exercise, and place an order for three (3) excavators and two (2) breakers with the supplier.



**KENNETH WILSON**

**ACTING EXECUTIVE DIRECTOR OF REGENERATION & ENVIRONMENTAL SERVICES**

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## APPENDIX A – EVALUATION SUMMARY

### Lot 1 – TRA/86a/2015 – Tracked Excavator (Quantity 3)

<b>Tender Name</b>	<b>Price After Evaluation</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Total Score</b>	<b>Ranking</b>
Scot JCB Ltd	£76,080	60.00	24.85	84.85	1