

To: ENVIRONMENTAL SERVICES COMMITTEE		Subject: FLEET PROCUREMENT 2016 HEAVY VEHICLE TENDER AWARD (1)
From: HEAD OF ENVIRONMENTAL ASSETS		
Date: 16 <sup>th</sup> August 2016	Ref: KF/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 Services, following consultation with the Convener of the Environmental Services Committee, in approving the purchase of, two (2) 7.5t Box Vans with tail lifts, and one (1) 26t Multi lift Demount.

## 2. BACKGROUND

- 2.1 This report details the outcome of this procurement exercise for three vehicles through Scotland Excel Light Vehicle framework schedule number 02/13 PC-03.
- 2.2 Three vehicles are part of the ongoing 2016 Vehicle Replacement Programme.
- 2.3 An option appraisal was carried out for the three above vehicles which showed it was more cost effective for the three vehicles to be subjected to an operating lease. This process requires the vehicles to be purchased by the Council at a cost of £183,293.38, 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.
- 2.4 After consultation with procurement it was agreed that a mini competition would be conducted to ensure best value. The vehicles were broken down into lots, as detailed below, and suppliers on the framework were invited to compete.

Lot 1 – Withdrawn

Lot 2 – TRA/35a/2016 – 7,500kg Box van with tail lift (Quantity 2)

Lot 3 – TRA/45a/2016 – 26,000kg Chassis cab with demountable body (Quantity 1)

See appendix A showing winning tender submissions.

## 3. TENDERS

- 3.1 An evaluation team was appointed to evaluate the mini competition responses. Tenders were evaluated on the basis of the “most economically advantageous” and applying a 70/30 price /quality ratio. Quality scores were carried forward from the original Scotland Excel Framework.
- 3.2 Upon the successful completion of the procurement exercise, authorisation to proceed with the procurement exercise, and place orders for three (3) vehicles with the suppliers which provided the most economically advantageous tenders was given by the Head of Business for Legal and Democratic Services, following consultation with the Convener of the Environmental Services Committee.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The purchase cost of the three vehicles is £183,293.38. The estimated annual leasing cost for the three vehicles will be £29,862 per year. This leasing cost is charged to user departments who have existing budget for this. The user departments have been given an indicative cost per vehicle for these new leases. The final lease value becomes known once the vehicles have actually been sold to the leasing company. The user departments will have to fund any increased costs and they have already been made aware of this.
- 4.2 The two 7.5t Box vans are based on a five year lease period, and the 26t Multi Lift is based on a six year lease period.

#### **5. RECOMMENDATION**

- 5.1 The committee is asked to note the action taken by the Head of Business for Legal and Democratic Services, following consultation with the Convener of the Environmental Services Committee, to proceed with the procurement exercise, and place orders for three (3) vehicles with the suppliers which provided the most economically advantageous tenders.



**KENNETH FORBES**  
**HEAD OF ENVIRONMENTAL ASSETS**

Local Government Access to Information Act: for further information about this report please contact Graham Johnstone on 01698-506275

## APPENDIX A – EVALUATION SUMMARY

### Lot 2 – TRA/35a/2016 – 7,500kg Box van with tail lift (Quantity 2)

<b>Tender Name</b>	<b>Price After Evaluation</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Total Score</b>	<b>Ranking</b>
Imperial Isuzu	£76,940	70	18.63	88.63	1

### Lot 3 – TRA/45a/2016 – 26,000kg Chassis cab with demountable body (Quantity 1)

<b>Tender Name</b>	<b>Price After Evaluation</b>	<b>Price Score</b>	<b>Quality Score</b>	<b>Total Score</b>	<b>Ranking</b>
Western Commercial	£106,353.38	70	20.88	90.88	1