

CYNGOR SIR POWYS COUNTY COUNCIL.

**PORTFOLIO HOLDER DELEGATED DECISION
22ND OCTOBER 2013**

REPORT AUTHOR: Richard Hobbs, Head of Highways, Transport and Recycling

SUBJECT: The Procurement of Resource Recovery Vehicles and Refuse Collection Vehicles

REPORT FOR: Decision

Summary

This report has been produced to request permission to procure a new fleet of Resource Recovery Vehicles and Refuse Collection Vehicles in order to collect refuse and recycling from the kerbside.

This report compliments the WRAP/AMEC Report - Powys Vehicle and Collection Options Appraisal in October 2012 (Appendix A) and the Cabinet report of 5 March 2013 (Appendix B)

The Portfolio Holder will be aware that the Cabinet report of 5 March 2013 (Appendix B) stated that "Decisions regarding the finance methodology for the procurement need to be agreed, this will involve a further paper to cabinet for review and agreement". A conscious decision has been made not to take a report back to Cabinet as the funding for these vehicles is coming from a budget which was previously approved by full Council and therefore approval from Cabinet is not required.

Proposal

Detailed specifications have been produced and an OJEU tendering exercise has been completed, but not awarded. It is proposed to award the contract and place an order to purchase, with the agreement of the Portfolio Holder:

- 20 No. 12 tonne Resource Recovery Vehicles
- 8 No. smaller length 12 tonne Resource Recovery Vehicles

Capable of collecting five waste streams.

- 8 No. narrow track Refuse Collection Vehicles 26 tonne. 6 x 2 with rear steer axle.
- 4 No. Refuse Collection Vehicles 16 tonne. 4 x 2.

Collecting one stream of refuse.

The procurement exercise has been conducted in line with EU Procurement Directives.

Powys Change Plan

To reduce the amount of waste going to landfill and increase recycling is a key outcome in the Powys Change Plan. Having appropriate multi-functional waste vehicles that are fit for purpose by September 2014 and to introduce the recycling service to all residents by December 2014 are named objectives.

Purchasing the smaller length Resource Recovery Vehicles will enable the Council to complete the roll out of the improved kerbside collection to all areas of Powys, therefore increasing recycling and reducing waste to landfill.

The standard access Resource Recovery Vehicles will allow Single pass operation, rather than sending two vehicles to collect recycling as currently. This will increase public confidence as the current kerbside recycling service is inefficient. An order needs to be placed as soon as possible to ensure that these vehicles start to arrive at the beginning of the 2014/15 financial year. Any delays will impact of the recycling rate and the Council's ability to meet agreed savings in the Medium Term Financial Plan. Ensuring waste and recycling services are provided within budget for 2014/15 is a key success factor in the Powys Change Plan. Also the proposed supplier of the Resource Recovery Vehicles has a limited number of Euro V emission standard chassis' available. The new Euro VI chassis' which will be supplied for all vehicles registered from 1 January 2014 will incur approximately an additional £7,000 each, which would add an extra £196K to the cost and delay receipt of vehicles as the proposed supplier has not yet designed a new body for the Euro VI. Running costs for the Euro VI are also dramatically more than for the Euro V.

Options Considered/Available

Following the completion of the WRAP/AMEC Report - Powys Vehicle and Collection Options Appraisal in October 2012 (Appendix A) and the Cabinet report of 5 March 2013 (Appendix B) which gave authorisation for the procurement process to commence, tender documentation was produced and the opportunity was opened to the market for the supply of:

- 20 No. 12 tonne Resource Recovery Vehicles
- 8 No. smaller length 12 tonne Resource Recovery Vehicles

Capable of collecting five waste streams.

- 8 No. narrow track Refuse Collection Vehicles 26 tonne. 6 x 2 with rear steer axle.
- 4 No. Refuse Collection Vehicles 16 tonne. 4 x 2.

Collecting one stream of refuse.

Tender submissions were received in June 2013 and following detailed evaluation of the tenders received the successful tenderers were identified.

In addition, an ergonomic assessment was undertaken during a live trial of the proposed Resource Recovery Vehicles by Pen y Lon, Occupational Health on 31 July 2013 (Appendix D) which identified a number of manual handling issues. These have been discussed at length and control measures can be put in place to reduce the potential for injury. Similar vehicles, manufactured

by the same proposed supplier, are currently being used by Conwy County Borough Council which are proving highly successfully. We also have documented evidence that their staff are not suffering any increase in muscular skeletal injuries.

The proposed plan is to place an order for all 28 Resource Recovery Vehicles. Upon receipt of the order, the proposed supplier has agreed to build one vehicle immediately which should arrive in the County by December 2013. This will allow the Council to carry out a trial over a couple of months using a vehicle that has been specifically modified for Powys County Council rather than the standard demonstration vehicles that was used in the ergonomic assessment on 31 July 2013. This will allow us to ensure that the size of the compartments and apertures or control measure are in place, allow us to undertake another ergonomic assessment in order to confirm that the risks identified by the ergonomic assessment on 31 July 2013 have been reduced and will inform future round sizes. The build of the remaining 27 vehicles will be uninterrupted as the proposed supplier will continue to assemble the chassis' and the body work will be completed later, including any minor variation following the compartments and apertures trial. This should allow both the of Resource Recovery Vehicles and Refuse Collection Vehicles to start arriving at the beginning of the 2014/15 financial year to enable the final roll outs to commence and for all residents to be able to access the improved recycling service by December 2014.

It was formally agreed by unanimous decision at the Waste and Recycling Project Board on the 3rd October 2013 that the proposed Resource Recovery Vehicles are appropriate for Powys County Council. It was agreed to proceed to purchase the above vehicles subject to a Portfolio Holder Delegated Decision.

In addition, it is essential to have suitable bulking stations for the efficient and safe operation of the proposed Resource Recovery Vehicles. Brecon Transfer Station is currently being modified and options are currently being sought for two further bulking stations located in Llandrindod Wells and Newtown, as detailed in the report that went to Cabinet on 30 July 2013 (Appendix C). Although not ideal, in the interim existing private sector sites under contract to Powys County Council and Council owned depots (with some minor modifications) will need to be utilised and closely managed.

Preferred Choice and Reasons

Maintaining the status quo is not an option; the interim fleet that was hired to enable the collection of dedicated recyclate streams in order to meet Welsh Government statutory recycling targets was deemed necessary but is expensive. This is not financially sustainable and running two vehicles to collect recycling rather than one undermines public confidence in the service.

The benefits of using the proposed single pass Resource Recovery Vehicles are:

- No overhead lifting, which eliminates the risks of bringing overhead wires down
- Manual operatives exposure to high noise levels from falling and breaking glass will be reduced
- The vehicles are smaller and lighter, 12 tonne compared to the current 26 tonnes. Therefore:
 - on site health and safety risks are improved as they have a smaller turning circle which reduces the need to reverse as frequently, which reduced the risk of being hit by a reversing vehicle
 - are more fuel efficient and have greatly reduced CO₂ emissions
 - cause less damage to the road network
- Potential to recycle more waste streams e.g. batteries and small Waste Electrical and Electronic Equipment (WEEE)
- Reduced risk at bulking sites as driver and crew don't need to leave the cab

The disadvantages of using a Resource Recovery Vehicles are:

- High Entry Cab – a low entry version would have been preferred but is not available and this issue will have to be managed by effective training and supervision to ensure the manual operatives are entering and exiting the vehicle appropriately
- No bin lifts – so communal recycling bins and recycling from large trade premises will have to be managed in a different way

An evaluation of the options for financing the vehicles has been received from Sector, with the recommendation being capital purchase, rather than operating lease or contract hire for both the Resource Recovery Vehicles and Refuse Collection Vehicles. The cost of purchase amounts to £5.244m and will be funded £1.5m from Prudential borrowing with the remainder being found from the Transport Fund and capital receipts.

Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

Both the 26 tonne and 16 tonne Refuse Collection Vehicles will comply with the Euro VI standard which further reduces particulate discharge from LGV diesel engines.

The proposal does not impact on Equalities/Crime and Disorder,/Welsh Language/Other Policies etc.

Children and Young People's Impact Statement - Safeguarding and Wellbeing

The proposal does not impact on securing the safety and protection of children and young people and supporting the promotion of their wellbeing.

Local Member(s)

The proposal impacts equally across the whole County and all Members are aware that we intend to shortly procure Resource Recovery Vehicles and Refuse Collection Vehicles.

Other Front Line Services

Trials involving the frontline workforce have been undertaken using the 12 tonne standard Resource Recovery Vehicles and the narrow track 26 tonne Refuse Collection Vehicle. Although the 16 tonne Refuse Collection Vehicle was not tested, similar vehicles from the same proposed manufacturer are currently on hire to the Council. Feedback from the frontline workforce was sought and included in the specification

The proposal impacts equally across the whole of LE frontline staff who are aware that we intend to shortly procure Resource Recovery Vehicles and Refuse Collection Vehicles.

Support Services (Legal, Finance, HR, ICT, BPU)

Legal – Provided that a proper procurement process has been complied with, we can support the recommendation.

The Service Accountant commented that Finance have been fully involved with the proposals put forward in the report.

The Capital Accountant confirms that because of the timing of the delivery of the majority of the vehicles that budget will be required in 2014/15 and the change in this profile will be recommended in the Finance Quarter 2 report for Cabinet and Full Council.

Comments from HR, ICT and BPU are not required.

Local Service Board/Partnerships/Stakeholders etc

The proposal does not need the involvement of the LSB, a partner body/organisation or relevant stakeholders

Corporate Communications

Once the procurement process has commenced there are plans to create a comprehensive review across the refuse/recycling areas to ensure that the routes are optimised and all staff/stakeholders are kept fully briefed with developments via a detailed communications plan until the vehicles are procured and deployed.

Statutory Officers

The Strategic Director Resources (Section 151 Officer) notes the content of the report and the recommendation. The correct phasing of the agreed capital funding will be required as outlined by finance.

The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report."

Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
For the Portfolio Holder for Highways to accept the report and approve the decision to place an order to purchase Resource Recovery Vehicles and Refuse Collection Vehicles in accordance with the proposal.	To enable the Council to deliver an efficient refuse and recycling service to the whole County, meeting our Powys Change Plan commitments and contributing towards our statutory recycling targets.

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	Richard Hobbs
Date By When Decision To Be Implemented:	

Contact Officer Name:	Tel:	Fax:	Email:
Richard Hobbs	01874 612302		richard.hobbs@powys.gov.uk

Background Papers used to prepare Report:

Enclosures

Appendix A WRAP/AMEC Report (Powys Vehicle and Collection Options Appraisal in October 2012

Appendix B Cabinet report of 5 March 2013

Appendix C Cabinet report of 30 July 2013

Appendix D Ergonomic assessment by Pen y Lon, Occupational Health, 31 July 2013