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**REPLACEMENT OF THE RECYCLING & REFUSE COLLECTION FLEET**

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**Reason for the Report**

1. To provide the Committee with an opportunity note and discuss the Cabinet paper titled 'Replacement of the Recycling & Refuse Collection Fleet' in advance of it being presented at the Cabinet meeting in March 2021.
2. The report will recommend that the Cabinet approve the phased purchasing of a new recycling and refuse collection fleet over a two-year period with a value estimated at £9.7 million.

**Background**

3. The current fleet of recycling and Refuse Collection Vehicles (RCVs) were procured in 2013/14 via a contract hire agreement. On conclusion of the agreement in 2018/19, the vehicle fleet was purchased and maintained by Central Transport Services.
4. The majority of the fleet is now at the end of its working life and at a point where maintenance costs have significantly increased and reliability reduced. A replacement program is required to provide resilience to maintain frontline operations, supporting the Councils objective to deliver a world-class waste collection service and high recycling performance.
5. The recycling and refuse collection service provided by the Council requires a vehicle fleet of approximately 70. These vehicles cover the following waste collection elements:
  - Domestic general waste;

- Recycling collections;
- Food waste;
- Garden waste;
- Commercial trade recycling & waste services.

## **Issues**

6. An initial procurement exercise was carried out in 2020, and twelve recycling and refuse vehicles were purchased to replace a number of the existing fleet.
7. This exercise verified current market prices and confirmed the best value approach is to continue with purchasing of vehicles to replace the existing vehicle fleet, and to acquire interim hire vehicles to facilitate the change to four day working.
8. Based on current vehicle prices, the anticipated cost of the procurement of the replacement fleet will be £9.7 million. The procurement would be carried out as a direct award to the vehicle manufacturer via the Halton Housing Framework.
9. Halton Housing is a housing association in the North West with a fleet procurement framework designed to reduce fleet procurement costs. The framework covers nine separate types of vehicles, ranging from small cars to 26 tonne refuse and recycling vehicles. The framework results in a fixed rebate paid by supplier (£50 per vehicle) to framework, rather than a percentage of the overall cost resulting in a saving to the authority.
10. The procurement strategy must consider the service requirements over the next seven to nine years. A phased approach over a two-year period allows the Council to continue vehicle trials to determine recycling methodology in line with Welsh Government Waste Strategy for both domestic and trade waste collections.
11. Within the fleet, some fuel savings are possible by optimising routes and driving style, but this is limited. Fully electric vehicles are available and included in the vehicle replacement program. However, due to the increased cost of this vehicle type, consideration can only be given where additional funding for uplift vehicle costs and charging infrastructure is available. The two year phased approach will allow the

Council to continue to seek opportunities for additional funding in this area, and support reviewing the performance of electric RCV's and associated running costs.

12. All new vehicles will all be fitted with the latest Euro VI diesel engines, and will produce 90% less particulates and Nitrogen Oxide than the 2013/14 vehicle fleet being replaced. This helps to support the environmental objectives of the Council.
13. Vehicles will be fully supported by Central Transport Services. The preferred vehicle manufacturer will enable CTS to undertake and recharge remedial work under the vehicle warranty. The manufacturer will provide training, free of charge, to support this initiative.

### **Report Recommendations**

14. The Cabinet report will recommend:
  - To approve the phased purchasing of a new recycling and refuse collection fleet over a two-year period with a value estimated at £9.7M.
  - To delegate authority to the Director of Economic Development subject to consultation with the Cabinet Member Corporate Services & Performance and the Cabinet Member clean streets, recycling and environment, s.151 Officer and Director Governance and Legal Services, to deal with all aspects of the procurement process (including approving the evaluation criteria to be used, commencing the procurement and authorising the award of the proposed contract) and all ancillary matters pertaining to the procurement.
15. The report also provides the explanation for these recommendations as:
  - To support the programme of service improvements in Recycling Services.
  - To support the Council meeting the statutory requirement to collect household waste and maintain a goods vehicle operator's licence.

## **Way Forward**

16. Members will be asked to note the content of this Member Briefing Note, and decide if any further scrutiny is required on the matter.

## **Legal Implications**

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not making policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to the Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

## **Financial Implications**

18. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not making policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

## **RECOMMENDATIONS**

The Committee is recommended to:

- (i) Consider the information in this report and the information presented at the meeting;
- (ii) Determine whether they would like to make any comments, observations or recommendations to the Cabinet on this matter; and,
- (iii) Decide the way forward for any future scrutiny of the issues discussed.

**Davina Fiore**

**Director of Governance & Legal Services**

**24<sup>th</sup> February 2021**