

## **Appendix A1: Recycling Fleet Renewal - Further detail and Analysis of Proposal**

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### **Background to proposal:**

1. Bristol Waste Company have been planning the renewal of the waste fleet since they took over the service in 2015, and inherited a fleet nearing the end of its operational life.
2. The current fleet experiences breakdowns on a regular basis, which can often lead to delays in the completion of collection rounds, which have a direct impact on residents and service satisfaction, as well as maintenance costs.
3. In 2017, BWC and BCC undertook a review of the current household waste collection methodology to fully inform the future procurement of a new collection vehicle fleet. The nationally endorsed WRAP consistency model was used and 12 different options were identified focusing on differing collection frequencies and methods of collections each of which were evaluated for cost implications, health and safety implications, financial savings, increase in recycling performance, decrease in residual wastes, social inclusion issues and likely public reaction and satisfaction.
4. The results of this exercise and the evaluation were summarized and presented to Cabinet on the 3<sup>rd</sup> July 2018 leading to the recommendation that there would be no change in recycling waste collection methodology or frequency of collections with the exception that an additional recycling box will be provided to each household to provide additional capacity for recyclables. This decision enabled BWC to draft a detailed specification for the new fleet.
5. This report seeks approval for the provision of a loan of up to £12.05m, combined with funds from BWC's own reserves to replace the entire fleet over the next 6 – 12 months. The fleet will be replaced in a number of tranches are expected to be:

<b>Description</b>	<b>Quantity</b>	<b>Total Value</b>	<b>Start date</b>	<b>End date</b>
Recycling vehicles	45	£12.05M	Nov 2018	Jul 2019
Refuse vehicles	20		Jul 2019	Oct 2019
Street Cleansing and vans	90		Oct 2019	Dec 2019

6. The business case attached focuses on the renewal of recycling collection fleet only as the priority area. Further provision of loans for tranches 2 and 3 will be subject to further business cases presented to the Shareholder.

### **Analysis of Multi Compartmental Recycling Vehicle (MCRV) Fleet business case:**

7. Irrespective of the funding option chosen for the purchase of this new recycling fleet, the requirements contained within the technical specification for these vehicles also delivers enhanced safety features for operatives, cyclists, other road users and pedestrians, decreased environmental impacts and risks in terms of emissions. The purchase of Euro 6b engine technology also 'future proofs' the environmental sustainability of the fleet and the investigative work undertaken by BWC for the alternative fuel options should be taken forward into the next procurement (detailed in point 5 above) when the benefits may be fully known and evidenced.
8. Further to the information provided within Section 3.4 of the main body of this document regarding this proposals' fit with the delivery of local BCC strategies and policies, the purchase of a new vehicle fleet further compliments the requirements of the collection service and the Waste Service Agreement (WSA 2018). The proposed new fleet allows the performance requirements of the contract to be met and exceeded in future years and provides flexibility should the scope and scale of the service need to change in future years to meet new recycling and environmental targets over the expected life span of this new fleet.
9. Due to the build-time requirements of purchasing this bespoke and specialised collection fleet and the further timescales required for commissioning, signwriting, delivery it is a considered view that this 'funding' decision is made at the earliest opportunity. Traditionally vehicle and body manufacturers operate on a 'slot or block booking' basis, where production lines are dedicated to a given contract for a given time so it is imperative that BWC has the opportunity to book its 'slot' at its earliest opportunity to ensure that the fleet can start being delivered in late 2018/early 2019, with all vehicles operational by March 2019.
10. The phasing proposed for the vehicle purchase is related to the current condition of the vehicles, with the most urgent requirement being the replacement of the MRCV's (recycling vehicles) due to their advanced age. The next urgent area of action are the refuse vehicles followed by street cleansing vehicles. The latter of which are in a relatively better condition than the rest, and currently pose the least issues with respect to maintenance. These vehicles are also very easy to hire at short notice, and so represent a lesser risk to service disruption than the other Waste collection fleet. It is also hoped that in 12 – 18 months when the street cleansing equipment is ordered, there will a better selection of electric equivalents will be more readily available. The phasing proposed is therefore believed to be the optimum model.
11. Ordering in the 3 tranches specified, also offers the best value for money solution in terms of bulk ordering, whilst at the same time, allows the company to be flexible with respect to delivery of the vehicles, which will be spread out over the year. This phasing of vehicle mobilisation within the tranche means that the company can dispose of the vehicles in the worst condition first, and maintain a smooth transition with crew training of the new fleet also being broken down into manageable amounts.

12. Marketplace evaluation has been conducted with several providers having been identified and prepared for the future opportunity. The proposed tender process will be a one stage tender process conducted in accordance EU procurement regulations and Bristol Waste Company's Procurement Policy.