



BUSINESS CASE

(FORM B & Priority Assessment)

Project name EMT frontline operative vehicle replacement programme

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Purpose

To request members approval to release ‘set aside’ funds for vehicle replacement purposes in regards to the 4 main EMT frontline vehicles, to be undertaken as a 2 year replacement programme:

Year 1 2012/13 – The replacement of 2 vehicles.

The proposal is to purchase 4 vehicles over a 2 year period , following extensive consideration of suitable vehicles the following make and model is being proposed : 4 x Mercedes- Benz Sprinter 313 CDI chassis – Medium 3,665mm
3.500kgGVW
Tipper bodied/ storage box’s/ unlimited millage warranty .

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Reasons

The current vehicles used as the EMT operatives frontline vehicle are all significantly past there efficient operational life , one being 10 years old with the remaining three being 7 years old .

Options

Lease options although ideal for some organizations do incur significant annual charges, millage limitations, and all include strict return condition penalties.

Vehicles we have previously acquired under lease arrangements have invariably ended up at the end of the lease term costing considerably in excess of the purchase price and have incurred considerable return condition surrender charges. The vehicles consumables – tyres brakes etc are not covered under commercial lease agreements.

Hire Option, the need to replace vehicles which are in service daily all year long, makes the annual cost of the hire option excessively and unreasonably high. This option is best suited to short term requirements, intermittent and limited use requirements and contingency / unplanned requirements and not long term.

Used vehicles .Commercial used vehicles are available at times in a range of conditions and age but many are sold as seen ,and nearly all have either no or at best minimal warranties. The specific requirements of the vehicles required cannot be guaranteed and resale value is highly likely to be very low and the rate of depreciation for set aside monies purposes is extremely difficult to estimate accurately.

Purchase outright – This appears to be the best option to replace the current frontline fleet . Advantages of outright purchase include – 3 year unlimited millage warranty, potential significant purchase price discount achieved through factory Biffa bulk purchasing discount arrangements (expected to be in the region of at least 20% off the book price), the acquisition of vehicles to the exact specification and requirements of the service – essentially like for like replacement vehicles to the existing fleet .

Benefits expected

Purchasing the vehicles as a direct factory purchase includes access to the full discount , factory installed customization , full warranty acquisition and vehicles to exact specification and requirements

Risks

The purchasing risks are minimal as if agreed ,purchase will be achieved through an established agreement between Biffa Ground maintenance division and one of their identified dealerships

Funding Source (delete as appropriate):

- (i) Capital Fund – Renewal and Repair Fund

External Funding

(i) Source and Quantity:

Committee: REEA/CSA/PFA (delete as appropriate)						
Capital/Revenue (delete as appropriate)						
Spending profile/ method of funding	Spend to 31/3/13	2013/14	2012/13	2013/14	Later Years	Total
		£	£	£	£	£
Internal Funding	£48,000	£48,000				
External Funding						
Total Cost/	£48,000	£48,000			nil	

Costs

Financial appraisal

Financial Appraisal (Capital Schemes only)	(i)	Has the proposal been subjected to any form of financial appraisal? yes
	(ii)	
	(iii)	

Timescales The purchase is set to proceed subject to approval of this business case – vehicles are expected to take 6 – 8 weeks from confirmed order to delivery

Investment appraisal The unacceptable increasingly high R&M requirements of the old front line team operative vehicles clearly identify replacement as imperative, the purchase option discount , warranty and guaranteed specification and associated customer service , together with suitable quality expected of a council vehicles fleet suggest that investment in vehicles proposed by this business case is both suitable and appropriate

Evaluation	The proposal to purchase new vehicles will assure a high level of Reliability, Fitness for purpose , enhance the councils reputation , support efficient effective and economical service delivery .
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Consultation	Colleagues managing grounds maintenance services at West Lindsey DC and Newark Town Council consider the proposal to purchase the quality vehicles proposed – Mercedes–Benz Sprinter 313 as a excellent balanced choice for quality , performance , longevity , reliability and overall value for money . Mercedes Sprinters which incorporate specifications for grounds maintenance service are known within the industry as being a primary option
Interfaces (internal/ external)	The councils EMT do assist other council sections internally – which involves the utilization of vehicles covering moving light furniture , delivering items , assisting with delivery and retrieval of election furniture, sand bagging and sand bag movements, council marquee movement putting and taking down , general light repairs to assist Property services other sections assisted include SED, Elections , Town Centre .
Impact on other services Dependencies	
Completion criteria/ exit strategy	There is no specific exist strategy , the completion criteria will be met upon delivery of the vehicles
Sensitivity to key assumptions	The key assumptions remain accurate and are not expected to vary to any significant extent
Other approvals required	None
Equalities Impact Assessment	The proposed vehicles are standard in many regards and are therefore designed to be used, be accessible, be suitable for a wide range of operatives and as such do not have any negative features in regards to any PC. If required adaption of vehicles to provide for reasonable adjustments to meet operative requirement is not ideal but is possible retrospectively.