

Part B – Business Case, Project Background / technical issues

B 1 - General

In 2012 members approved capital expenditure (£48k) for the replacement of the first 2 of the 4 Environmental Maintenance Teams front line crew carrying vehicles that had been detailed within an approved business case for replacement. The 2 remaining frontline operative carrying vehicle are significantly past their efficient operational life, both being 8 years old. This business case seeks the capital requirement (£46k) and approval to replace those 2 remaining vehicles. If approved all 4 vehicles (2 already purchased and 2 being sought through this business case) will form part of a comprehensive EMT vehicles and plant replacement programme that will see funds set aside annually to cover the costs associated with the requirements for a rolling 5 year replacement programme . That programme will seek approval from the Programme board during this financial year.

B 2 –Service / Service / Function

The Environmental Maintenance Team maintains all the councils open space and relevant land ,carry out maintenance to grass, trees shrubs hedges borders beds maintains the sports pitches, the annual Town flower displays in tubs and baskets and provides a small building works provision dealing with bins signs benches barriers paths fencing . It fully participates with sandbags and winter gritting , many Town Centre events , a number of cemetery specific services and links up and provides occasional manpower for other council sections including improvements within priority areas .It also assists with land drainage problems keeping trash screens clear and associated bank sides well maintained

B 3 – Strategic fit

- The Councils Environmental Maintenance Team are key to ensuring a high standard of all round ground maintenance is provided to all the council responsible open spaces, green sites, external areas to a number of council owned properties, and in particular the Boroughs PNA's In addition the team provide both manpower and horticultural expertise to support Town centre events , Melton in Bloom, the cemetery service , sports pitch preparation and maintenance Tree maintenance , hedge maintenance , trash screen and watercourse bank side maintenance , drainage works , a wide range of street scene activities, play area maintenance / inspections .
- This work helps raise pride and ownership in local areas, discourages antisocial behaviour and crime and demonstrates a caring council focussed on those most in need of support and ensures clean and green environments.
- This business case is seeking members support to replace 2 failing and increasingly costly to keep in service frontline vehicles, purchased as 'used' vehicles around 6 years ago.
- The service will have efficient well presented frontline vehicles that will greatly reduce the ever increasing maintenance requirements of the old vehicles and have been selected as suitable replacements which fit the

needs and demands required by the service

- The 2 recently purchased vehicles have proven to be good choices with no mechanical problems and the expected low maintenance requirements the 2 new Ford vehicles being sought are known to be equally reliable and cost effective and are a frequent choice for many ground maintenance organisations.

B 4 - Options appraisal

Methods of acquisition

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 tires 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 un realistically 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 are extremely difficult to estimate accurately.

Purchase outright – This appears to be the best option to replace the remaining 2 frontline vehicles. Advantages of outright purchase include – 3 year unlimited millage warranty, a significant dealer purchase price discount the acquisition of vehicles to the exact specification and requirements of the service essentially like for like replacement vehicles to the existing fleet .

Project Scoring Matrix Total 8

Cost 3

Time 1

Impact 1

Track Record 1

Stakeholder 1

Complexity 1

The council commitment to the service and the councils reputation are both enhanced with appropriate quality vehicles

Considerable research and desk top searches along with liaising with colleagues in similar roles with similar responsibilities all indicate the purchase option, using Ford vehicles and a local supplier as advantageous and ideal.

B 5 - Achievability

There has been a lengthy process to ensure the vehicles identified are the

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most suitable, effective and economically advantageous. They are 2 x Ford Transits, to be obtained from Leicester main commercial Ford dealer Sandiccliffe. The vehicles have been tentatively earmarked for the council and would be available within 6 to 8 weeks from members approving the request to purchase

B 6 - Legal Issues (if applicable)

The vehicles have been selected as ones that replace like for like and which strike a balance between(by virtue of their type and nature):the legal restrictions on Drivers (age of driver / groups of vehicles able to be driven) legal restrictions on the vehicles load bearing capacity ,(the weight of the vehicle and what it leaves as carrying capacity) its legal towing limitations regarding both weight and the age of driver.

B 7 Specification

2x x
Transit 350 MWB RWD 1-Way Tipper 2.2 TDCI 125 Ps

Basic Price:	29620.00
Manufacturer's Options	
Sub Total	29620.00
Less Dealer Discount	3258.20
Q3 Marketing Allowance	5250.00
Sub Total	21111.80
Accessories	
Delivery Charge	530.00
Sub Total	21641.80
VAT	4328.36
Road Fund Licence	220.00
Licence Registration Fee	55.00
TOTAL	26245.16
3 Years or 100,000 Mile Warranty	

In addition for one of the two vehicles being sought a tail lift needs to be fitted Discussion with Ford identified better value by doing this external to Ford using an independent specialist fitter . Such a local specialist has been identified and the following essential additional extra can be supplied and fitted at the following cost

1 of Del Equipment DT500 dump through Tail lift
 915mm deep mesh platform
 Galvanised steel construction
 Fixed leading edge
 Push button operation
Tail lift £2172.50
Installation £400.00

B 8 - Financial Implications

<i>Cap / Rev</i>		
	<i>£</i>	<i>Comment</i>
<i>Initial Costs</i>	<i>1x £21,916 1x £21,916 plus Tail lift @ £2,572</i>	<i>2x the vehicles as specified above plus a tail lift supplied and fitted to 1. The VAT element is not applicable</i>
<i>External Funding</i>	<i>n/a</i>	
<i>Net Cost</i>	<i>£46,404</i>	<i>As above</i>
<i>Ongoing Savings</i>	<i>n/a</i>	
<i>Phasing</i>	<i>n/a</i>	