

## Business Case

### B 1 - General

This business case seeks member permission to utilise set aside monies for the purpose they have been accumulated, that being for the replacement under normal circumstances due to age and usage of major pieces of equipment when they have reached the end of their normal efficient working life. The piece of equipment , a front line ride on grass cutting unit was obtained in 2007 is increasingly incurring mechanical and transmission breakdown, failures and problems commonly associated with commercial ground maintenance plant of this type as its use extends beyond its optimum working life , which for machines of this type is usually 5 working seasons . The front line mower in question is now beyond that point having been in constant use since its purchase early in 2007. Now in its 6<sup>th</sup> season it is increasingly incurring running problems and down time. The intention is to replace it with a unit of the same specification and capabilities as apart from current age related issues the machine has proven to be ideal for the variety of sites we have in Melton. A replacement machine of a similar type with its increased reliability and effectiveness will further improving the way the Environmental Maintenance Teams delivers its service in an economic, efficient and effective way. With benefits including significantly lower running costs increased and consistent high quality finishes and a high degree of reliability.

### B 2 –Service / Service / Function

The councils EMT is part of the Community and Neighbourhood Services Team. It remains focussed on the Priority Neighbourhood areas, whilst increasingly looking to ensure a high level of environmental maintenance to all the areas it manages. It continues to play a key role in regards to the public's perception of receiving good public services , it remains an integral part of improving residents environments and retains its important role in increasing ownership and pride in the places that residents work ,play and live.

### B 3 – Strategic fit

The importance of well maintained and kept green environments is fully in line with the councils direction towards  
Cleaner greener places, improvement in environment to support physical and mental wellbeing and to ensure a well run council.

#### **B 4 - Options appraisal**

- There is currently no lease arrangement available for this type of machinery
- The option to hire is not economically viable in the long term
- The outright purchase of a machine offers a substantial discount to the list price , the current offer is around a 25% discount off the list price with a 2 year guarantee on major parts, therefore this business case is seeking approval to purchase outright.
- Scoring Matrix gives a total score of 9 -Cost 2 + Timescale 1+ Impact 2+ Track record 1 + Stakeholder interest 2 + Complexity 1
- The replacement will offer a high level of cut finish, generate minimum pollutants with new and highly tuned power unit. Increased confidence in service, as perceived by the public and the investment increasing pride and security for the workforce.
- The purchase option is available immediately , the old unit will follow the councils prescribed asset disposal process which may include its use as part exchange to reduce the capital cost of its replacement
- The discount is being offered from a sole supplier who have previously and currently provide major maintenance services for us and have proven to be reliable and honest
- A number of alternate suppliers have been approached in regards to making a similar purchase; however the deal on offer at this time from our existing main maintenance partner is economically better than any alternative.

#### **B 5 - Achievability**

The unit we are seeking is currently in stock and available immediately.

#### **B 6 - Legal Issues (if applicable)**

There are no legal issues associated with this business case

#### **B 7 Specification**

The unit being sought is a Ransomes HR300 –a hydraulic Rotary / Flail cutting unit

## B 8 - Financial Implications

### Cap

	£	Comment
<b>Initial Costs</b>	<b>£27,000 minus a PX of £2k for old unit</b>	<b>This in effect provides both flail and rotary capabilities from a single mower , the current list price for what is being offered is around £33,000</b>
<b>External Funding</b>	-	
<b>Net Cost</b>	<b>£25,000</b>	
<b>Ongoing Savings</b>	-	
<b>Phasing</b>	-	