



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and Date of Committee	EXECUTIVE – 14 FEBRUARY 2024
Subject	WASTE FLEET PURCHASE STRATEGY
Wards Affected	ALL
Accountable Member	Councillor Lidia Arciszewska – Executive Member for Environment. Email: Lidia.Arciszewska@westoxon.gov.uk
Accountable Officer	Bill Oddy – Assistant Director, Commercial Development. Email: bill.oddy@publicagroup.uk
Report Author	Simon Anthony – Business Manager, Environmental Services. Email: simon.anthony@publicagroup.uk
Purpose	To update the Executive on progress on the review of the West Oxfordshire waste fleet, and to seek approval to purchase 4 standard fuel general waste refuse collection vehicles, and when necessary, hire 2 standard fuel general waste refuse collection vehicles, whilst research is undertaken into options to use more environmentally sustainable vehicles such as electric vehicles.
Annexes	Nil
Recommendations	That Executive resolves to: <ol style="list-style-type: none">1. Agree to purchase 4 x 28 tonne standard fuel general waste refuse collection vehicles (RCV's) for use on frontline collections; and2. Agree to hire 2 x 28 tonne standard fuel general waste refuse collection vehicles when needed whilst research is undertaken during the next financial year into options to use more environmentally sustainable vehicles such as electric vehicles.
Corporate Priorities	<ul style="list-style-type: none">• Putting Residents First• A Better Environment for People and Wildlife• Responding to the Climate and Ecological Emergency
Key Decision	YES – Budget expenditure of more than £150,000.

Exempt	NO
Consultees/ Consultation	None

1. BACKGROUND

- 1.1** This report relates to the procurement of waste vehicles for use by Ubico to deliver the waste collection services across the council area. Waste vehicles have a finite life and need replacing approximately every seven years, some vehicles last longer than the seven years depending on their use and care throughout the seven years. To continue to run an efficient waste service a number of vehicles currently in use require replacing.
- 1.2** For the initial 3-5 years of a waste vehicles life the budget cost of repairs and maintenance is comparatively low. As vehicles age, they require additional repairs and planned preventative maintenance which increases the revenue costs associated with running each vehicle. Older vehicles breakdown more as a result of mechanical failure, this not only impacts on budgets but also frontline service delivery performance with containers missed and rounds not complete.
- 1.3** A modern waste vehicle replacement programme must account for three competing factors; operations, environment, and financial. Vehicles must be operationally robust to allow them to perform a demanding waste service to a high level with preferably minimal repair, breakdown and refuelling requirements. Carbon emissions from vehicles should be reduced where possible, this allows the council to achieve its stated Net Zero goal by 2030. Vehicles should also be affordable, not only to purchase but also to run. The UK waste fleet industry is very much in a 'transition phase' moving away from fossil fuel to renewable energy. Hopefully green fuelled, affordable and reliable Heavy Goods Vehicles (HGVs) will become available on the market in a few years. This report considers options relating to purchase of Refuse Collection Vehicles (RCV's) to use on the councils' frontline waste service, principally for the collection of general waste. The report does not consider fuel type options for these vehicles, although the report sets out a programme of research that will generate an alternative fuel strategy for waste vehicles procured in the future.
- 1.4** All currently used frontline waste collection vehicles are scheduled to reach end of life in 24/25. Having a single point in time for procurement of waste vehicles is sub-optimal in terms of budgeting and operations, the preferred model is a phased procurement profile which allows capital to be spent over a number of years. A phased vehicle replacement profile supports the operational delivery of the service as not all vehicles will require a high level of maintenance at the same time.
- 1.5** This report considers procurement of general waste fleet vehicles. Decisions on purchase of recycling, garden or food waste collection vehicles will be determined following the review of the service provision and alternative fuel options. Existing vehicles will be retained, or if required, short term hire vehicles will be sourced to maintain service stability.

2. MAIN POINTS

- 2.1** The waste service has 35 frontline collection vehicles with all 35 approaching the end of their life in 2024/25. Without replacements, the vehicles, and therefore the service, will become unstable and could result in service disruption and additional costs relating to repairs and maintenance. Waste is the only council provided service that most residents use each week,

having an unreliable vehicle fleet will lead to reputational damage and could lead to significant impact on residents.

- 2.2** A fleet strategy meeting was held on the 28th November with Environment, Climate, Finance, and Waste Officers together with Ubico Fleet Manager and Operational Managers. A further briefing session with Finance, Climate change and Environment Portfolio Holders took place on 18th December 2023. The purpose of these meetings was to determine the next steps for the Council's waste fleet strategy. The three main outcomes of the meetings are as follows;
- Procurement of 4 standard fuel general waste RCV's
 - Hire 2 standard fuel general waste RCV's
 - Undertaking a review into options to use more environmentally sustainable HGV vehicles including electric vehicles

3. PROCUREMENT OF 4 GENERAL WASTE RCV'S

- 3.1** The waste service has 7 general waste collection routes each day, to allow for vehicle downtime including MOT's, breakdowns, and regular maintenance 8 RCV's are needed with one acting as a spare, this is standard industry practice. All general waste RCV's reach end of life in 24/25 and need replacing although two RCV's are of a good standard and will be retained. This section considers the purchase of 4 of the 6 new general waste RCV's required.
- 3.2** Given that vehicles are near the end of life, and there is the need to purchase a number of these, the preferred approach for these vehicles is full procurement (purchase).
- 3.3** There is an increasing body of evidence regarding the operational performance of alternative fuel RCV's, particularly electric versions. One major component the council will need to be aware of is the range these vehicles can travel in a standard working day. It is important to understand that routes are not only from the depot to collections and then return to starting depot. Often, vehicles must travel to a separate tipping point, for example general waste is tipped separately from the starting depot. Any non-standard fuel vehicles will need to be able to complete a full day's work with enough fuel capacity to deal with any unforeseen circumstances like road closures and diversions as well as operate the vehicle hydraulics.
- 3.4** General waste rounds are the most important as all residents use general waste collections whereas other collection services, like recycling, food or garden do not have 100% participation from residents.
- 3.5** Despite procuring the vehicles, this option does allow a degree of flexibility as these vehicles are non-specialist and should hold their value and be saleable should the council wish to sell all standard fuelled vehicles in the coming years. Alternatively, there could be the opportunity to retrofit these vehicles with batteries or similar should the technology and financial business case allow for this option in the future.
- 3.6** Owning these vehicles ensures they are new vehicles and will be reliant from day one. The Council has set aside £2m in 23/24 (as part of its Capital Programme) to procure waste vehicles.
- 3.7** This report recommends purchase of 4 of the 6 required general waste RCV's with an estimated cost of £250,000 per vehicle. The intention is to 'pre-pay' 50% on order during the

financial year 2023/24 funded through current Capital Programme with the balance paid on delivery from the 24/25 Capital Programme, this will smooth out the financial profile.

4. OPTIONS FOR THE REPLACEMENT OF FURTHER GENERAL WASTE RCV'S

4.1 The service requires a further 2 vehicles which can either be procured as the other vehicles referenced above or temporarily hired if necessary. The various pros and cons of each option are set out in Table 1 below.

4.2 Table 1

Option	Buy	Hire
Cost of two vehicles	£97,270 per annum With fuel, repairs and maintenance on top.	£116,656 per annum With fuel and some repairs on top. Most repair and maintenance costs are included.
Financial	Funded through the internal Capital Programme i.e. internal borrowing.	The full cost of vehicle hire is charged to the Council via the Ubico contract sum, impacting the revenue budget.
Operational	New vehicle gives service stability. Increased lead time vs hire.	Hire vehicle will give service stability although not guaranteed it is new. Reduced lead time to deploy on service
Repairs	Full control of repairs.	Lose vehicle to 3 rd party repair.
Environmental	Not as easy vs hire option to transfer to alternative fuel option. Can retrofit with battery or sell for electric alternative	Easy transition to alternative fuel option.

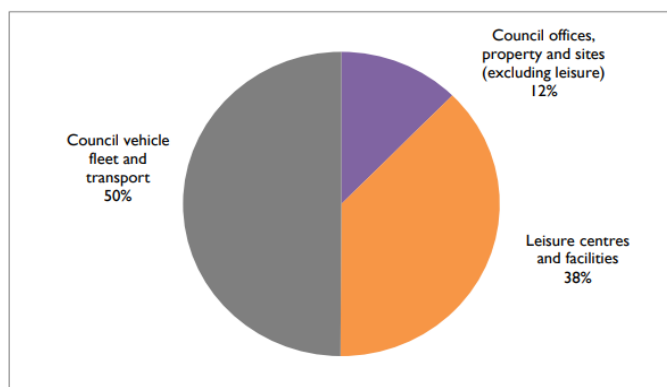
5. This report recommends hire of the 2 remaining general waste RCV's to provide flexibility whilst research is undertaken into options to use more environmentally sustainable vehicles including electric vehicles.

6. REVIEW OF ALTERNATIVE FUEL VEHICLES

6.1 The Council made a commitment to become carbon neutral by 2030 and has declared a climate emergency with carbon the key metric used to track success of this goal. To understand the importance of fuel type for waste vehicles in achieving the carbon neutral objective Graph 1 gives the breakdown of 'Council vehicle fleet and transport' against all other emission types. It is important to note that the waste fleet comprise approximately 90% of the category 'Council vehicle fleet and transport'. Therefore approximately 45% of all Council

emissions are from waste vehicles and as such represent the single largest contributor Council emissions.

Graph 1 Total emissions for 21/22 by location.



6.2 The Council has begun its discovery journey to determine suitability of alternative fuels for its waste vehicle fleet with the November 2023 waste fleet officers workshop the first step on this journey. Officers have established a project team, with support from the Council's project department, to fully explore alternative fuel options, their limitations and suitability for use on West Oxfordshire's waste service. This project will involve the Cabinet Members for Environment, Finance, and Climate Change and will evaluate options against operational and financial limitations to ensure the waste service remains stable. As the current fleet is at the end of its life it is anticipated this initial work will be completed by Q1 (June 2024) and will be the first of a number of reports on vehicle fleet as the picture and options for alternative fuel are likely to evolve significantly over the next 2 years.

7. ALTERNATIVE OPTIONS

- 7.1 The Council could choose to purchase Euro 6 versions of all waste fleet vehicles. This option would give service stability and fit with the capital programme but it would limit the council's ability to achieve its carbon neutral commitment as it would delay the introduction of alternative fuel options. These vehicles could be swapped out 'mid-life' with alternative fuel equivalents, although doing this with all vehicles has a greater risk as the Council would be attempting to sell a lot of Euro 6 vehicles back into the market when alternative fuel alternatives are more attractive.
- 7.2 The Council could delay purchase of all vehicles until the alternative fuel project is concluded, although this would risk day to day service stability because of the age and reliability of the vehicles. There is no guarantee the alternative fuel project will conclude with a clear direction and viable option within the next year due to the continuing evolution of alternative fuel technology of HGV waste vehicles.

8. CONCLUSIONS

- 8.1 Following meetings and workshops with a full range of Officer and Member stakeholders this report recommends a suite of procurement options that tread the line between service stability and allowing for future flexibility around introducing alternative fuel options.

9. FINANCIAL IMPLICATIONS

- 9.1 These are covered in the main body of the report. There will be reduced repair and maintenance costs following the procurement of new vehicles and the replacement with existing old vehicles.
- 9.2. Some value is likely to be achieved following the sale of existing vehicles to be replaced. Any residual value will be returned to the council.

10. LEGAL IMPLICATIONS

- 10.1. Procurement of the vehicles will be undertaken by Ubico on the Council's behalf following a standard procurement regulation complaint process. Ubico will ensure the procurement of new vehicles will not breach their Operators Licence.

11. RISK ASSESSMENT

- 11.1 The risks identified with the recommended approach as detailed in the main body of the report. The alternative fuel project will generate a full risk assessment of fuel types.

12. EQUALITIES IMPACT

- 12.1. Not Applicable

13. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 13.1 This is covered in the main body of the report.

14. BACKGROUND PAPERS

- 14.1 None.

(END)