

Environment and Climate Change  
Islington Town Hall  
Upper Street N1 2UD

Report of: Executive Member for Environment, Air Quality and Transport

Meeting of: Executive

Date: **20<sup>th</sup> July 2023**

Ward(s): all

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## Subject: Procurement Strategy for Fleet Replacement Programme

### 1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy that sets out how the council intends to procure replacement vehicles within its existing fleet in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. Islington Council declared a climate emergency in June 2019 and published a strategy setting out how it aims to make the council net zero carbon by 2030. The net zero strategy is supported by Islington's Transport Strategy which sets out the council's vision, strategic objectives and policies for Islington's transport environment for the period up to 2041. The Strategy commits the council to meeting ambitious and challenging targets and to measuring its progress towards meeting these targets.
- 1.3. This procurement strategy for the ongoing council vehicle fleet replacement programme for the period 2023-2026 will help the council move toward achieving its net zero carbon target with particular focus on the opportunities to convert and repower existing assets from internal combustion engines (ICE) to electric.
- 1.4. This fleet replacement programme strategy does not intend to set-out the council's strategy on reducing its fleet though this itself remains a high priority as reducing the current fleet will inevitably reduce costs for

council in terms of initial capital expenditure for vehicles and related infrastructure as well as ongoing maintenance costs and energy usage for vehicles. Whilst the intention is to electrify all vehicles where possible the fact remains that even electric vehicles create particulate matter (PM) from tyres so reducing the fleet will also reduce this important concern whilst at the same time encouraging the use of powered assisted transportation including e-cargo/e-bicycles. A separate strategy will be commissioned this year setting out how this will be achieved with a collective commitment from all council directorates.

## 2. Recommendations

- 2.1. To approve the delegated power to allow the service to design and run a set of further competitions for vehicle purchases (as set-out in Appendix A).
- 2.2. To approve the delegated power for the Corporate Director of Community Wealth Building to award a series of contracts on the outcome of the further competitions.
- 2.3. To note the use of a vehicle hierarchy in determining preference of vehicle purchases including human-powered, retrofitted and battery electric vehicles.
- 2.4. To note the ongoing commitment to reduce the overall size of the fleet and the development of Fleet Reduction Strategy setting out the path to achieve it.

## 3. Background

- 3.1. Islington is dedicated to reducing air pollution, resolving the climate emergency, and eliminating health disparities by creating a cleaner, greener, and healthier borough. Through its Vision 2030: Building a Net Zero Carbon Islington by 2030 the council has committed to increasing the number of electric vehicles on its fleet with 100% of the owned/operated fleet being battery electric vehicles by April 2030. However, the council must remain financially prudent and this strategy

will ensure that robust procurement exercises continue to be in place in order for us to receive reliable and value for money vehicles which will serve the borough for a number of years.

- 3.2. Our fleet procurement strategy will also look to improve the borough with the following.

**Protecting the vulnerable**

- Improving health and inequality
- Partnership working with schools
- Monitoring local air quality
- Improving our fleet and reducing overall fuel usage
- Encouraging a shift to active travel and cleaner vehicles
- Working with partners to tackle air quality on a wider scale

**Better air - better health - better environment**

- Minimise emissions from construction
- Lead by example
- Concentrate on air quality focus areas
- Work with partners to introduce new policies

- 3.3. Many vehicles in the borough use fossil fuels, and their gas emissions are a significant contributor to the production of greenhouse gases. (GHG). The addition of electric vehicles to the council fleet also improves the in-cabin air quality for drivers, staff and passengers with a reduction of common pollutants from those which emanate from petrol/diesel vehicles including exhaust ultrafine particles, like carbonaceous soot from brake dust or diesel exhausts and volatile organic compounds (VOCs) including hydrocarbons.
- 3.4. This procurement strategy will outline how the council intends to purchase "battery electric zero-emission vehicles", such as Electric Vehicles (EVs) and explore the developments of Hydrogen fuel cell vehicles over the coming years. Typically, the term "zero-emission vehicles" refers to modes of transportation that do not produce hazardous pollutants during operation via the tailpipe. The definition of harmful emissions is those recognised to affect the environment or human health. Carbon dioxide, carbon monoxide, nitrogen and sulphur oxides, ozone, various hydrocarbons, volatile organic compounds (VOC), volatile forms of heavy metals, and particulate matter may all be considered as harmful emissions.

- 3.5. Where suitable and financially beneficial, existing high value assets such as refuse collection vehicles and buses may be refurbished and converted from diesel to electric (battery-powered). Currently only refuse collection vehicles can be upcycled via Lot 5 the TPPL framework (HGV & Specialist Vehicles) though we will explore the possibility of retrofitting other current fleet vehicles with vehicle conversion suppliers during the lifespan of this strategy. The 2021 'Repower and Refurbishment of 2 x 26t Dennis Eagle RCV' tendering exercise resulted in only 'Refuse Vehicles Solutions Limited (RVSL)' bidding and winning this tender.
- 3.6. Where viable battery electric zero emission vehicles are not yet available for purchase, hire or leasing of alternative vehicles shall be utilised until suitable zero emission vehicles are available.

Preference for hire vehicles will be given as:

1. Human powered transportation (e.g., bicycles, velomobiles Electric (battery-powered)
  2. Retrofit/upcycle existing fleet vehicles
  3. Electric/Petrol Hybrid
  4. Euro 6 Petrol
  5. Euro 6/VI Diesel
  6. Hydrogen-fuelled
  7. Bio-methane
  8. Paraffinic bio-based liquid fuel
- 3.7. The strategy also recognises the need to assess the ongoing requirements of the fleet against the service needs that it supports and ensure that other more sustainable modes of carbon friendly transport are considered as part of the council's overall transport solution including active travel including powered assisted transportation. We will also take the needs of any council employees who require adaptive bicycles due to any specific disabilities they may have with a wide range of accessible bicycle options now available. Where practical, opportunities to reduce the total fleet will also be taken. A separate strategy will be produced in the new financial year setting out the path to reducing the overall fleet, including an ambitious set of targets, with the aim of agreeing a collective commitment from all council directorates.

- 3.8. The council operates a fleet of 524 vehicles across all council departments, with 454 of their vehicles being owned by the council. In recent years, significant progress has been made to improve and modernise the fleet by transitioning away from internal combustion engines i.e., diesel and petrol. The ongoing electrification of the fleet is essential to deliver on Islington's commitment to achieving its net zero carbon position with electrical vehicles representing the only zero-tailpipe emission vehicles currently available.
- 3.9. The ongoing replacement of the council's existing fleet with new vehicles and the conversion of current assets to battery electric zero tailpipe emission vehicles is reducing the council's environmental effect on the borough. Vehicle emissions from fleet vehicles is reported as a corporate performance indicator with overall emissions reducing year on year from a baseline of 2,726 tCO<sub>2</sub>eq (carbon dioxide equivalent) emissions in (2018/19) to 2,397 tCO<sub>2</sub>eq in (2021/22), this reduction would be comparable to a carbon saving equivalent to 7.8 Hectares of average UK woodland.
- 3.10. This change to greener vehicles also alleviates the financial burden for both expensive short-term hire vehicles and the Ultra Low Emission Zone (ULEZ) penalty charges applied to non-compliant Euro 5 diesel engines. A number of the vehicles set-out in Appendix A will replace 19 vehicles hired by services over the next three years. The current cost of the vehicles due to be replaced is estimated at £424,000 assuming an annual operation of these vehicles. This saving will fall directly to services currently paying for these hired vehicles.
- 3.11. Likewise, the council currently incurs a £61,500 per annum cost across the 21 non-ULEZ compliant vehicles. This strategy seeks to replace all these vehicles again with this saving being passed directly to the service operating these vehicles and taking these higher polluting vehicles off the road. It is also cutting fuel and maintenance expenses, as well as the downtime now incurred by operational services as a result of unstable ageing assets.
- 3.12. Compressed natural gas and gas-to-liquid fuel have been tested by the council as alternatives to conventional fuels but have proven unviable since they would commit Islington to the long-term use of internal combustion engines with little environmental benefits. These fuels are

not compatible with the borough's net zero carbon aspirations. Wherever possible, future decisions on fleet replacement will prioritise powered assisted vehicles and full battery electric vehicles.

## 4. Estimated value

4.1. The current capital budget allocated for the whole council's vehicle fleet replacement programme is:

- **£2m per year** over three years for vehicles used by services funded from the general fund
- **£3m budgeted in 2024/25 to cover a 5-year period until 2029/30** within the Housing Revenue Account for the replacement of high mileage and end of life housing vehicles

4.2. Therefore, the combined budget for the vehicle replacement programme is £9m over the three (3) years (2023/24 to 2025/26) of this overarching procurement strategy, inclusive of the £3m budget set aside in 2024/25 for the HRA funded vehicle replacements.

4.3. The three-year vehicle replacement programme incorporates four priorities:

- High Fuel/Emission vehicles
- Non-ULEZ Complaint vehicles
- Hire/Rental vehicles
- End of life vehicles

4.4. The 'Fleet Replacement Programme Costs' for financial years 2023/24 to 2026/27 include the procurement of a wide range of vehicles of different models and weight classes which will be used across the council for a range of tasks. See **Appendix 1** for further detail.

4.5. Transition to a battery electric fleet is supported by the Fleet Electrification Business Case produced in 2020 which evidences the financial incentive for adopting a fully electric fleet. This work is being updated taking real-life data from EVs operated within services across the council to further evidence the financial benefits of fleet electrification with the obvious benefits being the reduction of fuel and maintenance costs.

## 5. Timetable

- 5.1. The existing fleet procurement strategy expires at the end of August 2023. The new fleet procurement strategy will run from 1 September 2023 for three years ending on 31 August 2026. The council has committed to establishing a fleet that produces zero Carbon Dioxide emissions from operations by 2030. This procurement strategy will enable the council to continue to progress in line to meet this objective.
- 5.2. A delay to the implementation of this strategy would lead to significantly increased operational costs to the council due to increasing reliance on more expensive hired vehicles required to maintain service provision while covering the long lead times for delivery of newly purchased EVs.
- 5.3. In the preparation for this procurement strategy the council's Finance and Strategic Procurement and Supply Assurance teams have been consulted and their comments have been incorporated into this report.
- 5.4. **Proposed contract award process**
- 5.5. Prior to vehicles being purchased under this procurement strategy the council fleet management team will draft a business case seeking approval for the acquisition of a specific vehicle or batch of vehicles.
- 5.6. The business case will set out the procurement framework agreement chosen to be used for each further competition or direct contract award based on supplier suitability within the framework and the ability to maximise market competition in delivering against the objectives set out within this strategy. The business case will also provide detail on the preference of vehicle type against the hierarchy, bring together the best available market intelligence and put forward a recommendation for award to be taken forward under delegated decision-making process and in line with the relative sign-off value of the award. This will in turn be presented to the Corporate Director to be evaluated and signed-off in support of this strategy.
- 5.7. A contract award report will be drafted following the completion of the procurement exercise and the decision to award the contract and place the purchase order will be made in accordance with the applicable council governance decision making threshold.

Further competitions will be carried out using the following process:

- Approval of business case
- Further competition
- Evaluate submissions
- Approval of contract award
- Award of contract

## 6. Options appraisal

- 6.1. The following options for procurement were considered during the preparation of this procurement strategy:
- 6.2. Procuring an in-house framework agreement of vehicle suppliers. This option would involve the council undertaking a tendering exercise to procure suppliers of vehicles. Individual further competition exercises would then be undertaken by the council each time it needed to purchase new vehicles. Advantages of this option are the council has more control over the procurement exercise and conditions in place for the suppliers joining the framework agreement. However, there are significant drawbacks to this option which includes the significant time and financial resources needed from across the council to undertake such a significant procurement exercise. This option is also not considered to be financially viable. The council would have to significantly increase its in-house resource dedicated to managing a new framework. There are also a number of frameworks already in operation which provide the service that we as a council would be most interested in pursuing, this would likely make the creation of a new similar framework redundant. Given the likely competition from other frameworks, the inherent cost in the option and the challenge of competing against larger existing external procurement frameworks this option is not recommended.
- 6.3. Collaboration with other local authorities to purchase vehicles. This option would involve the council working with other council to set up a joint procurement framework agreement. The benefits and drawbacks to this option are similar to the above with the added drawbacks of the additional time and effort that would be required to set up such an agreement and the real risk that the vehicle purchasing priorities for other local authorities would not sufficiently align with those of Islington. For these reasons this option not recommended.



- 6.4. Using an external framework agreement. There are a number of existing external framework agreements which the council could use to purchase vehicles. Benefits of using one external framework agreement is that they have significantly higher buying power than the council can achieve alone. The council is also familiar with the procurement processes of the established framework agreements. Using further competitions through a framework agreement enables the council to ensure value for money from suppliers on the framework agreement competing for our orders. However, the council has found over recent years there is a significant drawback to relying on only one framework agreement as these limits the number of suppliers taking part in particular procurements. As new green technology and innovation is being brought to the market by new suppliers the council is struggling to access these opportunities as they are often not part of established framework agreements until they are renewed which can take a number of years. For this reason, this option has not been recommended.
- 6.5. Utilizing a number of existing external framework agreements. This option will involve the council choosing the most appropriate framework agreement for the individual tendering exercise being undertaken at any given time from one of a number of established providers of vehicle procurement framework agreements. The benefits of this option are that the council will be able to make procurement decisions in a more agile way to best meet the needs of any individual procurement exercise. This also enables the council to access more vehicle suppliers which can help when demand from certain suppliers is high, and they have longer lead times for the delivery of vehicles. By having several different framework agreements to access the council will best be able to access new framework agreements as they are established which in turn will best enable the council to access new green vehicles and electric vehicle technologies as they are brought to market by new vehicle manufacturers and suppliers. The drawback of this option is that the procurement options are less straightforward as there are more framework agreements to consider but this is ultimately a benefit given the clear opportunities this option provides. For these reasons this option is the preferred and recommended option.
- 6.6. The external procurement providers which have been reviewed and are recommended to be considered as options for future purchasing under

this procurement strategy are listed below. Their relative benefits of each are detailed:

Central purchasing body (Frameworks)	Description	Pros	Cons
<b>The Procurement Partnership Ltd (TPPL)</b>	The current framework agreement used for vehicle procurement over the last four years	<ul style="list-style-type: none"> <li>• Well utilised framework agreement which has served the council well up until now.</li> <li>• Provides bespoke assistance and advice on vehicle specs and market availability via designated contacts.</li> <li>• Can provide demonstration vehicles for council to test.</li> <li>• Established relationship with vehicle manufactures across a range of makes and models.</li> </ul>	<ul style="list-style-type: none"> <li>• Due to the relative infancy of the EV sector some suppliers to which the council could utilise are not on the current framework agreement limiting vehicle options. This situation is likely to change as TPPL replace old framework agreements with new agreements over time.</li> </ul>
<b>Eastern Shires Purchasing</b>	A previously utilised framework	<ul style="list-style-type: none"> <li>• Previous experience of utilising</li> </ul>	<ul style="list-style-type: none"> <li>• New EV technology is entering</li> </ul>

<p><b>Organisation (ESPO)</b></p>	<p>agreement providing specialist vehicle procurement to a wide range of suppliers the council can utilise. Currently utilised for internal council EV charger installation.</p>	<p>ESPO for vehicle procurement.</p> <ul style="list-style-type: none"> <li>• 50 suppliers providing specialist vehicle manufacture which support the types of vehicles the council utilises.</li> <li>• Established relationship with vehicle manufactures across a range of makes and models.</li> </ul>	<p>the market at a rapid pace. The ESPO fleet framework agreement is likely to be less suitable than a Dynamic Purchasing System (DPS) in this situation given new suppliers cannot join the framework agreement as easily.</p>
<p><b>Yorkshire Procurement Organisation (YPO)</b></p>	<p>YPO utilises a Dynamic Purchasing System (DPS) to allow suppliers to join the framework at any point within its contract period specialising in alternatively</p>	<ul style="list-style-type: none"> <li>• A dynamic purchasing system ensures the framework agreement stays up to date with latest vehicles and suppliers entering the market for specialist vehicles.</li> <li>• Provide assistance and advice on</li> </ul>	<ul style="list-style-type: none"> <li>• Too many supplier alternatives may make it more challenging to locate suitable providers capable of meeting crucial procurement needs.</li> </ul>

	fuelled vehicles.	<p>vehicle specs and market availability via designated contacts new suppliers entering the market.</p> <ul style="list-style-type: none"><li>• Specialises in alternatively fuelled vehicles rather than internal combustion engine.</li><li>• Includes bespoke vehicle replacement options which support council's strategic priorities on sustainable travel such as e-bikes and e-scooters.</li><li>• Can provide demonstration vehicles for council to test.</li><li>• Established relationship with vehicle manufactures across a range of</li></ul>	
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- 6.7. When purchasing new vehicles officers will determine the most appropriate framework agreement to utilise based on the type of vehicle required, availability of vehicle types required and the availability of suppliers on each framework agreement.

## 7. Key Considerations

- 7.1. Delivering the council's social value objectives is a key element of this procurement strategy and likewise the three frameworks make significant commitments to social value. TPPL provide expert advice on how to engage the market and how to achieve a realistic return based on the procurement size and the bespoke aims of the council. YPO maintain a 5 year strategy on social value and work to ensure they have a diverse sustainable and ethical supply chain including a dedicated social value portal. ESPO have partnered with the social value portal which has worked with ESPO to ensure social value is embedded across their frameworks making it simpler for the council to add its social value commitments and with an interactive web-based tool for suppliers to complete social value submissions.
- 7.2. All use of the framework agreements included will ensure that suppliers address their contribution to social value for Islington and deliver contributions following a successful contract award. Social value contributions will form part of the supplier tender response and must be included within their pricing of the work.
- 7.3. Preferred options for how suppliers may meet social value requirements are set out as below:
- Opportunities to provide direct employment or training for local residents is likely to be limited due to the nature of this contract but there may be opportunities for the vehicle suppliers to contribute to the council 100 hours of work scheme to run sessions with young people in Islington about employment opportunities within the industry.

- Opportunities for apprentice placements/rotations to vehicle suppliers as a means to upskilling and providing invaluable experience in our younger workforce
  - Getting commitment from suppliers to provide some outreach, particularly around the STEM subjects for Islington schools and colleges.
  - The council can also push suppliers to provide at no or lower cost additional equipment to the specification of the vehicles they supply which have a social benefit to the users of the vehicles and also safety measures for other more vulnerable road users including cyclists and pedestrians as well as exceeding the requirements for TFL's Direct Vision Standard.
  - Additional contribution to social value that can be achieved through the vehicle replacement programme will be to seek ways that suppliers can help the council achieve additional environmental benefits from our new vehicle purchases. Examples may be to supply higher performing batteries in electric vehicles which mean they have a higher mileage range with need for fewer charging periods.
  - The use of more environmentally friendly products and components within the vehicles themselves which contain less plastic and are more easily recycled at the end of the vehicles' life.
  - Environmental considerations could also be given by the vehicle suppliers as part of their delivery arrangements of new vehicles to the borough to ensure these are conducted in the most environmentally friendly and efficient way. This could be achieved by minimising the number of heavy goods vehicles trips needed.
  - A number of the framework agreements incorporate rebate-based incentives which will result in cost savings for its users to support the transition to carbon neutrality.
- 7.4. The team will continue to work with the I-works team to try to ensure that service vacancies directly linked to this procurement strategy are available for local residents.
- 7.5. Best value will be assessed against each vehicle requirement to ensure the lowest emission, safest, technologically prudent and operationally/financially viable models are selected.

7.6. The London Living Wage will apply to this procurement strategy.

7.7. There are no TUPE, pension or staffing implications.

## 8. Evaluation

8.1. Purchases made through the selected external procurement framework agreement will be subject to a further competition amongst all suppliers on the framework agreement to ensure the council achieves competitive pricing from all suppliers. Only in exceptional circumstances the council will issue a directly awarded contract to an individual supplier under the selected framework agreement when it is inappropriate or impossible to conduct further competition, such as when only a single supplier can provide the council with a specialist vehicle. Further competition evaluation will be assessed based on 40% price and 60% quality. The more detailed breakdown of the evaluation will be:

- 40% price
- 20% on specification
- 10% on delivery
- 10% on after-sales/warranty
- 20% on social value

## 9. Business risks

9.1. The principal business risk associated with this procurement is the limited number of providers capable of meeting the demand to offer suitable large electric vehicles following the council's net-zero pledge. Likewise, the availability of options to Upcycle vehicles are limited as suppliers in this market is very small with the upcycling only being possible on refuse collection vehicles. The council will continue to engage with frameworks and vehicle suppliers to make them aware of our requirements, particularly to Upcycling all types of vehicles and encourage them to develop new vehicle technologies that meet our net zero carbon and circular economy targets.

9.2. The risk of possible vehicle supplier failing could have a significant adverse impact the service. Expanding the number of suppliers via multiple framework agreements under this strategy will help the council mitigate the impact of any individual vehicle supplier failing. The council

will periodically review the performance of utilised frameworks and individual vehicle suppliers, innovative solutions will be explored to ensure that all viable options are used.

- 9.3. Failure to complete procurement exercises on time will increase the proportion of ULEZ penalty charges, continued diesel fuel consumption and increasing vehicle downtime/maintenance costs associated with the outgoing fleet vehicles.
- 9.4. Likewise vehicle supplier delivery lead times have lengthened creating an additional business risk. These are due to the increasing demand for EVs on the market and significant shocks to global supply chains impacting production. To mitigate this risk, the council will develop working relations with the mentioned framework agreements, especially those with DPS capabilities, to ensure flexibility in how vehicles are purchased and when.
- 9.5. The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 9.6. The following information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	Replacement of Council Fleet Vehicles See paragraph 3



<p>2. Estimated value</p>	<p>There is allocated capital budget for this procurement strategy totalling to £9m.</p> <p><b>£2m per year</b> over three years for vehicles used by services funded from the general fund</p> <p><b>£3m budgeted in 2024/25 to cover a 5-year period until 2029/30</b> within the Housing Revenue Account for the replacement of high mileage and end of life housing vehicles</p> <p>See Paragraph 4</p>
<p>3. Timetable</p>	<p>This procurement strategy will run for 36 months from September 2023. £2m per annum will be allocated up to September 2026 for the three-year period. £3m available to replace for end of life housing vehicles with likely replacement in 2025/26.</p> <p>See Paragraph 5</p>
<p>4. Options appraisal for tender procedure including consideration of collaboration opportunities</p>	<p>Detail of the procurement options considered are shown in the report. The procurement process used for purchases will be dependent on the individual types of vehicles being purchased. Where appropriate mini competitions will be let, where there is only one suitable vehicle available call off within the framework agreement will be used.</p> <p>See paragraph 6</p>
<p>5. Consideration of:</p> <ul style="list-style-type: none"> <li>• Social benefit clauses.</li> <li>• London Living Wage;</li> <li>• Best value;</li> <li>• TUPE, pensions and other staffing implications</li> </ul>	<p>The council may employ local residents through the framework agreement if additional resources are required.</p> <p>The London Living Wage will apply to this procurement strategy.</p> <p>See section 7</p>
<p>6. Award criteria</p>	<p>Further competition evaluation will be awarded based on 40% on pricing, 20% on specifications, 10% on</p>

	<p>delivery, 10% on after-sales/warranty, and 20% on social value.</p> <p>See section 8</p>
7. Any business risks associated with entering the contract	<p>Risks associated with this strategy are set out in the body of this report.</p> <p>See Paragraph 9</p>
8. Any other relevant financial, legal or other considerations.	<p>Minimising the council's emissions related payments in the coming years and significantly reducing the council fleet exhaust emissions as quickly as possible are key considerations.</p> <p>See Paragraph 10</p>

## 10. Implications

### Financial Implications

- 10.1. On 2 March Full Council approved a capital programme which includes continued investment in which includes £2m per annum between 2023/24 to 2025/26 plus an additional £3m in 2024/25 for HRA vehicles. The total budget for the vehicle replacement programme over the next three financial years and is therefore £9m.
- 10.2. The programme of vehicle replacements as set-out will allow the council to avoid certain costs it currently incurs. The replacement of all planned hire vehicles should reduce hire costs to services by £424,000. Whilst the replacement of 21 non-ULEZ compliant vehicles on fleet should reduce annual expenditure on the ULEZ charge of £61,500. This is based on existing hire vehicles and modelling as at September 2022 included in Appendix 1.

### Legal Implications

- 10.3. This Report sets out the procurement strategy for the 3-year period from 1<sup>st</sup> September 2023 to 31<sup>st</sup> August 2026 with a total estimated budget of £9m and seeks delegated powers for the Corporate Director

of Environment and Climate Change and officers to run the process and make the relevant awards of the contracts.

- 10.4. The strategy to run various mini-competitions under the terms of the Frameworks referred to in paragraph 6.6 of this Report is a process which is compliant with both the Public Contracts Regulations 2015 and the council's Procurement Rules. Officers must ensure that each of the Frameworks permits mini-competitions and that the Framework rules are strictly followed.
- 10.5. Once the results of each mini-competition are known a Contract Award Report must be signed by the Corporate Director of Environment and Climate Change and must also be published as a Key Decision if the value of the contract is above the relevant threshold.
- 10.6. The council has power to procure and enter into these contracts pursuant to Section 111 of the Local Government Act 1972, Section 1 of the Local Government (Contracts) Act 1997 and Section 1 of the Localism Act 2011.

### **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

- 10.7. The purchase of new vehicles will have significant environmental impacts. The manufacture and transport of the vehicles will have impacts including resource and energy use, and once in use, the vehicles will have ongoing energy consumption. In addition, disposal of old vehicles will have environmental impacts related to their disposal.
- 10.8. However, the ongoing environmental impact of the new electric vehicles will be lower than the diesel and petrol vehicles they replace, as they will have zero tailpipe emissions. Vehicles will be largely charged at council sites, which are now on a renewable electricity tariff. The council is also installing a vehicle charging system that will maximise charging at times of day when renewable power is supplying a greater proportion of grid electricity, while the vehicle batteries may also be used to help power council buildings during peak periods, both of which will assist the electricity grid with the transition to a greater proportion of renewables. In some cases, the impacts of material use, and vehicle disposal will be mitigated by refurbishing existing vehicles rather than purchasing new ones.

## 11. Equalities Impact Assessment

- 11.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 11.2. An Equalities Impact Assessment screening tool has been completed, no further Equalities Impact Assessment is required.

## 12. Conclusion and reasons for recommendations

- 12.1. The council must renew its procurement strategy for fleet replacement to cover the next three-year period. It is recommended that the existing Procurement Partnership Ltd (TPPL) framework agreements continue to be accessed as it is the quickest route to market to meet our requirements. Framework agreements via ESPO and YPO have been identified and recommended as additional procurement route options to meet future fleet procurement requirements.

### **Appendices:**

- Appendix 1- Fleet Procurement Plan
- Appendix 2- Equality Impact Assessment

### **Background papers:**

- None

**Final report clearance:**

Approved by:

Executive Member for Environment, Air Quality and Transport

Date: 6.7.23

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