

**Lincolnshire Waste Partnership – 28<sup>th</sup> February 2012****Joint Procurement of Refuse Service Vehicles**

Procurement Lincolnshire are finalising the project for the collaborative procurement of refuse collection vehicles and associated fleet management and maintenance services, working with all of the Lincolnshire waste collection authorities who deliver an in-house waste collection service, as well as a number of authorities in the North Yorkshire region. As this requirement represents the single largest area of spend within the fleet category for the authorities involved (circa £4.5m per annum across the Lincolnshire group), it also represented the largest opportunity to generate savings from collaborative procurement activity in the category.

This was achieved by working closely with Waste Officers within each partner authority to standardise vehicle specifications and aggregate demand across the region. Following market engagement exercises, the strategy developed to maximise potential benefits was to standardise not just to a common vehicle specifications by also to a common method of vehicle acquisition (i.e. lease or outright purchase). The work undertaken clearly indicated that in the current market, outright purchase represented the best value solution to source the vehicles, in combination with a standalone fleet management and maintenance contract for those authorities who do not operate an in-house maintenance service.

Hence the project was delivered in two phases. The first to put place a contract for the supply of refuse collection vehicles, and the second to put in place a contract for the maintenance of refuse collection (and other) vehicles. The first phase was completed in October 2012. A contract was awarded to British vehicle manufacturer Dennis Eagle, to supply refuse collection vehicles to all authorities within Lincolnshire and North Yorkshire, to the value of around £20m over the next 4 years. The cashable benefits derived from this phase are circa £1.85m over the total indicative requirement of 112 vehicles, which equates to £16,500 per vehicle (around 9.2%).

The second phase, for Fleet management and maintenance services was awarded the end of December 2012 to two suppliers, May Gurney Fleet and Passenger Services Ltd for ELDC, NKDC and SHDC, and Local Gainsborough supplier R&A Scott Auto Services Ltd for WLDC. The combined savings from the two phases for the for four authorities requiring contracted maintenance services are circa £2.2m over the seven year initial term of the maintenance contract.

We hope that this project, which was part funded by the LGA as part of their pilot programme to support innovative procurement collaborations, will demonstrate that the benefits of a strategic collaborative approach to procurement – constituting market and spend analysis, collaboration between authorities and robust engagement with internal clients, suppliers and other stakeholders really does drive value into the authorities involved.