

SOUTH DOWNS NATIONAL PARK AUTHORITY

RESOURCES AND PERFORMANCE COMMITTEE

22 NOVEMBER 2010

PROCUREMENT OF VEHICLES

REPORT BY THE INTERIM HEAD OF ICT, PREMISES AND PROCUREMENT

Purpose of the report – *To recommend to the Authority that it establishes a Capital Programme and agrees to the purchase and (where necessary) refurbishment of vehicles to support the front line operations of the rangers within the park.*

Resource implications - *To recommend that the Authority approves a Capital Programme for 2010/11 of £0.276m for the Purchase of vehicles as detailed in section 5.*

1. RECOMMENDATIONS

- 1.1 Resources and Performance Committee recommends that the Authority :
- (i) Approve a capital programme for 2010/11 of £0.276 million* for the purchase of vehicles to support the operation of the Park.
 - (ii) Note that these purchases will be funded from the underspend in the 2010/11 Revised Budget.

2. INTRODUCTION

- 2.1 This report proposes that the Authority purchases a range of vehicles in order to ensure that it can become fully operational in its ranger service by 31 March 2011. The vehicles will be procured from a mixture of existing vehicles owned or leased by the South Downs Joint Committee (SDJC) and the purchase of new vehicles. The procurements are:

- 5 Land Rover Defenders second hand vehicles from the SDJC
- 1 Ford Ranger Pickup second hand vehicles from the SDJC to be used as part exchange against the new Pickup trucks
- 5 Land Rover Defenders on lease to the SDJC second hand vehicles from Bank of Scotland
- 5 new Nissan Navarra Pickup trucks
- 5 new VW Golf Blue Motion

3. THE PROPOSED APPROACH

Proposed Mix of Vehicles

- 3.1 Although the SDNPA has defined 4 local areas to replace the 5 specified by the SDJC, the amount of ground to be covered has increased. The SDNPA will not retain the offices at Seven Sisters Country Park currently made available to the SDJC but will still have to cover all of the surrounding areas from a new base,

potentially in Lewes (along with some storage around the Seven Sisters area). The vehicles currently based at Seven Sisters will be split between the Stanmer Park office and the potential new Lewes office.

- 3.2 There is a requirement for twenty vehicles of which five are environmentally friendly cars primarily to be used for attending meetings. The remaining vehicles are necessary for the front line work of the Rangers and can be used to carry up to 11 people and to tow trailers with necessary equipment to otherwise inaccessible (to any non four wheel drive vehicle) locations. This is the same number of vehicles operated by the SDJC until recently. The reduction in numbers at the SDJC has come about because 4 of the cars that they ran reached the end of their lease and under the circumstances, they decided not to purchase them. This has resulted in the SDJC Rangers coming to meetings in either Land Rovers or pickup trucks which does not meet with best environmental practice. The proposed mix is:

- i.) 10 used Land Rovers Defenders which are in fair condition and can all be returned to good condition for relatively little outlay (see section). These are very rugged vehicles that have years of useful life left in them and can hold between 9 and 11 passengers depending on the model. It is however advised that after market warranties be purchased for them.
- ii) 5 new Nissan Navarra King Cab pickup trucks. These are very useful for jobs where only one or two Rangers are required. They are rugged and powerful enough to tow heavy trailers full of equipment. They are very well regarded by the farming community, have a good reliability record and are as economical and environmentally friendly as any vehicles of the type.
- iii) 5 new VW Golf BlueMotion cars. The cars will not be used for carrying equipment but are required to be used for attending meetings and other public events. They are very environmentally friendly (sub 100 g/km CO2 output resulting in zero road tax, 75 miles per gallon of diesel on a combined cycle), reliable and have high residual values. The warranties can be inexpensively extended to 5 years / 100,000 miles and there is fixed price servicing for 3 years available at very low rates.

- 3.3 This mixed approach achieves the following aims:
- Supports the SDJC transition plan in ensuring a fair and equitable settlement for assets at fair market value and avoids unplanned SDJC liabilities.
 - Achieves best value both in terms of purchasing assets at market value and procuring a mixed fleet that supports efficient delivery.
 - Allows appropriate vehicles to be used for differing purposes
 - Supports the role of the volunteer ranger force – not all volunteers can drive the Land Rovers but all with licenses can drive the pickups and cars

- 3.4 The fleet size is appropriate for the areas concerned and for the number of volunteers currently working with the park. Should the number of volunteers increase, it may be necessary to review the number of vehicles

4. PROCUREMENT

Purchase of SDJC Vehicles

- 4.1 The South Downs Joint Committee (SDJC) currently has a mixed fleet of vehicles comprising 10 Land Rover Defenders, 5 pickup trucks (1 Ford Ranger and 4 Mazda) and 1 Ford Focus estate car. The vehicles are spread across the five local areas defined by the SDJC, namely North, South, East, West and Hampshire. 5 of the

Land Rovers and 1 of the pickups are owned by the SDJC, the rest are leased from the Bank of Scotland.

- 4.2 Trade values were obtained on 1st November 2010 for the vehicles owned by the SDJC as follows:

Registration	Vehicle	Value
GV55 UGD	Land Rover 110 Station Wagon	£9,855
GV55 UEB	Land Rover 110 Station Wagon	£10,285
GV55 UEJ	Land Rover 110 Station Wagon	£9,185
GN04 NWA	Land Rover 110 Station Wagon	£7,535
T201 TNP	Land Rover 110 Station Wagon	£4,575
LA05 LNZ	Ford Ranger Double Cab	£4,635
	Total	£46,070*

- 4.3 It is proposed that the Authority purchases the 5 Land Rover Defenders and the Ford Ranger Pickup owned by the SDJC for £46,070* immediately. These Land Rovers represent good value for money and new EU regulations mean that new Defenders can only be purchased with 7 seats rather than 9 or 11 as the current vehicles have. The legislation does not apply to current vehicles, only to new ones.
- 4.4 The Ford Ranger Double Cab pickup will be used in part exchange against the Nissan Navarra King Cab pickup trucks. This vehicle therefore does not form part of the Authority's fleet but provides an opportunity to maximise the asset value to both the SDJC and the Authority.

Purchase of SDJC Leased Vehicles from Bank of Scotland

- 4.5 The SDJC currently leases 5 Land Rovers, 4 Mazda Pick Up trucks and 1 Ford Focus Estate car from the Bank of Scotland. It is proposed that the Authority purchases the 5 Land Rover Defenders on lease to the SDJC from the Bank of Scotland for £55,000*. The Land Rovers are also of the old model having 9 or 11 seats compared to new vehicles which now only carry 7 people.
- 4.6 The remaining fleet (4 Mazda pickup trucks and 1 Ford Focus car) will be returned to the leasing company by the SDJC on 31 March 2011. These vehicles are at least 5 years old, historically do not wear as well as Land Rovers, are likely to need expensive repair work in the near future and are long out of warranty.

Purchase of New Vehicles

- 4.7 Following the proposed procurement of vehicles from the SDJC an analysis of the Authority's requirements has identified that a further 5 pickup trucks and 5 general vehicles are required. The lead time on the new vehicles is around 8 – 12 weeks for the pickups although delivery of cars is likely to be in April 2011 unless there is flexibility over colour. In the event that there is a gap between the end of the SDJC leases and the arrival on the new cars, the gap can be filled with short term rental.
- 4.8 It is proposed to purchase 5 Nissan Navarra King Cab pickup trucks at an estimated cost of £18000 per vehicle subject to negotiation. The Ford Ranger Double Cab pickup part exchange value is £4,635 which means the total of 5 vehicles after deducting the part exchange cost is £85,365. It has been possible to persuade Nissan Group to issue a "fleet code" to the SDNPA which enables it to purchase the

vehicles cheaper than is possible for a Nissan dealer. This provides the lowest possible price to the Authority.

- 4.9 The SDNPA purchases 5 VW Golf BlueMotion cars at an estimated cost of £18,000 per vehicle subject to negotiation. This gives a total price of £90,000 for the 5 vehicles. Work is underway trying to achieve “fleet” status with VW. This will achieve the best possible price for the Authority.

5. RESOURCES

- 5.1 This report recommends that the Authority approves a capital programme for 2010/11 of £0.276 million* for the purchase of vehicles as detailed below.

Capital Programme 2010/11	£
Vehicle Purchases	
5 Land Rover Defenders and 1 Ford Ranger Pickup from SDJC	46,070*
5 Land Rover Defenders from Bank of Scotland	55,000*
5 Nissan Navarra King Cab pickup trucks	85,365
5 VW Golf BlueMotion cars	90,000
Total	276,435*

- 5.2 The capital purchase of vehicles will be funded by the underspend in the 2010/11 Revised Budget as detailed in the Budget Monitoring Report for Quarter 2, 2010/11 included on this agenda.
- 5.3 It is proposed that the secondhand Land Rover Defenders have a major service and any necessary repair work on a rolling basis until March 2011, to enable aftermarket warranties to be purchased. These one off revenue costs including branding of all Land Rovers are estimated at a total of £52,000 and will be split over 2010/11 and 2011/12. These costs will be funded either through underspend in 2010/11 or included in the 2011/12 budget strategy.
- 5.4 The ongoing annual revenue costs estimated at £50,000 per annum include fuel, insurance, MOT and repairs for general wear and tear. All vehicles will have 3 year warranties limiting any repairs liabilities for the short term. A provision has been included for part year running costs in the 2010/11 Revised Budget and the full year running costs will be included in the 2011/12 budget.

6. RISK MANAGEMENT

- 6.1 The primary risk is around the leases on the SDJC vehicles. All of the leased vehicles reach the end of their contract during December 2010. It is necessary to extend the leases on the SDJC vehicles until the end of March 2011 to ensure that there is no period during which we have insufficient vehicles to do the front line work. This is being investigated with the Bank of Scotland and should they not be extendable then there is a risk to delivery of front line services. This risk is mitigated by a contingency plan to secure other vehicle rentals which would incur additional costs.

7. HUMAN RIGHTS, EQUALITIES, HEALTH & SAFETY

- 7.1 There are no specific considerations under this section

8. CONSULTEES

8.1 Interim Chief Finance Officer, the Ranger Teams, Interim Director of Corporate Services

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* PLEASE NOTE: These figures are estimates as no deal has yet been struck with the SDJC, nor do we have firm prices from the Bank of Scotland for the leased Land Rovers – the report will be updated as these figures become available, potentially on the day the report is presented.