



## **DECISION OF DIRECTOR OF DEVELOPMENT AND ENVIRONMENT**

**DECISION NO 16/17 DE 188**

**SUBJECT: Replacement of Seafront and Events Vehicle**

### **Background:**

The seafront and events team provide essential services to support tourism, emergency response, and the wider North Somerset economy. The service relies on a small amount of specialist vehicles that are utilised for both on road and off road activities throughout the year. Given the harsh nature of the environment they operate in, it is essential to regularly replace the assets to minimise the wear and tear and subsequent rise in whole life operating costs.

### **DECISION:**

To approve the capital spend of £19129 for the purchase of an Isuzu D max single cab vehicle, with a specialist galvanised marine proof rear load bed.

### **Reasons:**

The current vehicle in use by the Seafront and events team has covered 32561 in under 3 years, and is now suffering mechanical fatigue and corrosion due to the harsh marine environment, it must be replaced immediately to avoid major mechanical repairs, given the relatively poor recent reliability record of the Mitsubishi L200, we are recommending a transition to an alternative manufacturer and vehicle Isuzu D-Max single cab, with a specialist alloy rear drop side body, this will also ensure that vehicle will be more suited to the predominantly marine and beach activities of the team. The Same exercise was successfully completed on the sister vehicle within the team 12 months ago proving to be a resounding success.

### **Other Alternatives Considered:**

As part of the review process several options were investigated these included;

1. Extending the life of the current assets which was concluded as not viable due to the failure rate of the existing vehicles and imminent repair bills such as new clutches and electrical failures.

2. Contract hire, this would result in a net revenue spend increase due to changes in capital accounting regulations, and very sizeable de-fleet costs would be incurred due to the nature of the operation and the impact on the residual value.
3. Remove the Provision altogether, this would result in the team relying on hire vehicles at a market rate in excess of £50 per day (£18250 per annum) which would way outstrip the total cost of ownership by at roughly triple over the 3 year life.

### **Risk Assessment:**

The Seafront and Events section will be required to sign up to a specific Service Level Agreement in respect of the vehicle to eliminate the risk of it not being required throughout the whole of the anticipated vehicle life. By means of outright purchase of the vehicle, there is no risk of the external contract/ lease providers going into liquidation. In the event of any vehicle being written off in accidents or stolen, the council's insurance policy will cover most costs.

Risks of not going ahead are that the D&E budget will be adversely increased due to increased costs of maintaining an older high mileage vehicle. The section will not have the correct vehicle for specific work causing a Health and Safety risk to employees.

### **Financial Implications:**

The decision is within the relevant budget of the Directorate (including phased capital budget) and the relevant revenue & capital budget, and the Directorate's overall budget is not projected to be overspent.

Failure to replace the assets will result in the service losing access to the asset as it cannot be safely extended. Extending the asset will result in significant revenue spend on an asset with a fast diminishing value, the manufacturers warranty expires in November 2016 further exposing the council to unnecessary financial risk.

The current vehicle costs a minimum of £4244 per annum to maintain and operate, the replacement vehicle will cost £5296 per annum to maintain and operate, which is a net increase of £1052 per annum, however the new vehicle should be more reliable and cannot be compared to the outgoing asset as it will be specially adapted to the seafront role making it a more robust offering. Furthermore the cost of these vehicles has risen sharply in the last 12 months in part due to the value of the pound, new product offerings, and the introduction of more stringent emission systems in diesel engines.

Capital funding will be required for this purchase.

The vehicle has been priced in accordance with current financial regulations, and the approved TPPL Framework for the purchase of vehicles, with official quotes having been obtained. (see appendix)

The table set out below details the proposed financial repayment model per vehicle:

**SUMMARY PAYMENTS FOR PRUDENTIAL BORROWING  
CALCULATIONS AND INTEREST RATES OVER 3 YEARS**

Date:

22/09/2016

Vehicle Details:

ISUZU D-MAX DIESEL 2.5TD Single Cab  
2016

Department:

Seafront and Events Team

Initial Purchase Price

£19,129.00

Interest on Loan @

£1,262.51

NET AMOUNT LOAN

£20,391.51

**Re-payments to Corporate**

Year of Loan = Yr0

£210.42

Year 1

£3,297.17

Year 2

£3,297.17

Year 3

£3,086.75

Year 3 Residual Value

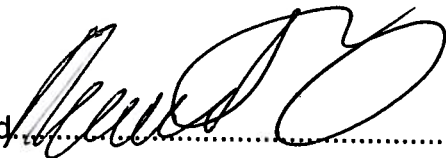
£10,500.00

Total Amounts re-paid

£20,391.51

**Assumptions**

- 1 That the purchase price is correct
- 2 That the residual value is achieved
- 3 That the Estimated Useful Life (EUL) does not change
- 4 That the interest rate is as per the schedule above
- 5 That any residual value is utilised to fund the final loan amount
- 6 That any surplus on residual value is transferred to earmarked capital receipts
- 7 That any shortfall is met by revenue budgets
- 8 That the Rear Alloy bed is purchased using revenue funds and re-used on subsequent vehicles

Signed  Director of Development and Environment.

Dated 22/9/16

**AUTHOR**

Carl Nicholson

Fleet Manager  
Fleet Services  
North Somerset Council

## **BACKGROUND PAPERS**

Annual running cost calculator  
Official quotation for the vehicle

**Fleet number:** TBC      **Reg:** TBC      **Replaces:** WU14UPK  
**Description:** Isuzu d-max Single Cab Mar      **Reason for Replacement:** Replacement  
**Department:** Seafront and Events      **A/c No:**      **Name:** Daren Fairchi  
**Funding Type:** Prudential      **Start Date:** 01/01/2017      **End Date:** 01/01/2020

Date As At: 02/11/2015		Budget Header Annual Cost	Monthly Charge
		£	£
Finance	FF07	3,298.00	274.83
First Registration	TD14a	18.33	1.53
Replacement Hires	TL02	0.00	0.00
Road fund	TD14	230.00	19.17
Depreciation	Dep'n	0.00	0.00
Insurance	YC18	650.00	54.17
Tyres	TD22	450.00	37.50
Maintenance	TD11	450.00	37.50
Consumables	MF04	200.00	16.67
<b>TOTAL</b>		<b>£ 5,296.33</b>	<b>£ 441.36</b>
Average Annual Fuel Costs	TD17	£ 1,735.00	144.58
Residual Value	RV	£ 10,500.00	
Useful Life		3	
Estimated Annual Mileage		11,000	

**Comments:**

body can be transfered to reduce further investment in future.

Spreadsheet Update

FMS

Vehicle Costings

Invoicing

Transport Workings

Budget

Id

**Karen Lane**

**From:** Patrick Toohey <patricktoohey@rogeryoung.co.uk>  
**Sent:** 10 September 2015 14:32  
**To:** Carl Nicholson  
**Subject:** FW: Quote for ref QOCRXY18

**Patrick Toohey.**  
Mobile: 07855 306429  
Telephone: 01752 849999

**Roger Young Land Rover**  
Wood Acre, Saltash Parkway, Saltash. PL12 6LF

For more contact details and how to find us visit [www.rogeryoung.co.uk](http://www.rogeryoung.co.uk)

Roger Young Ltd is a company registered in England and Wales with company number 2207729. Vat No: 501196971. Registered Office: Wood Acre, Saltash Parkway, Saltash. PL12 6LF

**From:** support@ebbon-dacs.com [mailto:support@ebbon-dacs.com]  
**Sent:** 10 September 2015 12:40  
**To:** patricktoohey@rogeryoung.co.uk  
**Subject:** Quote for ref QOCRXY18

**Roger Young - Customer Quotation**

<b>F.A.O.:</b>	Carl Nicholson	<b>Date Received:</b>	
<b>Dealership Tel:</b>	01752 849999	<b>Dealership Fax:</b>	01752 848886
<b>Your Enquiry Reference:</b>	Isuzu Extended Cab	<b>Quote Ref:</b>	QOCRXY18
<b>End User :</b>	Other	<b>Fleet Code:</b>	

Dear Carl Nicholson, thank you for your recent enquiry for one ISUZU D-MAX DIESEL 2.5TD Extended Cab 4x4 finished in Solid - Splash white with Cloth - Black trim built to manufacturers current specification

<b>Factory Extras:</b>	<b>List Price:</b>	£16,969.00
<b>Dealer Fitted Accessories:</b>	<b>Factory Extras:</b>	£0.00
<i>Drop Sides Extended Cab - £2,850.00</i>	<b>Sub Total:</b>	<b>£16,969.00</b>
	<b>Discount @ 13%:</b>	£2,205.97
	<b>Options Discount @ 13%:</b>	£0.00
	<b>Sub Total:</b>	<b>£14,763.03</b>
	<b>Dealer Fitted Accessories:</b>	£2,850.00
	<b>Plates:</b>	£0.00
	<b>Delivery:</b>	£500.00
	<b>Fuel:</b>	£0.00
	<b>Sub Total:</b>	<b>£18,113.03</b>
	<b>VAT @20%:</b>	£3,622.61
	<b>First Registration Fee:</b>	£55.00
	<b>Road Fund Licence:</b>	£225.00

<b>TOTAL:</b>	<b>£22,015.64</b>
<b>P11D TOTAL:</b>	<b>£24,382.80</b>

**CO2 Emissions:** 0(g/km)

**Anticipated delivery date to end user (This is only a guide date and is subject to change):** 14/12/2015

**Vehicle Status:** Factory Order

**Model Year:** 2016

**Notes:**

Please note the above figures are subject to change in line with the manufacturer's prices, terms and conditions, interest rates and Government legislation.

I trust these figures meet with your approval and if I can be of any further assistance, please do not hesitate to contact me.

*Your Quotation was prepared by James Lloyd who will be happy to deal with any queries. Please use the quotation reference above in any correspondence.*



North Somerset Council Fleet Services  
Specification No: NS 408-09-16  
ISUZU D-MAX DIESEL 2.5TD Single Cab 4x4

**1.0 General requirements**

- 1.1 The requirement is for a Isuzu D-Max Diesel 2.5 TD Single Cab 4x4 Manual transmission, with galvanised custom open back load bed
- 1.2 The completed vehicle must comply with all current and impending construction and use regulations and be supplied with a valid certificate of initial fitness or manufacturers type approval certificate.
- 1.3 It will be the responsibility of the manufacturers to ensure that the axle and tyre limitations of the completed vehicle are not exceeded.
- 1.4 Tenders/Quotes submitted must state a fixed price. Delivery charges must be shown if not included in the price.
- 1.5 The Fleet Services Manager, North Somerset Transport Services reserves the right of inspection at reasonable times during manufacture.
- 1.6 The Fleet Services Manager, North Somerset Transport Services reserves the right to reject any work or equipment not to her satisfaction.
- 1.7 The vehicle supplier will fully warranty the vehicle chassis and bodywork, accessories and all ancillary equipment for not less than 36 months from the commissioning date of the vehicle.
- 1.8 A delivery date is to be stated on the tender documents, on receipt of the order a final date is to be confirmed.

**2 Base Vehicle**

- 2.1 The base vehicle to be Isuzu D-Max Diesel 2.5 TD Single cab Cab 4x4
- 2.2 The vehicle is to be powered by a 2.5 Twin Turbo 163ps diesel engine to at least Euro IV Standard.
- 2.3 The vehicle must be fitted with power steering.
- 2.4 The fuel tank filler must be lockable.
- 2.5 Front and rear mud flaps to be fitted.

- 2.6 A RDS stereo radio/cd player is to be fitted in cab area.
- 2.7 A reverse warning bleeper with night time isolation switch is to be fitted.
- 2.8 Heavy duty non slip rubber mats to be fitted to front and rear foot wells.
- 2.9 An adjustable removable Dixon Bates 50mm ball and pin tow hitch to be fitted with electrics.
- 2.10 Supply spare trailer number plate.
- 2.11 Supply Three complete sets of Keys and remotes.
- 2.12 Supply Manual Air conditioning or climate control (whichever is more cost effective)
- 2.13 Supply and fit removable machine washable seat covers.
- 2.14 Supply and fit LED Blaze bar, (exact model to be confirmed)
- 2.15 Supply and fit Fire Extinguisher in cab.
- 2.17 Alloy Rear Load bed conversion by Roger Young's with drop sides and protection from damage by ball and pin.
- 2.18 Reverse Camera to be fitted with integrated mirror screen / or radio unit.

### **3 Paint finish and signs**

- 3.1 Body exterior to be manufacturer's Solid white.
- 3.2 Tyre pressures are to be shown above each wheel arch – colour red 25mm
- 3.3 Fuel type to be shown adjacent to the fuel filler – colour red 25mm
- 3.4 "Chapter 8" graphics to be supplied and fitted.  
High visibility Chevrons to be fitted to the rear of vehicle. Chevrons to be Diamond grade Red and Fluorescent Yellow, and to incorporate "Highways Maintenance" text.
- 3.5 "Chapter 8" 50mm yellow reflective band to be applied to the body sides.
- 3.6 "Chapter 8" Red reflective strips to be applied to the insides of all doors.
- 3.7 No smoking sign to be fitted in cab area.

- 3.8 All-weather tyres to be fitted to all wheels
- 3.9 Original rear tub to be delivered with truck for storage at Coombs Garage.
- 3.10 Underside to be Applied with stone chip to prevent rust in extreme marine environment.

**4 Training**

- 4.1 One set of UK operator manuals to be supplied per vehicle.

**5 Options**

- 5.1 Vehicle livery to be decided by authority and to be priced separately.

**6 Delivery**

- 6.1 Vehicle to be delivered to: -

**Coombs Garage  
Searle Crescent  
Weston-super-mare  
North Somerset  
BS23 3XY  
T:01934 428550**

- 6.2 The vehicle must be fully taxed for 12 months at time of delivery ready for use.  
**Please use the above address as the Registered Keeper on the Registration Certificate.**
- 6.3 Equipment installation and warranty certificates must be provided.

**To be fitted post delivery**

- 1.0 Supply and fit NSC logo's to side doors and Bonnet
- 2.0 Smart Witness HD Camera
- 3.0 Quartix Telematics unit

**Anticipated annual running costs;**

<b>Fleet number:</b>	TBC	<b>Reg:</b>	TBC	<b>Replaces:</b>	WU14UPK
<b>Description:</b>	Isuzu d-max Single Cab Manual	<b>Reason for Replacement:</b>	Replacement		
<b>Department:</b>	Seafront and Events	<b>A/c No:</b>		<b>Name:</b>	Daren Fairchild
<b>Funding Type:</b>	Prudential	<b>Start Date:</b>	01/01/2017	<b>End Date:</b>	01/01/2020

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<b>Useful Life</b>		3	
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**Comments:**

Rear body can be transferred to reduce further investment in future.

**Information below for North Somerset Council use only.**

Specification agreed by: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

