

Appendix 1: Purchasing options

Option	Benefits	Risks	Preferred option
Option 1: all new Replace vehicles that need replacing with new similar diesel and petrol vehicles	<ul style="list-style-type: none"> Preferred vehicles will be purchased 	<ul style="list-style-type: none"> Is an expensive option Does not contribute to carbon reduction ambitions Will require an additional estimated £1.27m (in addition to the current capital spend budget) 	No
Option 2: second hand purchase Buy a mix of ex-leased, demo or second hand vehicles	<ul style="list-style-type: none"> Selecting different ages for different tasks will meet fleet replacement needs with vehicles that are sufficiently reliable Reduce (or even eliminate) use of expensive short-term hire vehicles Best use can be made of the capacity, assets and skills within the Fleet Workshop to reduce purchasing costs 	<ul style="list-style-type: none"> This approach has recently been used to replace some of the oldest vehicles in the fleet and while significantly cheaper the vehicles purchased are not all reliable It provides a short term fix to reduce spot hire costs but the life of these vehicles is short 	No
Option 3: maximum new green replacements Electric vehicles would be selected in every vehicle category available	<ul style="list-style-type: none"> Contributes to carbon reduction ambitions 	<ul style="list-style-type: none"> Will require an additional £3.5m; electric vehicles are twice the price of Euro 6 diesel vehicles Will require charging infrastructure circa £180k investment May not be able to operate all over Brighton & Hove Cost of electric vehicle likely to decrease in next few years Many electric vehicles are not tried and tested and the support around these vehicles is still in its infancy 	No
Option 4: Mixed and Flexible approach to procurement aiming for the maximum carbon reduction per pound At present this will mean purchasing of electric cars and smaller vans where	<ul style="list-style-type: none"> Maximum carbon reduction per pound spent Ensures that the oldest most costly and environmentally friendly vehicles are replaced as soon as possible Enables a flexible approach to respond to advancing technologies Reduces spot hire and maintenance costs Will improve service continuity and delivery 	<ul style="list-style-type: none"> Will require additional revenue funding to support borrowing initially Means that we will need to continue to use diesel initially but this will be with much lower emission and fuel efficient trucks As we shift towards electric, hydrogen or other technologies sustainable energy production and charging facilities will require investment 	Yes

charging infrastructure allows and a programme of replacing the oldest most costly RCVs with new low emission Euro 6 diesel but ensuring that the programme is adapted as new and effective low emission/low carbon technologies come on the market			
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Funding

A number of different funding options have been considered including: outright purchase, contract Hire and purchase of used vehicles.

Using Total Whole Life Cost calculations, the difference between the funding and purchasing options are:

Refuse Vehicle Purchasing Options	Estimated Whole Life Cost (one Refuse Vehicle)
RCV (Diesel) Demonstrator (Second hand)	£386,563
RCV (Diesel) Outright Purchase	£410,129
RCV (Diesel) Hybrid (Diesel Engine - Electric Body)	£442,529
RCV - Full Electric	£553,800
RCV (Diesel) Hire or Contract Hire	£550,634

All figures include Depreciation, Maintenance, Fuel, Insurance, RFL and Funding. (9 year vehicle life)

As can be seen, the most cost effective option for BHCC where possible is to purchase second hand demonstrator vehicles or to purchase outright, as opposed to hiring vehicles. It should be noted that the options to purchase second hand demonstrator vehicles are very limited.

Currently, there are a number of hire vehicles operating within BHCC, the replacement of these will need to take priority over all replacements. In the interim the spot hire purchases are being converted to lower cost lease arrangements pending reprourement.

Infrastructure Funding

The Fleet Management Team have been in discussion with our Parking Project Team and the Sustainability Team about the availability of funding grants for electric vehicle power points, solar panels etc. If grants are available and successful it will reduce the infrastructure costs that have been budgeted in this document.

