



BELFAST CITY COUNCIL

Report to:	Strategic Policy & Resources Committee
Subject:	Approval to seek tenders for the supply of vehicles
Date:	19 November 2010
Reporting Officer:	Gerry Millar, Director of Property & Projects, Ext: 6217
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Relevant background information

Members will be aware that the Fleet Management unit is responsible for the procurement of new and replacement vehicles for the council's vehicle fleet. Following liaison with user departments a schedule of replacement vehicles and assets has been prepared, and a sum of up to **£1,500,000** has been included in the 2011/12 capital programme.

It should be noted that this sum makes no allowance at all for any assets due for replacement in 2011/12 and nor does it provide for any element of new vehicle purchase (i.e. adding new types of vehicles to the fleet as opposed to simple replacement of existing assets). This provision is intended only to replace items which were scheduled for replacement during the last 3 years but which we have been unable to replace as planned, due to a lack of capital funding.

In other words, this level of provision is simply allowing us to mark time and to minimise any further deterioration in our fleet. Members will be aware that there are very obvious downsides to operating an increasingly ageing fleet, most notably:

- an increased likelihood of unforeseen break-down and/or equipment failure leading to accidents and injury for staff and other road users;
- increasing off-the-road time for essential fleet assets (notably domestic refuse collection and street cleansing);
- an increased likelihood of parts obsolescence and of increased costs and delays in obtaining appropriate spares;
- an increased likelihood that fleet assets (particularly the HGV items) will not comply with strict modern particulate emissions guidelines and will thus operate against BCC's stated objectives in terms of sustainability and environmental management etc; *and*
- damage to the council's image and reputation caused by operating old and decrepit assets around the city.

For these reasons it is necessary to carry out some essential replacements of specific fleet assets which, in the opinion of the Fleet Manager, should not be further used in the light of the risks specified above.

However, as the existing contracts for the supply of vehicles have terminated the unit wishes to undertake a procurement exercise, and seeks approval from Committee to invite tenders for a range of vehicle types.

It should be noted that a number of other local authorities in the province have expressed an interest in buying from the contracts resulting from these tender exercises. This would not

mean that vehicle specifications would have to change to the detriment of BCC as a result of external input, but merely that other councils could purchase vehicles at the prices agreed in the BCC contract on the basis of the specifications therein.

This is a practice which has been implemented previously and has been discussed with the Procurement Manager as necessary.

Key Issues

Tenders will be evaluated on the basis of seeking the most economically advantageous whole-life submissions, and will be done in liaison with the council's procurement manager, using the appropriate mix of cost and quality evaluation criteria. Any resulting contracts will be awarded using the authority already delegated by the Committee in respect of these matters.

Resources Implications

Financial

Provision has been made in the 2011/12 capital programme for the purchase of vehicles.

Human Resources

There are no direct HR implications in respect of this report.

Asset and other implications

In order to maintain a modern and efficient fleet of vehicles and meet environmental targets it is essential that the council replaces vehicles which have reached the end of their economic life.

Recommendations & Decisions

The Committee is recommended to approve the Fleet Management unit to carry out a procurement exercise for the supply of vehicles and assets.

Decision Tracking

If Committee approval is forthcoming the unit would anticipate inviting applications to tender in January 2011.

Key to Abbreviations

None.

Documents attached

None.