

DERBYSHIRE COUNTY COUNCIL

CABINET

15 December 2015

Report of the Strategic Director – Economy, Transport and Environment

**PROCUREMENT OF THE NEW REPLACEMENT VEHICLE FLEET
MANAGEMENT SYSTEM (HIGHWAYS, TRANSPORT AND
INFRASTRUCTURE)**

(1) **Purpose of Report** To seek approval to advertise a tender for the procurement of a replacement Vehicle Fleet Management System and appoint a temporary Project Officer to implement the new solution.

(2) **Information and Analysis** To ensure the Council's vehicle fleet and those of its external customers are effectively managed (circa 1,600 vehicles, trailers and items of plant), County Transport currently uses a Vehicle Fleet Management System supplied by Drive Software Solutions Limited. The system provides whole life management of the Council's vehicle fleet assets, including:

- Vehicle acquisition and disposal.
- Detailed records of vehicle and ancillary equipment.
- Fleet monitoring and control, including the regulatory requirement to manage the Council's Goods Vehicle Operators Licence.
- Vehicle maintenance and repair co-ordination, monitoring and control.
- Financial monitoring and control, including ordering and stock control.

The current DRIVE system has been in use since 1999 and hosted within the Council's data centre. Due to the existing contract terminating, a replacement Vehicle Fleet Management Solution will need to be implemented as soon as possible to ensure that the Council can effectively manage its vehicle fleet assets.

Due to the potential whole life cost contract value of £195,000 over a period of 10 years (5 years with options to extend annually for up to a further 5 years), an Official Journal of the European Union (OJEU) compliant procurement process will be required. A review of existing procurement frameworks has taken place and it has been found that none were suitable to supply a replacement solution. Soft market testing has been undertaken to inform the procurement exercise; suppliers presented their Fleet Management Systems with additional site visits being conducted to appraise their functionality. It has

been identified that systems are now available that have the potential to deliver substantial additional efficiencies, for example:

- Vehicle maintenance and repair technologies have progressed with improved automation, including the use of touchscreens and bar code readers that would significantly reduce the amount of manual data input required at source.
- Dashboard facilities are available to enable users and customers to manage and monitor Key Performance Indicators i.e. workflow and consequently, vehicle availability, and the status of regulatory examinations for compliance of the Council's Goods Vehicle Operator Licence.

This additional functionality could provide financial savings for the Council in terms of a potential reduction of staffing resources required to use the system. Therefore, it is anticipated that a replacement Vehicle Fleet Management System should deliver savings over the term of a new contract, however, these and the value of any other benefits could only be fully quantified after the procurement and implementation of a replacement solution.

The current DRIVE system contract, which presently costs £18,543 per annum, has been extended to 30 November 2016 under delegated authority, to allow time for the procurement and implementation of the new solution, training and migration of existing vehicle records.

It is proposed that, following the procurement exercise, a further report will be submitted to Cabinet to seek approval to award a contract to supply a replacement Vehicle Fleet Management System for an initial five year period, with options to extend annually for up to a further five years.

(3) Financial Considerations The precise level of funding required for a new Fleet Management Solution will not be known until a formal procurement exercise has been undertaken. The five year life cost of the solutions, demonstrated by suppliers during soft market testing, ranged from between £60,000 and £150,000 for implementation, support and maintenance. Actual costs will be identified and included in a further report to Cabinet following tender evaluation.

To ensure effective day to day operations are maintained, whilst effectively implementing a process of change from the existing Fleet Management System to that of another, will require additional resources to those currently available from within the section. The project group has determined that a temporary Project Officer, based within the Economy, Transport and Environment Department, would be required on a 12 month basis; 3 months prior to implementation and 9 months following.

The one-off costs of the Project Officer, based on a 12 month fixed term contract, are estimated to be in the order of £37,000, assuming the post is at Grade 10.

Ongoing costs will be met from existing Economy, Transport and Environment Departmental budgets and a one-off cost by a contribution from the Economy, Transport and Environment Department's Earmarked IT Reserve.

(4) **Legal Considerations** The replacement vehicle Fleet Management System will be procured in accordance with the Public Contract Regulations 2015, which will include advertising the contract in the OJEU as the value of the contract will exceed the OJEU threshold of £172,514.

(5) **Human Resources Considerations** The Project Officer will need a high level of knowledge and understanding of vehicle fleet and workshop operations, therefore, it is anticipated that the duties would be commensurate to a Grade 10, however, this would be subject to job evaluation.

Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **Background Papers** Held on file within the Economy, Transport and Environment Department. Officer contact details - Brian Hattersley, extension 32221.

(9) **OFFICER'S RECOMMENDATIONS** That Cabinet:

- 9.1 Approves the commencement of a procurement exercise for the procurement of a Replacement Vehicle Fleet Management System.
- 9.2 Supports the appointment of a temporary Project Officer for a fixed term of 12 months.
- 9.3 Notes that a further report, containing revised costs, be presented to Cabinet following tender evaluation.

Mike Ashworth
Strategic Director – Economy, Transport and Environment