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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>18 September 2012</b>
<b>Report By:</b>	<b>Corporate Director of Environment, Regeneration and Resources</b>	<b>Report No:</b>	<b>FIN/74/12/AP/BH</b>
<b>Contact Officer:</b>	<b>Brendan Hurrell</b>	<b>Contact No:</b>	<b>01475 712654</b>
<b>Subject:</b>	<b>Request to Proceed to Tender – Vehicle Tracking</b>		

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to seek Committee approval to issue tenders for a vehicle tracking system.

## **2.0 SUMMARY**

- 2.1 The Policy and Resources Committee approved the procurement of a vehicle tracking system on the 16<sup>th</sup> of June 2009. This approval was on the basis of the expected costs being below £100,000.
- 2.2 The tender was subsequently advertised but bids were received that were in excess of the available funding. The Council then withdrew from the tender exercise and now wish to retender.
- 2.3 Following review the total cost of a vehicle tracking system is now estimated to be £250,000 in total for a 5 year contract. In terms of the Financial Regulations, Committee approval must be sought before issuing any tender which exceeds £250,000.
- 2.4 There is a range of finance benefits that can be derived from installing a tracker system which will offset part of the cost of the system, these are summarised in Para 4.6.
- 2.5 Given the value of the contract, the European Procurement Regime will apply. Finance have been involved in the business case for the purchase of the vehicle tracking system and have confirmed that budget is available.
- 2.6 The price will be the major factor in this tender. However, there are a number of solutions available in the current market with various software and hardware add ons that may prove beneficial. Therefore, the tender will be advertised on the basis of 70% being attributed to cost and 30% to quality.

## **3.0 RECOMMENDATIONS**

- 3.1 It is recommended that the Committee approves the issuing of tenders in respect of a vehicle tracking system as required in terms of the Council's Financial Regulations for a possible five year contract.

Aubrey Fawcett  
Corporate Director Environment, Regeneration & Resources

#### 4.0 BACKGROUND

- 4.1 The Policy and Resources Committee approved the procurement of a vehicle tracking system on the 16<sup>th</sup> of June 2009. This approval was on the basis of the expected costs being below £100,000.
- 4.2 The tender was subsequently advertised but bids were received that were in excess of the available funding. The Council then withdrew from the tender exercise and now wish to retender.
- 4.3 Following review the total cost of a vehicle tracking system is now estimated to be £250,000 in total for a 5 year contract. In terms of the Financial Regulations, Committee approval must be sought before issuing any tender which exceeds £250,000.
- 4.4 Given the value of the contract, the European Procurement Regime will apply. Finance have been involved in the business case for the purchase of the vehicle tracking system and have confirmed that budget is available.
- 4.5 The price will be the major factor in this tender. However, there are a number of solutions available in the current market with various software and hardware add ons that may prove beneficial. Therefore, the tender will be advertised on the basis of 70% being attributed to cost and 30% to quality.
- 4.6 The 5 year contract would cover the initial capital costs (£100,000) and ongoing revenue costs (£30,000 per annum) of the vehicle tracking system.  
It is anticipated that the recurring costs will be offset by a range of operating and financial efficiencies that can be made with the correct management of a vehicle tracking system from better scheduling, higher productivity and increased vehicle utilisation. By covering fewer miles, reducing speeding and improving driving style there will be also savings in fuel use and CO2.

#### 5.0 FINANCIAL IMPLICATIONS

##### 5.1 Financial Implications – One Off Costs

Cost Centre	Budget Heading	Budget Year	Annual Net Impact	Virement From (If Applicable)	Other Comments
Vehicle Replacement Programme	Vehicle/Equipment Purchases	2012/13	£100,000	n/a	Funded within Vehicle Replacement Programme

##### Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Vehicle Maintenance	Annual Maintenance	2012/13	£30,000  (£40,000)	n/a	Funded within Vehicle Replacement Programme  Projected savings in fuel/down time.

#### 6.0 LEGAL IMPLICATIONS

- 6.1 Legal and Democratic Services have been consulted on the content of this paper and will ensure that the various requirements of the European Procurement Regime are complied with fully.