

## **FLEET CONTRACT – NEGOTIATION RESULT**

**EXECUTIVE MEMBER:** Deputy Leader Councillor George Clements  
**LEAD OFFICER:** Keith Parker, Head of Leisure and Environmental Services  
**REPORT AUTHOR:** Keith Parker, Head of Leisure and Environmental Services

### **Summary and Recommendation:**

This report advises the Executive of the results of the post tender negotiations in respect of the Council's vehicle fleet and asks for the cost implications and efficiency savings to be noted.

## **1. INTRODUCTION**

- 1.1 Executive at its meeting on 10 July agreed to award the Council's fleet contract to Translinc Ltd but that post tender negotiations should be undertaken to minimise the financial impact on the Council. The results of the post tender negotiations were to be reported back to the Executive once concluded, hence this report.
- 1.2 Translinc's tender adjusted tender price at £788,412.08 was some £70,000 above the 07/08 base budget. An increase in price was anticipated as a result of the tender exercise although even at £70,000 this was significantly less than expected and £20,000 less than the Council's provider at that time.
- 1.3 Subsequent negotiations focussing on the age profile of the fleet, nature and age profile of spare vehicles and on the value of the transferring fleet still within its primary lease have now been concluded. The result of which is the revised annual contract hire price is £734,000 or £14,000 above the 06.07 base budget .
- 1.4 In respect of the £30,000 earmarked reserves identified to support the procurement process £19,400 has been spent to date.

## **3. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)**

3.1 Current future years financial projections include £70,000 to allow for the anticipated cost increase for the Council's fleet. Post tender negotiations have brought the actual budget requirement down to £14,000. Because this has been achieved with a fleet profile (ie the number and make up) the same as existing prior to the new contract this realises a 'saving' of £56,000, with no adverse impact on service delivery which can therefore contribute towards the Council's annual efficiency savings. The contract itself is subject to an annual inflation increase on the anniversary date of the commencement date of the contract, ie 22 October, this increase is being allowed for in the budget planning process for coming years.

#### 4. IMPACT ON CORPORATE PLAN

4.1 Award and operation of the fleet contract is a key underpinning activity to a number of the Corporate Plans objectives.

**List of Appendices** None

**List of Background Documents:** Fleet Contract Documentation

**List of Consultees:** Corporate Team

#### CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	None
Impact on Sustainability	The contract requires the new fleet provider to help the Council minimise its carbon footprint.
Impact on Rural Proofing	None
Health and Safety Implications	None
Impact on Equality and Diversity Issues	None
Children and Young Persons Implications	None
Human Rights Act Implications	None
s.151 issues	The financial assessment is robust and the financial implications will be incorporated in the Council's financial plan once decided.
Legal issues	No comments on the report

Please say if this report will require the making of a Key Decision NO