

From: Michael Payne, Cabinet Member for Highways and Transport
Simon Jones, Director of Highways Transportation & Waste

To: Environment and Transport Cabinet Committee – 17 July 2020

Subject: Fleet Services for Highways, Transport and Waste

Future Pathway of Paper: For information only to the Environmental & Transport Cabinet Committee

Electoral Division: Whole of Kent

Summary: This report details new contractual arrangements for the provision of a complete end to end fleet management service provided by Commercial Services. Members are asked to note the contents of this report.

Recommendation:

The Environment and Transport Cabinet Committee is asked to note the content of this report.

1.0 Background

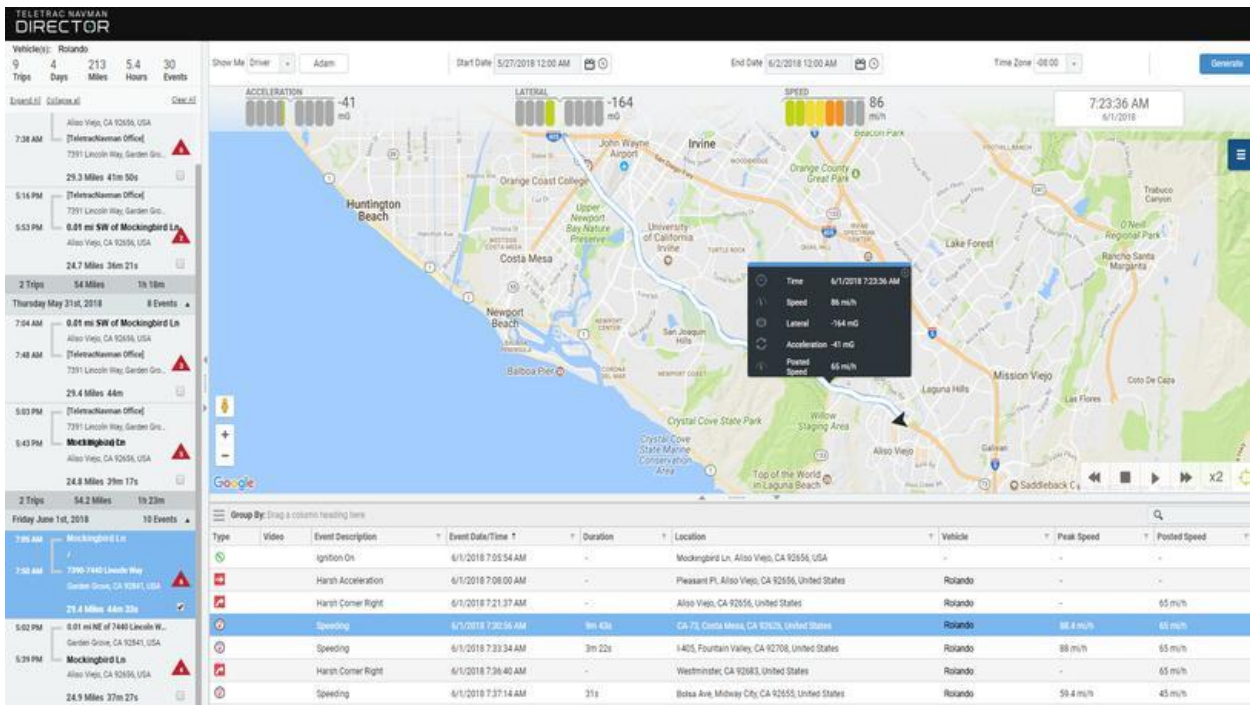
- 1.1 Highways, Transport and Waste current operate the following vehicle fleet comprising:
 - 25 cars - four are hybrid, the remainder latest Euro6c diesel powered vehicles
 - 140 vans – these are latest Euro 6c diesel powered vehicles
- 1.2 This has been managed and administered by HTW’s Business Services team directly but using a disparate supply network.
- 1.3 This work entailed vehicle ordering and disposal, taxing, issuing of fuel cards, routine servicing and the purchase of consumables, vehicle tracking and the monitoring of driver’s licences – but was considered limited as it relied upon multiple contracts administered by various personnel.
- 1.4 Strategic Commissioning was tasked with co-ordinating consistent fleet management arrangements across the County, where an appropriate supplier was sought to deliver a dedicated Fleet Management service.
- 1.5 It was expected that the new supplier would not only build upon the established operating model that had been developed by HTW but to also seek opportunities to bring new and best in class innovation where possible.
- 1.6 As the existing vehicle fleet agreement was expiring, the opportunity arose to consider professionalising and packaging the fleet service into one contract which would provide efficiencies of scale, improvements to operational management and to modernise the fleet recognising Kent County Council’s Energy and Low Emissions

Strategy. This model would be the approach for all of the County's fleet requirements.

2.0 Scope of Supply

- 2.1 Following market engagement and a wider service needs analysis a detailed commissioning process was undertaken.
- 2.2 The market engagement process identified opportunities to standardise vehicle specifications, consolidate vehicle numbers and types in order to allow manufacturers to offer better deals against set vehicle specifications, rather than the service specifying vehicle makes and fuel options.
- 2.3 The initial commissioning process was led by a small working group led by Strategic Commissioning and other internal fleet users such as HTW. This considered the commercial value that the external market could bring to KCC.
- 2.4 It was established that the external market would utilise the same supplier framework that was already available to KCS Professional Services (CSKL). As such it was decided to enter discussions with CSKL.
- 2.5 The outline tender specification was developed by the working group and KCS Professional Services (CSKL) developed a commercially viable offer.
- 2.6 This offer provided:
 - Administrative efficiency as cost and financial responsibility is no longer spread across departments producing multiple payments.
 - A centralised reporting and account management across the whole fleet.
 - A single point of vehicle management.
 - Methods and tools to improve vehicle use maximising operational productivity.
 - Visible tracking of vehicle progress during the sourcing, delivery, servicing and maintenance.
 - A single leasing company is used, providing aggregation of vehicle volumes, type and size.
 - Removal of HTW staff needing to engage with multiple suppliers, opposed to the single fleet administrator that support all elements of the service.
 - The current service is available 24/7/365 rather than during office hours previously.
- 2.7 The new Managed Vehicle Service contract was awarded by HTW in March 2020 for a period of 5 years, there is an opportunity for this new service to be offered to all KCC services requiring vehicles.
- 2.8 This contract provides a range of enhanced fleet supply and administration services including:
 - a. Provision of vehicle types so that the service can chose the most commercially or environmentally efficient

- b. Monitoring of use through bespoke reports such as usage, mileage, expenditure, insurance claims etc
- c. Measuring contractor performance, order fulfilment, customer satisfaction provision of agreed services such as maintenance services, temporary vehicle replacement, MOT and full breakdown services
- d. Accident management services and driver licence checks
- e. Driver engagement to include tracking and reporting driver performance to improve economy and supporting safe remote working, penalty notices – example below of report



2.9 This contract will improve the availability, reliability and effectiveness of the operational fleet whilst ensuring staff safety.

2.10 It supports HTW move toward the model with the primary focus being productivity, efficiency and reliability of supplier performance.

2.11 The new service will also provide operational efficiencies and mitigates risks and issues found with the previous approach to fleet management.

3.0 Schedule and Performance

3.1 Performance monitoring review / meetings will be held quarterly by HTW's Commercial Operations Manager and the designated Fleet Manager employed by Commercial Services.

3.2 Key Performance Measures have been defined, these include the responsiveness of new order fulfilment, supply of all secondary maintenance services, temporary vehicle replacement, quality of invoicing and real-time access to all telematics data

3.3 Additional control over operational use has been incorporated to ensure that individual vehicles do not exceed contractual mileage thresholds which could introduce additional charges.

3.4 The focus is on availability and reliability of the fleet and CSKL will:

- Administer and manage vehicle management for all types of vehicles including servicing, re-calls, fuel cards, breakdown cover and monitoring consumable cost.
- Provide local workshops/suppliers in strategic locations throughout the county for the timely and effective delivery of all servicing, repairs and accident management.
- Provide a dedicated Account Manager to support HTW drivers, responding quickly to phone calls, providing expert and immediate advice covering all aspects of the service including maintenance, penalty management, MOT and insurance claims
- Provide management information to demonstrate performance of each vehicle, journey and routine improvements opportunities etc
- Provide detailed financial information of cost expenditure and vehicle performance.
- Include vehicles with market leading telematics to improve fleet utilisation, increased fuel efficiency, strengthen driver speeding compliance and manage risks effectively.
- Provide information to inform how the fleet may be able to embrace greater levels of environmentally sustainable vehicles over the next five years.

4.0 Financial Implications:

4.1 The fleet management costs for management of HTW's fleet of 165 vehicles is £48k per annum, this is budgeted and funded via the HT&W Management and Commercial Operations, the contract tenure of five years has been agreed. This is a new budget expenditure for an enhanced service.

4.2 This contract will allow operational indirect savings to be delivered through a more efficient administration of fleet management service and will also reduce potential down time of front-line personnel when vehicles are off-road

5.0 Conclusion

5.1 The commissioning of marks a step change in efficient and effective fleet management.

- 5.2 It fully supports both KCC environmental and sustainable operational aspirations, whilst providing a blueprint for fleet users of KCC to utilise
- 5.3 HTW are the first to secure an enhanced vehicle management service via Commercial Services. Therefore, the opportunity exists for other services within KCC to develop bespoke services with CSKL.
- 5.4 Therefore, the opportunity exists for other services within the Authority to develop bespoke services that suit its' operational requirements with CSKL.
- 5.5 Finally, by use of the extensive telematics and monitoring systems improved management information is now available. This allows continuous improvement across our fleet, increasing productivity and reducing emissions whilst protecting both staff and residents alike.

6.0 Recommendation

The Environment and Transport Cabinet Committee is asked to note the contents of this report.

7.0 Contact details.

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