

EAST AYRSHIRE COUNCIL

CABINET - 18 MARCH 2009

NEGOTIATED PROCUREMENT AND MAINTENANCE OF AN UPGRADED FUEL MANAGEMENT SYSTEM

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1** The purpose of this report is to seek approval for the Head of Roads & Transportation to negotiate a single supplier contract with Solution Specialists Limited of 4 Fyne Avenue, Righead, Bellshill ML4 3LJ (SSL) to provide an upgrade of Council's existing fuel management system using the very latest innovations in fuelling technology, allowing real time 24/7 data access via the internet or by text message and for maintenance of the system for a five year period.

2. BACKGROUND

- 2.1** On 16 September 2008, Head of Roads & Transportation advised Directorate Team of the business case for the provision of a new fuel installation at Western Road Depot and the requirement for a new fuel management system.
- 2.2** The current fuel management system is a Triscan Elite Fuel Management System which is now 10 years old, with technical and spares back up provision by SSL who originally installed the system as Triscan's Scottish Agent. The manufacturer of the system has recently had financial difficulties which have had an effect of SSL's ability to source parts when required. This has led to SSL sourcing parts from other areas in order to provide East Ayrshire Council with continuous support. The cost of the current annual service agreement 1st April 2008 till 31st March 2009 is £5,820. When the system was put in there was an original maintenance contract. As S.S.L. were the Scottish Agents for the Triscan system, the maintenance contract has been negotiated on a year by year basis.
- 2.3** The current system allows one 'vehicle fuel fob' per vehicle with the additional security measure of driver identification via a 'driver fuel fob'. There are 1,705 vehicle and drivers fobs in circulation each costing £6.00.

3. UPGRADE OF THE FUEL MANAGEMENT SYSTEM

- 3.1.** It has been identified that it is not possible to obtain an additional terminal for the proposed new fuel tank at Western Road Depot as this system is now obsolete.

- 3.2.** Investigations into a new fuel management system has been carried out and it has been identified that SSL has introduced an innovative system which is Web based with access via a Web portal. It can use the existing key fobs therefore minimising the costs and administration involved in replacing the existing system. There is potential saving of £10,230 by using existing fobs. All propriety work would be carried out prior to the replacement of the terminals ensuring minimal disruption to the internal fuel supplies.
- 3.3.** The benefits in using a Web based system are:-
- Access can be given to the portal to all Operation Managers (at restricted levels) which will allow them to accurately monitor their own Department's fuel usage at more frequent intervals if desired
 - It will improve reporting on fuel usage and will enable reports to be easily adapted to operational requirements
 - In the event of an emergency, fuel supply disruption etc. the management and monitoring of fuel levels, usage etc. can be accessed from any P.C. with internet capabilities
- 3.4.** Indicative costs for this system is £1,598 per terminal, with unrestricted access in terms of polling the system, 12 months parts and labour warranty included in the cost, giving a total installation cost for three units of £4,794, plus a maintenance charge of £4,035 for the fuel pump and tank equipment in the first year. Thereafter it is estimated there will be a total maintenance cost of £6,510 for fuel pumps, tank and management systems. There are no additional communication costs for this system as it is web based through a broadband connection included within the annual maintenance costs.
- 3.5.** The current maintenance contract cost is £5,820 per annum plus a monthly cost of £5 per terminal for a sim card modem. There is also presently a cost for phone calls from the computer base modem to each of the three terminal modems, a minimum of twice per day, charged at BT standard call rate. The total annual cost at present is £6,000 plus telephone charges.
- 3.6** Over a five year period the maintenance and communication charges for the new system equate to £30,075 compared to the existing system of £30,000 plus telephone charges.
- 3.7** S.S.L. are the only company that has been identified as providing a web based fuel management system.

4. LEGAL IMPLICATIONS

- 4.1 The Council's standing orders in relation to contracts (paragraph 20 (1) require Cabinet approval to be sought before tender negotiations can take place with a single contractor.

5. FINANCIAL AND RISK IMPLICATIONS

- 5.1 The total costs for the purchase of the system is £4,794 together with a total maintenance and communication cost of £30,075 over the proposed five year period of the maintenance contract. All purchase and maintenance costs for the upgrade will be met from Transport Service Unit's Budget.
- 5.2 The proposed purchase of this upgrade will contribute to reduce overall annual costs and reduce carbon emissions by means of real time access to fuelling information, providing easily accessed fleet and driver information along with fuelling data to all Operation Managers via internet access.
- 5.3 Failure to maintain the existing system could result in the Council being unable to manage and administer its fuel supply.

6. COMMUNITY PLAN IMPLICATIONS

- 6.1 The investment in the above upgrade will provide real time information to Operations Managers, and therefore assist to identify areas which will assist to potentially reduce carbon emissions thereby improving the environment.

7. RECOMMENDATIONS

- 7.1 It is recommended that Cabinet:
- a) gives approval for the Head of Roads and Transportation to negotiate a contract with Solution Specialists Limited to provide a web based upgrade of the existing Fuel Management System and maintenance for a five year period; and
 - (b) otherwise note the contents of the report.

William Stafford
Executive Director of Neighbourhood Services

WS/JB

6 March 2009

BACKGROUND PAPERS

1. Report on Fuel Tank and AdBlue Tank at Western Road Depot and New Fuel Management System - Department of Neighbourhood Services Directorate Meeting 16 September 2008

Any person wishing to inspect the background paper listed above should telephone 01563 576310 and ask for John Bryson, Head of Roads and Transportation.

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