

Appendix C - 2006/7 Fleet Replacements – Fleet Changes

Background

- Against the initial full fleet establishment in 2005/6, cyclic replacements required against the hire terms for each vehicle.
- Bulk of the fleet on an 18-month/150,000 mileage regime (limited numbers on 24/150,000 and 36/150,000 terms).
- Continued use of Lloyds TSB Autolease (LSTBA) on a contract hire + maintenance arrangement. Vehicles will be procured via the new HMR&C Contract came into effect on 1st October 2006 and a specific variation order which is in the process of being signed by HA, HMR&C and LTSBA.
- A total of 134 vehicles are now to be replaced, with 3 vehicles in 2008.

Replacement of the fleet on an exact like for like has both cost and logistic benefits, but does not reflect issues that have now been revealed. Therefore changes in the fleet composition are proposed.

Review Activity

- Work included a review of the vehicles against the specification alongside on going attempts to collect evidence on reliability (from Operations), data from LTSBA, effective manufacturer support, and dealership support at the interface with Operations.
- Activity exposed some weakness to be addressed in 2007/8.
- By considering changes, alongside best value principles (lease and running costs) necessary to recognise reliability and the principles of customer service.
- There are underpinning logistics that come into play when replacing an operational fleet, which have an influence. These include:
 - Timely replacement to avoid over mileage charges
 - Contingency planning
 - Availability of models
 - Converter capability
 - Equipment transfer
 - Third party contractors (i.e. Vivista)
 - Operational requirements
 - Transfer arrangements
 - Resources

Vehicle Selection Issues

- In selecting the vehicles for the TO Fleet key factors apply.
- Manufacturer/model choices at present are limited, this due to our specification requirements.
- Factors broadly follow recent guidance issued by HSE (Proposals for managing workplace transport risk – a route map: Consultative Document: 2006). These are for the vehicles to:
 - Be safe and allowed for use in UK (comply with UK spec)
 - Be capable of doing the job required (match against our spec)
 - Be safe to maintain (application of manufacturers maintenance regime)
 - Be stable for the job they are performing (by reference to payload)
 - Be designed to allow safe access the vehicle (on going ergonomic review)
 - Be provided with much all round vision from the cabin area as possible (by model review)
 - Be able to accommodate ancillary safety equipment (vehicle has met PITO EMC testing requirements)
 - Feature the appropriate safety and comfort features (match against our spec)
 - Accommodate ancillary equipment fittings in the cabin do not compromise airbag deployment
 - Be suitable for required payload and loads carried can be carried securely (match against our spec)
 - Easily accommodate required pre-shift checks

Fleet Composition

- Currently information is split between information held by the Vehicles Team, Operations and LTSBA. Information gathered from various sources to enable key decisions on the fleet composition to be made.
- Already been decided (in 2005) that for reasons of cost and because a better alternative is available, the Land Rover Range Rover will not be carried over in the forthcoming round.
- This leaves four current vehicles, Land Rover Discovery, Mitsubishi Shogun, Nissan Pathfinder and Toyota Landcruiser.
- Issues at times with all of these models, but one now stands out as being problematic with poor dealership support, and a developing trend of incidents as its mileage increases, resulting in particular in a loss of confidence in the model by Operations and individual Traffic Officers.

On the basis of evidence to hand decided that the Nissan Pathfinder is no longer fit for purpose and should be deleted from the Traffic Officer Fleet.

Problems have included:

- Suspension settlement requiring further upgrade to rear door opening and fitting of suspension assistor springs;
- Problems with the mounting of the Variable Message Panel and lack of rear visibility when the sign (unique to this model) is deployed;
- Loss of power due to a number of mechanical failings;
- Poor dealership support on parts, resulting in some national shortages of basic items;
- Reports of mechanical faults increasing once vehicle have exceeded 70/80,000 miles (we can achieve this figure after approx 10 months of use).

Implications

Deleting the Nissan will have some impact on the budget for future years, given that the vehicle has the lowest Contract Hire rate and returns slightly higher mpg compared to the other models and thus has the best CO2 footprint.

However with reliability affecting residual values and the vehicles maintenance profile, when compared to the other models dialogue with Lloyds suggests that the cost benefit differential of this model to the other is unlikely to be maintained.

Also retaining a vehicle on the fleet with poor reliability will impact on fleet capability overall and Operations ability to perform against set targets.

Deleting this model will also require adjustments in the numbers in the remaining 3 models until such time as further suitable vehicles could be identified.

The resulting model adjustments, which take into account supporting logistics, will form the basis of the next round of procurement dialogue with our supplier and the manufacturers.