

# Driving better value from your Fleet



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# What I will cover

- **Background**
- **Fleet Category work**
- **Sustainability – Grey fleet**
- **Questions**

# Who are we?

OGC is an Executive Agency of HM Treasury

Collaborative Procurement is a strategic imperative in the public sector:

- » Deliver the Transforming Government Procurement and Public Sector Transformation agendas
- » Get a better deal for the tax payer by understanding, managing and leveraging £75 billion of common public sector spend
- » Release resources to support front line delivery in the public sector

Concerned with areas of common spend i.e. fleet, energy, food, ICT, professional services, office solutions & travel

Category management approach supported by a robust governance and reporting structure

Each category supported by a public sector 'sponsor

# Why collaborate?

Coordination of requirements – reduce duplication

Intelligent leveraging of suppliers

Provide /develop different fleet delivery models

Regional and local delivery where it adds value

Effective identification and management of sustainability issues

**Collaboration is delivering results across public sector. In fleet, the collaborative strategy delivered over £60m cash savings for 2008 / 2009.**

# Fleet category highlights

Estimated total of 260,000 public sector vehicles

Estimated spend of £1.8bn – about 70% in local authorities

Over 80,000 commercial vehicles across local authorities in England:

Literally hundreds of individual buying departments with similar requirements –

**lots of duplication and complication = cost**

Independent analysis has indicated a savings opportunity in the range of 12%-

16%: around £250m, through:

- policy controls
- standardisation,
- co-ordinated sourcing and replacement cycles,
- asset and information management

# Current work streams

## **Aggregation**

Promotion of pan government and enabled frameworks to increase uptake

Accredited deals from Firebuy, NHS Pasa, Environment Agency, NEPO, NPIA

Building visibility of spend for activity not currently going through a collaborative deal / frameworks

## **Procurement – more pan government contracts**

Fuel Cards – To be awarded in August 09

Fleet management – ITT end of August

Spot hire – Buying Solutions OJEU end of July award April 2010

Others - specialist vehicles – Firebuy; insurance – NHS PASA; lease of commercial vehicles - MoD and mobiles and trailers - NHS PASA.

# Current work streams

## **Supplier Engagement**

To develop strategic pan-Government relationships with key suppliers through which to increase collaboration leading to the identification of tangible opportunities and the delivery of mutual benefits.

Performance Improvement Plan (20 areas of improvement – NOW!)

4 Key suppliers lease and manufacturing.

## **Marketing & Communications**

Fleet Bulletin, Supplier Bulletin, Regional 'Fleet' workshops

## **Sustainability, Policy & Grey Fleet**

Improving your Carbon, Care and Cost

Grey fleet toolkit, Online community, National forum

CCG, LA and Emergency services initiatives.

# Existing fleet deals

## DWP Vehicle purchase framework

- 19 Manufacturers
- Competitive rates on an open framework basis constantly reviewed
- MI supplied direct from suppliers
- Visibility of CO<sub>2</sub> emissions
- **2<sup>nd</sup> Generation more improvements!**

- *Now easier to join via sign up wizard*
- *Compare type quotations*

## NHS PASA vehicle leasing framework

- 9 suppliers
- Various options including profit sharing, open book & payment profiles
- Real time award winning quotation website
- Ability to use own purchase terms
- 77 Organisations + 395 NHS trusts
- 5.4 Million saved to date

# Fuel Cards

- 3 Suppliers BP, Arval, Esso
- Spend £324 Million
- Litres 285 Million
- Transactions 6.8 Million

Savings £1.4 million plus transactional savings

Re let due to be awarded End of August 2009.

# Other existing fleet deals

NHS PASA – Tyre framework

NPIA – Glass framework

Buying solutions – Spot hire

Buying Solutions OJEU end of July award April 2010

Specialist vehicles – Firebuy

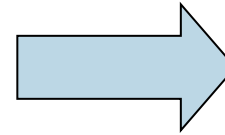
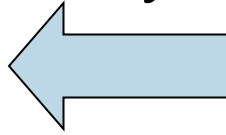
Mobiles and trailers - NHS PASA

and more Public Buying Organisation frameworks

Go to: [www.ogc.gov.uk/contractsdatabase](http://www.ogc.gov.uk/contractsdatabase)

Check out: On the Money

# Sustainability

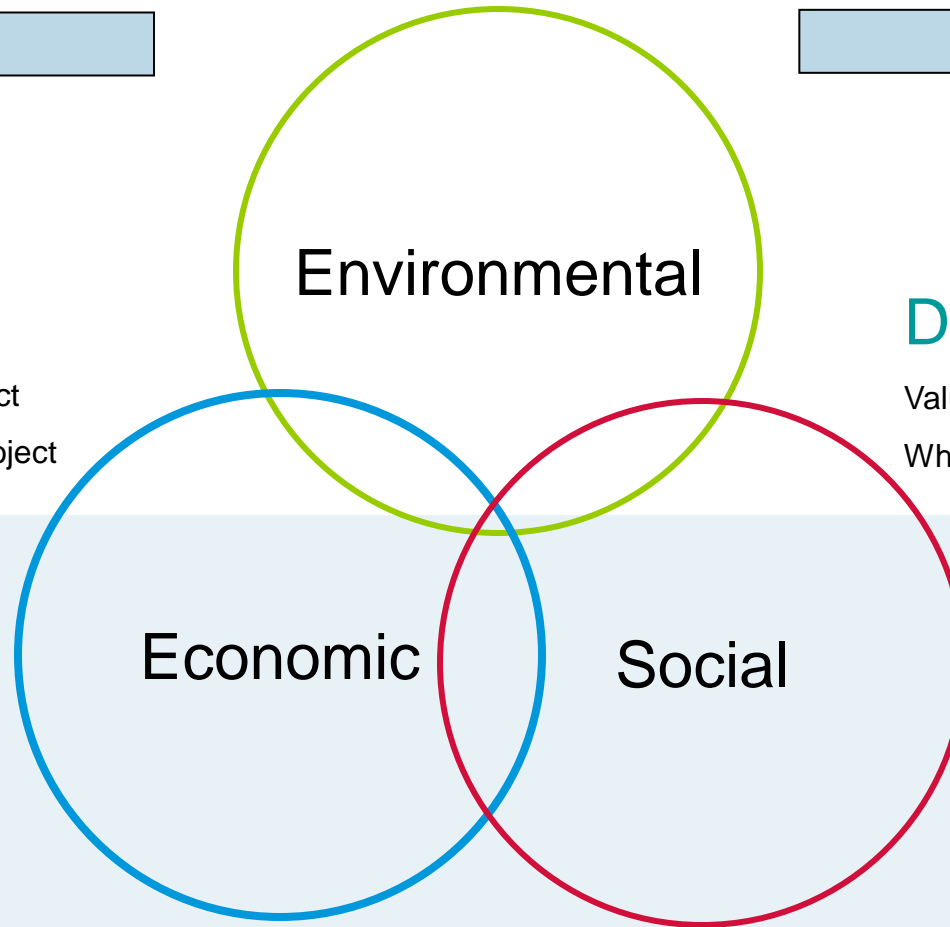


## Supply Side

Carbon Disclosure Project  
Supplier engagement project

## Demand Side

Value for money sustainability criteria  
Whole life costing



EST Green fleet reviews

Value for Money?

# Procurement Criteria – Carbon & Waste

## **Carbon**

Engine CO<sub>2</sub> efficiency g/KM – CCG 130 g/km 2010/11

% Fleets alternatively fuelled – EA case study on 20% blend

Fuel Economy MPG

## **Green Public Procurement (GPP)**

Gear Shift Indicators.

Tyre Pressure Monitoring Systems.

Air conditioning – Global Warming Potential (GWP).

Low rolling resistance tyres.

Low viscosity engine Lubricants.

## **Waste**

Retreading tyres

Repairing windscreens

Disposal of waste oil

End of life vehicle recycling

# The 'Grey Fleet'

## Cost

- Unnecessary journeys
- Single trips over 100 miles return and annual travel over 6000 miles.
- No travel, Video conferencing, public transport, spot hire and lease cars

**CSR 07 efficiency savings of 3% 08/09 – 10/11 – £4.9bn**

## Carbon

- Grey fleet vehicles on average 6 - 7 years old
- Grey fleet vehicles more polluting as CO<sub>2</sub> emissions are higher

**Reduce CO<sub>2</sub> emissions by 80% 2050**

## Care

- Corporate Manslaughter and Corporate Homicide act 2007 enacted in April 2008
- Health and Safety at Work Act 1974

# What support is available?

## **Grey Fleet Toolkit**

Business case, case studies, sample travel policy, advice & support

Get your copy of the toolkit [here!](#)

## **5 Step process**

Step by step guide to starting and implementing a grey fleet project

- » Resources, timelines and suggested project model

## **Case Studies**

Different approaches

## **Online community**

Virtual meeting point to share ideas and best practice

Access to documents, templates and tools

Networking

# For more information about;

## **Any pan government deals**

**Service Desk:** 0845 000 4999

**E:** [ServiceDesk@ogc.gsi.gov.uk](mailto:ServiceDesk@ogc.gsi.gov.uk)

**W:** [www.ogc.gov.uk](http://www.ogc.gov.uk)

## **Grey fleet**

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## **Feedback on current process**

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# Questions?