

AGENDA ITEM No. ¹⁷

NORTH LANARKSHIRE COUNCIL

REPORT

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| TO: ENVIRONMENTAL SERVICES COMMITTEE | | Subject: TENDER FOR THE RATIONALISATION OF FUEL SYSTEM |
| From: DIRECTOR OF FINANCE | | |
| Date: 16 February 1999 | Ref: TDR/AT/33 | |

BACKGROUND

A necessity has arisen to rationalise the fuel system within North Lanarkshire Council. This was presented to the Environmental Services Committee at the November Committee. The three companies as outlined in the report JMW Systems, Petromatic and Meggitt Petroleum/SSL were asked to submit tenders for key systems, touch key systems and electronic transponders.

EVALUATION

The following tenders were received:-

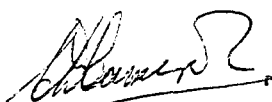
| | | <u>Purchase</u> | <u>Maintenance (5 years)</u> |
|----------|------------------------|-----------------|------------------------------|
| Option 1 | JMW Manual Key | £38,610 | £48,842 |
| Option 2 | JMW Touch Key | £43,625 | £48,842 |
| Option 3 | Meggitt/SSL Manual Key | £57,917 | £44,440 |
| Option 4 | Petromatic Touch Key | £58,922 | £82,170 |

The tender included both an initial cost for conversion and upgrade and an annual maintenance cost. The tenders were evaluated by calculating the net present values of each tender over a 5 year period.

RECOMMENDATION

It is recommended that the Committee agree to award the contract to rationalise the fuel system to JMW Touch Key (Option 2) for the following reasons:-

1. Although this is not the lowest tender operational difficulties arise in the usage of manual key systems which will be alleviated by the use of touch key systems. It is estimated that the additional cost of this tender will be outweighed by the drop on pump problems.
2. JMW are providing many of the fuel systems at present and are providing a satisfactory service.



Director of Finance