

## REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE	Subject: CONTRACT HIRE TENDER FOR THE SUPPLY, LEASE & MAINTENANCE OF CAR LEASES IN RESPECT OF NLC EMPLOYEES	
From: DIRECTOR OF FINANCE		
Date: 13 May 2005	Ref: BC/CC	

1. Introduction

- 1.1 This report seeks Committee approval for the award of contract for the Contract Hire Tender for NLC.

2. Background

- 2.1 The current Car Leasing contract was awarded in 2001 for a 3-year term, this was extended for an additional year expiring 31<sup>st</sup> May 2005. There are currently 4 existing suppliers on the contract : Arnold Clark Finance, Interleasing, Lex Vehicle Leasing and Lloyds TSB autolease.
- 2.2 This tender was prepared by The Leasing Partnership Ltd in January 2005. Tenders were invited for the supply, lease & maintenance of new right hand drive cars for the period from 1<sup>st</sup> June 2005 to 31<sup>st</sup> May 2009.
- 2.3 It is the intention to continue to operate the contract on a framework basis. Reviews of the effectiveness of the companies in pricing for individual vehicles would be carried out throughout the period of the contract and the sourcing of future quotes would be amended as appropriate.

3. Tender Procedures

- 3.1 In accordance with Council's Contract Standing Orders & Public Services Contracts Regulations 1993, we received 18 applications to be on the tender list and of these 14 companies submitted tenders all of whom satisfy stipulated criteria.
- 3.2 The rental costs on the most popular vehicles leased by North Lanarkshire Council were requested and a comparison between companies completed and evaluated.
- 3.3 The evaluation, undertaken by The Leasing Partnership Ltd, involved an analysis of financial issues:-
- Vehicle Price after discount
  - Residual Value
  - Finance Rental
  - Maintenance Rental
  - Total Annual Rental
  - Fair Wear and Tear Charges/Performance
  - Relief Vehicle Costs

- Tyre and Exhaust Policies and Costs
- Cost of Factory Fitted Options
- Termination Costs
- Excess Mileage Charges/Rebates
- Extension Rentals

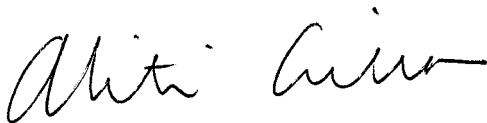
3.4 The offers submitted from each company were also evaluated on fleet administration issues to ensure all companies' standard procedures and policies meet the Council's and users expectations and requirements.

3.5 In order to achieve the flexibility outlined in paragraph 2.3 it is proposed to appoint the 6 companies that received the highest ranking in the evaluation ( subject to their acceptance of North Lanarkshire Council's standard terms and conditions ). The companies are

- 3.5.1 Arnold Clark Finance
- 3.5.2 Automotive Leasing
- 3.5.3 Custom Fleet
- 3.5.4 Interleasing
- 3.5.5 Llyods TSB Autolease
- 3.5.6 Lex Vehicle Leasing

#### 4. Recommendation

4.1 The Committee is asked to approve the appointment of the 6 companies as detailed in paragraph 3.5 subject to their acceptance of North Lanarkshire Council's standard terms and conditions



**Director of Finance**

Background Papers are available in Department. Members wishing further information please contact Mr Brian Cook Head of Revenue Services, Tel:- 01698 – 302801.