

V E N S O N

Achieving Fleet Management Best Value for Police Authorities

Part 3: Choosing A Partner



Choosing a Partner

Achieving Fleet Management Best Value

Meeting Your Key Success Factors

If you've decided to outsource all or part of your fleet management service and are responsible for designing a Best Value fleet strategy that will deliver a consistent availability target of 90% or greater, the chances are you'll soon be looking for a specialist fleet partner that:

- Can meet or exceed contract performance benchmarks
- Is able to proactively respond to and rapidly implement new solutions without sacrificing service quality
- Can provide a solid support infrastructure based on proven methodologies
- Offers specialist knowledge and qualified professionals with recent and relevant expertise.

To help you in your search, this third paper in Venson's Best Value series details the knowledge and insight that Police Service Executives across the UK have shared with us over the years as they have taken steps to:

- Provide a comprehensive Fleet Management requirements briefing to prospective partners
- Identify appropriately experienced and skilled fleet experts
- Ensure exacting in-house fleet service levels and standards are achieved and maintained.

Sharing Best Value Targets

It goes without saying that the depth and breadth of your fleet management Invitation To Tender (ITT) will have a direct impact on the quality and appropriateness of the responses you receive. Given the profile and importance of Best Value, it makes sense to use your fleet management ITT as an opportunity to provide prospective partners with an in-depth briefing on:

- Your operational objectives
- The performance targets you are aiming to achieve
- The measurement (benchmarking) criteria you have (or plan to put) in place.

By structuring an ITT document around some of the key questions provided in the Home Office's 'Best Value: Briefing Notes for the Police Service' document ⁽¹⁾ and referencing these back against the government's Four C's Model (Challenge, Compare, Consult, Compete), ⁽²⁾ you will be giving potential partners valuable information that will enable them to tailor their responses in direct support of your Best Value responsibilities.

Further, by providing this information upfront, you will be setting an appropriate context for your prospective fleet management contract and increasing the likelihood of partnership success.

Designing Your Outsourcing Contract

Minimising risk and securing the best financial deal with a specialist fleet management partner will always be top priorities if you plan to outsource. To achieve this Police Service fleet outsourcers need to have a clear understanding of:

- Current fleet costs and existing availability levels so realistic, measurable targets can be set
- The aspects of their existing fleet management activities they intend to outsource
- Likely management and measurement processes.

¹ Best Value - The Police Authority Role. <http://police.homeoffice.gov.uk>

² Best Value - Briefing Notes for the Police Service. <http://police.homeoffice.gov.uk>

In terms of developing an accurate assessment of your costs and availability, Venson's availability analysis model, outlined in our first paper 'Why Outsource', provides some useful guidance.

| | Base Case | Increase Fleet | Reduce Budget |
|-------------------------------|-----------|----------------|---------------|
| Actual Fleet Size | 500 | 500 | 395 |
| Availability Levels | 75% | 95% | 95% |
| Cars Off The Road | 125 | 25 | 20 |
| Effective Fleet Size | 375 | 475 | 375 |
| Effective Monthly Fleet Costs | £230,000 | £230,000 | £181,700 |
| Cost Per Usable Vehicle | £613 | £484 | £484 |

With regard to deciding on which aspects of your existing fleet management activities you want to outsource, there are numerous options. For example you might:

- Choose to retain vehicle selection but outsource vehicle testing
- Keep repair and maintenance in-house but bring in a specialist provider to manage equip-for-service
- Continue with your overall fleet management responsibilities but ask a third party provider to provide real-time, online management information.

By asking for input and involvement from a specialist fleet partner you will be in a strong position to design an outsourcing contract that is comprehensive, far-reaching, prudent and effective. You will also have started down the route of bringing them on board as a trusted advisor.

Choosing A Partner

“We wanted an innovative, value-for-money service that would deliver against our extremely demanding performance requirements, provide a high level of Emergency Services expertise and ensure we maintain our reputation for first class public service. The decision to outsource our fleet to Venson was definitely the right move – we are now able to offer our police drivers good service, much better availability and the assurance that their vehicles should always be fit for purpose. Working with a specialist fleet management provider has moved us much closer to our best value targets.”

Lucas Ortega, Head of Procurement, Nottinghamshire Police

Venson's existing customers believe that the communication channel between their internal and external teams is a critical success factor. The very best managed services relationships are those based on a foundation of mutual partnership, which deliver quantifiable value and guard against third party vulnerabilities.

Ask any senior Police Officer to tell you about their ideal outsourced relationship and the chances are they will talk about one based on trust, respect and understanding, which involves third party providers as part of the Service's team and ensures:

- The participating Service retains overall control of critical decision-making for the fleet
- The selected partner has the opportunity to provide strategic advice, expertise and delivers against the performance targets set.

In outsourced fleet partnerships, the third party provider's experience is always important. In the Emergency Services market, the specialist expertise, pedigree and track record of the external partner is critical. The following checklist based on feedback from senior Police Officers will help you review the suitability of potential partners:

- Proof of delivering against stringent availability and performance targets
- Strong Emergency Sector customer testimonials
- Services available 24/7
- In-depth knowledge of the fleet market
- Ability to deliver at a strategic and tactical level
- Leading edge, HMIC-compliant technology and real-time reporting systems
- Willing to consider 'payment by results' contracts
- Direct access to a dedicated and experienced account team
- Reputation for good communication
- Willing to operate as part of your team.

Positioning Your Contract For Success

Police Service fleet outsourcing is a highly productive and cost-effective journey when it's planned and executed in a strategic, objective based manner. The ten-step process below is a useful guide to the final stage of your outsourcing journey - a thorough and fair outsourcing contract.

1. **Prioritise.** Think about your Best Value and fleet management objectives. How are these to be prioritised and measured?
2. **Plan.** Clearly explain and schedule all the activities that your specialist fleet provider will be undertaking on your behalf as well as the processes that you will be retaining in-house.
3. **Communicate.** Agree a clear communications framework between you and your partner and, if appropriate, any other third parties involved. Detail communication paths and provide a list of authorised contacts for all parties. This should include a process for dealing with change.
4. **Allocate responsibility.** Ensure that escalation paths are specified. Set a framework for how problems will be categorised and what the escalation process will be for each level of priority. Be clear about how you will deal with problems that occur and be specific about where responsibilities start and finish.
5. **Measure.** Detail all relevant performance expectations in relation to the service. For example vehicle availability or turnaround times for reporting or providing advice. Make sure the levels of support your Service requires will be met by the service you are signing up to.
6. **Service Level Agreements.** Consider the use of appropriate penalty clauses, payable by your service provider, in the event that the performance terms of your agreement are not met. Performance related penalties usually relate to availability and should be set in the form of discounted service charges and operate on a sliding scale. Remember, performance penalties must be easy to monitor and measure.
7. **Review.** Check whether there are any additional clauses or procedures specific to your Service that should be considered. Make sure it provides the flexibility, support and performance measures your Service really needs.
8. **Document reviews.** Ensure that regular service reviews and reporting mechanisms are documented. This will guarantee that performance is reviewed against set targets and in line with your Best Value responsibilities. This will help build strong and lasting relationships.
9. **Manage risk.** Make sure you agree an exit strategy. This will be invaluable in the event of a relationship breakdown.
10. **Build in innovation.** Try to future proof your outsourcing contract so that it can adapt to potential changes in operational priorities. Make sure you introduce regular opportunities to review its structure on an annual or bi-annual basis.

This is the final paper in Venson's Best Value series. If you've found it useful, you can download the other papers in this series from our website www.venson.com:

- **Part 1: Why Outsource? A guide to using outsourcing as a strategic Best Value tool.**
- **Part 2: The Outsourcing Journey. A step-by-step guide to preparing to outsource your fleet.**

Or, if you have specific fleet management questions you would like to discuss with one of our advisors, please call 08444 991400 or email sales@venson.com

The logo for Venson, consisting of the word "VENSON" in white, uppercase, sans-serif font, centered within a dark blue rectangular background.

To find out more about the financial benefits and performance advantages of working with Venson

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