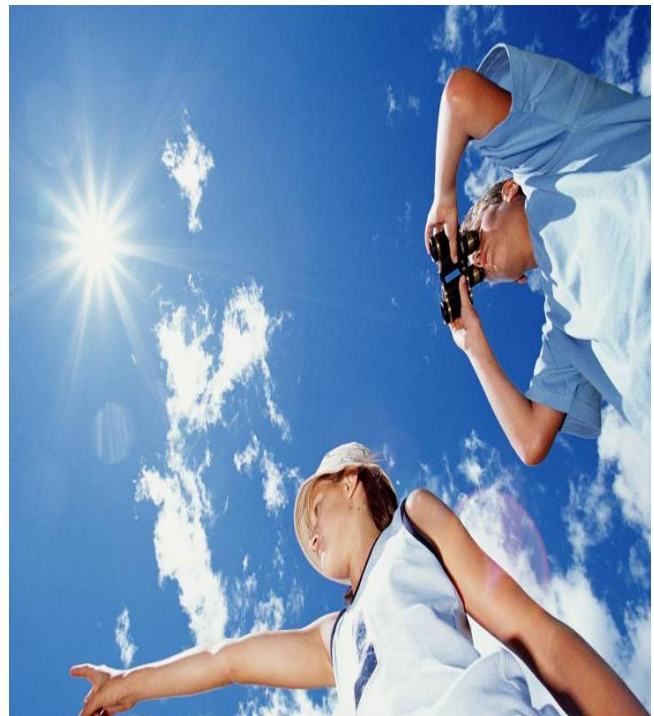
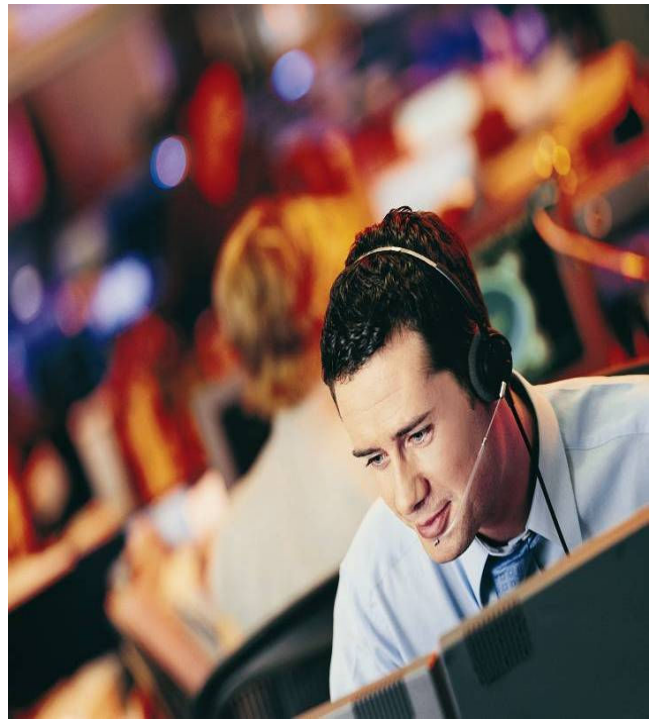


Proposed Interim Management of the City of York Vehicle Maintenance and Servicing Operations (DSG)



Interim Performance Partnership

The City of York Council recognises that there is an opportunity in the short term to address the current service shortfalls and high costs within 'Fleet Management and Maintenance'. There is now a general acceptance that a managed intervention would generate short term cashable savings and lead to the development of a 'fit for future' vehicle maintenance and servicing function for the Authority.

Following on from recent discussions, it is generally agreed that any inefficiencies and examples of underlying poor practice are best 'tackled now' and driven out of the service before any long term solution is decided upon. This approach would ensure that the Council is then able to approach the appointment of a long term partner or contractor from a position of strength.

As the Councils Corporate Efficiency Partner, NKA fully supports this approach and is pleased to submit a revision to our original proposal on how we believe these efficiencies and benefits can be realised.

We are confident that NKA can support the Council through this critical period and assist it to deliver significant financial efficiencies which would contribute towards the net £15m corporate efficiency target.

Key Deliverables

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We propose the engagement of NKA on a 6 month 'Interim Management Arrangement'.

Whilst the previous 'benchmarking' review (January 2008) identified some significant opportunities for efficiencies, those efficiencies identified did not include any analysis of the DSG operations and what might be derived from widening the scope into the vehicle maintenance and servicing function.

As a starting point, we would carry out an immediate review of the current service arrangements. This would allow us to:

- verify the original estimates made by ourselves and track any changes
- establish the full potential of any wider efficiency gains to be won.

Once this initial exercise is completed, after 4 – 6 weeks, we would then forecast the full extent of the efficiencies to be gained and agree them with the Neighbourhood Services Director.

Within the interim management term of six months, NKA would implement an agreed action plan for delivery of the services whilst providing day to day

management of all the service activities. We would also assist York to evaluate the form of the longer term solution. If, after four months, it is evident that a period of interim management longer than six months is required to arrive at the appointment of a partner or contractor, NKA would inform the York Director of Neighbourhood Services and, if required, would extend the term of interim management.

Our Revised Charges and Commercial Model

The proposed partnership would run for a minimum period of 6 months (including the initial review period) and be extendable for individual periods of 3 months, by the mutual consent of both parties.

Our service charge would be £21,300 per month, plus VAT.

Our commercial risk model

Our risk model agreed within the Northgate Corporate Efficiency Partnership would apply. The savings achieved would be credited to the total savings of that Partnership and the total fees would be subject to the same rebate formula as in the Partnership contract.

Conclusion

We believe that this is a great opportunity for CYC and Northgate Kendric Ash to demonstrate further the value and flexibility of our newly formed Corporate Efficiency Partnership.

As always, CYC can be assured of our 100% commitment and that an extension to the existing partnership as proposed here will lead to the realisation of its objectives and of the wider vision for Service transformation and Corporate Efficiency.

