

Chapter 5

Garda Síochána

5.1 Deployment of Garda Vehicles

An Garda Síochána operates a fleet of over 2,500 vehicles that is managed by the Transport Section at Garda Headquarters. The fleet mainly comprises cars (72%), vans (11%) and motorcycles (9%). A computerised fleet management system is used to monitor the operational details of each vehicle including location, assigned use and mileage.

Vehicles are procured by the Government Supplies Agency (GSA) to specifications set by An Garda Síochána. The GSA seeks tenders and awards contracts for the supply of vehicles required over a twelve-month period which commenced on 27 June for 2006/2007. Delivery times quoted are generally of the order of six to eight weeks, with an extra four weeks for non-stock items.

The procurement and operation of the fleet is funded through Subhead D of the Vote. The original voted allocation for the purchase of vehicles in 2006 was €11.2m. A supplementary estimate in December 2006 provided a further €17m that, together with an internal budgetary adjustment within the Vote, brought the overall allocation for the purchase of vehicles for the year to €28.7m.

A total of 1,379 vehicles was purchased in 2006 and the full allocation was expended. Orders were placed for 784 vehicles in the eight-week period from 6 November to 21 December, and 726 of those vehicles were certified as delivered in the period from 14 November to 21 December 2006 at a cost of €14m.

VFM Report No. 3 of August 1995 referred to a tendency for Garda vehicles to be ordered and delivered in bulk. It noted that this practice resulted in deployment delays due to the inability of the Garda garage to cope with the fitting out of vehicles in large quantities. The loss for the previous year was calculated as the equivalent of 37 vehicles per annum. The Report recommended that consideration should be given to the drawing down of vehicles from suppliers on a phased basis.

In response to the subsequent Committee of Public Accounts Report, the Accounting Officer informed the Committee that the procurement process for new vehicles would be brought forward in order to facilitate the phased delivery of vehicles and delivery would begin in January each year. In addition, Garda vehicles were to be supplied fully fitted, with requirements for sirens, beacons, markings *etc.* included in the technical specifications to suppliers.

2007 Audit Findings

It was noted in the course of the 2007 audit that

- Most of the 726 vehicles²⁸ certified as delivered by 21 December 2006 were, in fact, held in the compounds of the supplier and the fitting out sub-contractor.
- 216 vehicles purchased in December 2006 and costing €3.8m, were still in storage in February 2008.
- Assignment to operational use of the last of the batch of vehicles paid for in December 2006 was scheduled for June 2008.

An audit analysis of data extracted from the computerised fleet management system and the asset register provided details of the delay in the assignment to operational duties of the 1,379 vehicles purchased in 2006. At the end of 2006, 941 vehicles remained unassigned. The rate of issue of those vehicles during 2007 and 2008, and the consequent time loss in vehicle years, are set out in Table 32 below.

²⁸ The Accounting Officer has informed me that most of the vehicles were registered in 2007. Road Tax was not payable as Garda vehicles are exempt from this tax.

Table 32 Downtime or Time Loss of the 941 Vehicles Unassigned at End December 2006

	Issues during Quarter	Number of Vehicles Unassigned at end of Quarter	Average Number of Vehicles Unassigned during the Quarter	Time Loss - Vehicle Years
At end December 2006	–	941	–	–
January - March 2007	341	600	771	193
April - June 2007	113	487	544	136
July - September 2007	97	390	439	110
October - December 2007	82	308	349	87
January - March 2008	124	184	246	61
April - June 2008	184 ^(a)	–	–	–
Total	941	–	–	587

^(a) Expected to issue per Accounting Officer.

The average time loss arising from the delay in putting into use vehicles purchased in 2006 but not assigned to operational duties until 2007 and 2008 was the equivalent of 587 vehicles for a twelve-month period.

Audit Concerns

The management of this procurement was out of line with previous commitments on the vehicle procurement and deployment practices of An Garda Síochána.

Paying, in 2006, for vehicles some of which were not put into service until 2008 raises questions as to the efficient use of public funds. Any targeted reduction in the age profile of the fleet remained theoretical until the vehicles were actually deployed.

It would have been good commercial practice to seek a discount on bulk purchases of over 700 vehicles. This did not appear to have been explored.

Accounting Officer Observations

The Accounting Officer informed me that a Supplementary Estimate passed on 6 December 2006 had provided an additional €17m for Subhead D of the Garda Vote over and above the original provision of €11.2m. The purpose of the extra allocation was to

- make substantial improvements in the age profile of the Garda fleet
- increase the size of the fleet so that additional vehicles could be assigned to combating organised crime
- facilitate the planned expansion of the Traffic Corps.

The availability of the additional funds had not been confirmed until the second half of 2006 and consequently the number of vehicles purchased was skewed towards the last quarter of the year. The nature of Government cash accounting rules had obliged An Garda Síochána to purchase a large volume

of vehicles over a short period of time. It was accepted that this imposed some strains on the ability of systems, in particular the fit-out supply chain, to process such a large volume of vehicle acquisitions. That experience would inform future approaches to vehicle purchase. While some opportunity cost was incurred, he was satisfied that the economic benefits of the €17m injection would accrue beyond 2011.

Some of the vehicles purchased in December 2006 were put into service at an early stage in key areas. However, a number of vehicles had to be stored for a period before being put into operational use. The warranty for those vehicles did not commence until they were put into operational use. All vehicles were held in secure storage and were well maintained.

The Accounting Officer informed me that, in order to ensure that the composition and utilisation of the Garda fleet met the highest international standards, An Garda Síochána sought tenders, in March 2008, from consultants to advise on the optimum fleet profile and replacement policy consistent with the availability of funds, the Minister's and Garda objectives and operational needs. In determining the appropriateness of the replacement criteria, Garda management acknowledged the improved quality and durability of modern vehicles while being conscious of their environmental impact. A Superintendent had been appointed to oversee the initiative. It was anticipated that the study would be completed in 2008 and the organisation was committed to the implementation of its recommendations.

The Accounting Officer explained that by availing of the centrally negotiated GSA contracts, An Garda Síochána was obliged to purchase vehicles at the contracted prices and, consequently, additional price reductions or discounts were not sought. However, given the volume of vehicles purchased, the suppliers had been obliged to store the vehicles at their own cost, including insurance cover, which had amounted to a substantial sum.

He accepted, with the benefit of hindsight, that the contracted prices should have included a clause that would have resulted in additional discounts if the indicative tendered volumes had been significantly exceeded. An Garda Síochána would engage with the GSA to ensure that such a sliding scale of discounts based on volume purchases was included in future contracts.

Notwithstanding this, he also pointed out that the principal vehicle supplier, Ford, adopts the approach of quoting the absolutely lowest price allowed under the Ford Motor Company international pricing mechanism. Ford use this mechanism to ensure that they beat off competing suppliers to win as much of the State vehicle supply business as possible. Ford has stated in writing that

- due to the potential high contract volume that may be involved annually, it always tenders at the lowest possible price
- its quoted prices, both past and present, are based on a volume purchase basis and if a volume order does not materialise, it is prepared to stand over the quoted prices for lesser numbers.

He maintained that it was clear from the above that even if An Garda Síochána had sought additional discounts to reflect the increased volume purchases in 2006 those additional discounts would not have been secured. Therefore, the audit concern in relation to this matter is not valid as Ford has confirmed that An Garda Síochána purchased the vehicles at the lowest possible price.

In regard to the impact of the purchases on the age of the fleet a large number of vehicles were delivered in late 2006. Allowing for the time to process these vehicles through fit-out it was inevitable that the improvement in the age profile would not be realised until 2007. As at September 2006 the average fleet age was 3.28 years and this fell to 1.95 years by May 2008. Being in a position to issue these vehicles over the period detailed in Table 32 had a real rather than a theoretical impact.

Audit Conclusions

The number of vehicles purchased and paid for in the final months of 2006 was driven by the availability of funds. While An Garda Síochána had a long-standing objective to increase and upgrade its fleet the action taken did not translate into an effective operational plan to efficiently and effectively use the resources provided late in 2006.

In the event, large numbers of vehicles were unnecessarily paid for in 2006 and lay idle throughout 2007.

There has been a failure to adopt cost-effective approaches committed to following previous examination of the management of the Garda vehicle fleet.

At the wider systems level, in order to encourage planned procurement consideration might be given to some form of carryover of funding for the purchase of assets such as vehicles and equipment.

Response of Accounting Officer

The Accounting Officer has commented that in accordance with Government policy, upon which he is not permitted to comment, the vehicles were purchased to achieve certain objectives. While it required time to process the vehicles and issue them in accordance with the replacement criteria, these objectives were fully discharged.

As detailed in Table 32, of the vehicles purchased in 2006, 633 were processed and issued in 2007 which very substantially used up the stock of vehicles. Therefore, he did not agree that large numbers of vehicles were unnecessarily purchased in 2006 with a consequent long period of idleness.

Procedures to more effectively manage the Garda fleet are being implemented but are taking longer than anticipated due to the lack of skilled resources and the complexity of the management of a fleet of over 2,500 vehicles of many different makes and types dispersed over the entire country. A fleet optimisation study will be completed in the fourth quarter 2008. The tenders for the outsourcing of the maintenance of the fleet are currently being evaluated and subject to Department of Finance sanction a contract will be awarded prior to the end of 2008.

