

23 Obsolescence of Light Tactical Armoured Vehicles

- 23.1** The Appropriation Account for Vote 36 Defence includes an impairment charge in the operating cost statement of €2.77 million in respect of certain military vehicles. This report sets out the background to the impairment.

Procurement of the vehicles

- 23.2** In December 2008, the Department of Defence (the Department) entered into a contract to purchase 27 Light Tactical Armoured Vehicles (LTAVs) for €19.6 million, including VAT.
- 23.3** The purchase followed a competitive procurement process, with a number of established vehicle manufacturers being invited to tender. Six substantial tenders were received. Of these, three manufacturers were shortlisted to take part in a detailed trial and evaluation programme to determine the vehicles that best matched the requirements and specifications set out in the request for tender. This included the physical presentation of vehicles for trials in the Curragh Camp.
- 23.4** The advertised contract award criteria used to evaluate the tender offers were
- functional characteristics and functional performance — 25%
 - technical merit and technical performance — 23%
 - price — 22%
 - ease of maintenance, technical support and after-sale service — 10%
 - cost and ready availability of spare parts — 8%
 - warranty terms — 7%
 - delivery schedule from contract signature — 5%.
- 23.5** The Accounting Officer has stated that evaluation of the tenders concluded that the winning tender represented excellent value.
- 23.6** At the time of contract award, a number of modifications to the vehicle proposed by the contractor were identified as being required for the vehicle to fully meet Defence Forces operational needs as well as to comply with EU regulations. This necessitated a number of design modifications to the engine, braking and steering systems and to integrate government-furnished equipment. The required modifications were carried out by the manufacturer pre-delivery. The costs associated with these modifications is therefore included in the original contract price.
- 23.7** The vehicles purchased were delivered in 2010, and comprised the following (prices are VAT inclusive)
- 15 standard vehicles at a cost of €590,000 each
 - six cavalry vehicles at a cost of €593,000 each

- four artillery vehicles at a cost of €696,000 each
- two communications variant vehicles at a cost of €600,000 each.

23.8 A number of minor design modifications were undertaken post-delivery, at a cost of €633,000 i.e. around €23,000 per vehicle.

23.9 Purchase of a supply of spare parts for the fleet also formed part of the contract. The total acquisition cost of the vehicles including pre- and post-delivery modifications and the spare parts was just over €20 million, including VAT.

Expected useful life and depreciation

23.10 The Department expected that the vehicles would be in use for a 20-year period i.e. until 2029. The vehicles were added to fixed assets at an acquisition cost of €16.4 million. Depreciation was to be on a straight-line basis over 20 years — i.e. 5% a year — to a nominal residual value of €5,000 per vehicle. However, due to an administrative error, only 17 of the vehicles were categorised correctly as armoured fighting vehicles having an expected useful life of 20 years. The other ten vehicles were categorised as heavy transport vehicles, with an expected useful life of 12 years. As a result, accelerated depreciation was applied to the miscategorised vehicles.

23.11 The vehicles were used on overseas missions and for training purposes in Ireland. The overseas deployments included various United Nations missions in Lebanon and Syria, as well as with EU battlegroups. The Accounting Officer stated that the LTAV fleet delivered critical tactical, operational and psychological advantages for Defence Forces personnel on active overseas duty in hostile environments.

23.12 The LTAV fleet was withdrawn from active service entirely in December 2023 i.e. after an average service life of around 14 years.

Utilisation of the fleet

23.13 According to the Department's records, the average mileage on the 27 vehicles was around 20,800 kilometres per vehicle over the 14 years they were classified as being in use. This represents an average annual mileage per vehicle of less than 1,500 kilometres. The least-used vehicle indicated recorded mileage of 8,400 kilometres over its lifetime — an average of just 600 kilometres per year.

23.14 The mileage data provided by the Department indicates nil recorded mileage for some vehicles in some years and gaps in the record for other years. Some of the mileages recorded stand out as being untypical for the vehicle, and a negative mileage is recorded in one case.

23.15 The Accounting Officer has stated that there was a known reliability issue affecting the fleet's dashboard instrumentation, including the odometer system. As a result, a number of vehicles experienced odometer failures requiring reset or replacement of the unit. In certain instances, zero readings were recorded following such interventions.

- 23.16** The Accounting Officer stated that the existence of odometer resets, replacements and anomalous readings presents challenges in establishing a complete and fully auditable record of cumulative mileage for the fleet over its entire service life.

Maintenance and repairs

- 23.17** Up to their withdrawal from service in 2023, maintenance costs on the LTAV fleet totalled €3.05 million, an average of around €113,000 per vehicle, or approximately €8,000 per vehicle per year over 14 years. Average maintenance, repair and replacement costs may have increased as the vehicles aged, but these costs were avoided by withdrawing the vehicles from use.
- 23.18** The Accounting Officer has stated that the maintenance expenditure incurred while the vehicles were in service equates to approximately 13% of the total cost of ownership, and that this compares exceptionally well against standard benchmark rates for military vehicle fleets, where maintenance and operational support typically account for 65% of the total life cycle cost for military ground vehicles.
- 23.19** The Accounting Officer has stated that a significant issue with the fleet was identified in 2011. There was a major driveline failure involving an LTAV while travelling on an Irish motorway. This resulted in extensive damage to driveline components and caused a fire beneath the vehicle's hull which was successfully contained by the vehicle operator. Following an investigation, this defect was determined to fall within the manufacturer's warranty obligations, and remedial action was taken to address the matter under the warranty arrangements.
- 23.20** In addition to the technical issues identified with the vehicles, the Military Authorities reported that the maintenance and support of the fleet was adversely affected by difficulties in the supply of spare parts. The procurement of replacement parts was often subject to major delays, affecting repair timelines, vehicle availability and the efficient sustainment of the fleet. The Department worked with the manufacturer and other stakeholders, where necessary, to mitigate the operational impact of these supply chain constraints and to maintain fleet serviceability as far as was practicable.
- 23.21** The Accounting Officer has stated that the issue of spare parts availability and supply chain resilience are widely recognised internationally as one of the principal determinants of military vehicle readiness and operational availability. This issue is not unique to the LTAV fleet, it is a recurring challenge across armoured vehicle fleets operated internationally. Studies undertaken by industry experts and other international bodies have identified spare parts availability, technical support and security of supply as recurring challenges affecting military readiness.
- 23.22** In April 2024, after the fleet had been retired, an engineering contractor found significant cracks in the chassis of one of the vehicles and recommended the vehicle should be declared unfit for use until all necessary repairs were carried out.

Disposal planning

- 23.23** The Department and the Defence Forces made an offer to donate the vehicles to the Ukrainian Armed Forces but this was declined as the LTAV fleet was deemed unsuitable for their requirements. No decision has been made yet as to how to dispose of the vehicles.

Views of the Accounting Officer

- 23.24** The Accounting Officer has stated that procuring the LTAV fleet delivered critical tactical, operational and psychological advantages for Defence Forces personnel on active overseas duty in non-permissive environments. In hostile territories where opposing forces possess both the intent and capability to disrupt operations, these assets maximised survivability and force protection for Defence Forces personnel without compromising mission capability. The fleet also supported home-based training.
- 23.25** The Accounting Officer acknowledges that, despite the initial successes, the LTAV fleet did not sustain these operational benefits over the long term as originally planned. Issues regarding in-service longevity and performance benchmarking limited the fleet's extended utility. However, this shortfall provided critical insights. The resulting lessons learned have already been successfully integrated into subsequent procurement frameworks to optimise future fleet lifecycles.
- 23.26** Consequent to the issues around spare parts availability, the Accounting Officer stated that contemporary defence acquisition policy places significantly greater emphasis on whole-of-capability planning, lifecycle support, supply chain resilience and government-to-government procurement mechanisms designed to provide long-term assurance of support, upgrade pathways and security of supply throughout the lifetime of an asset.
- 23.27** The Accounting Officer has stated that the Department's procurement practice has evolved so that it places equal emphasis on the acquisition of the platform itself and on the arrangements required to sustain, upgrade and support that capability throughout its operational life.

Conclusions

- 23.28** Given the early withdrawal from service of the LTAV vehicles, and their apparent light use while in service, the Department and the Defence Forces did not receive the service they expected from the vehicles. As a result, there was a significant loss of value arising from their purchase. The loss of value is significantly greater than the write down of €2.77 million in the carrying value recognised in the 2025 financial statements.
- 23.29** The lack of reliable mileage records for a substantial fleet of vehicles over an extended period is a serious fleet management control failure. While there may have been a technical problem that contributed to this, this should have been identified quickly by Defence Forces fleet managers, and the Department should have sought to have the matter rectified at the manufacturer's expense. The Defence Forces should ensure that all vehicles now in service have reliable log books and routine, accurate recording of mileage undertaken.

- 23.30** The Department has stated that it has learned lessons from this procurement and that its procurement process has evolved significantly since 2008, with the objective of optimising the lifecycle of expensive military equipment it acquires.