

EQUIPMENT MANAGEMENT BY HIGHWAY AUTHORITIES IN
THE UNITED KINGDOM

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In the United Kingdom, legislation has increasingly required the Highway Authority Direct Labor Organization (DLO's) e.g. 'Force Account' to operate in direct competition with Private Contractors. Currently any operation estimated to cost more than \$25,000 must be subjected to competitive bidding. This includes virtually all highway maintenance operations.

Thus to remain competitive and survive, the D.L.O. must minimize its equipment costs and this has had an inevitable effect upon Equipment Management. The trend is towards the establishment of free standing. 'Transport Management Organization's (T.M.O.'s) operating quasi-commercially on a self financing trading basis showing a rate of return on capital investment, renting equipment to DLO's in open competition with private hire companies.

In some instances TMO's have taken over the management of all an authority's mechanical services, apart from the emergency services of fire and police.