

## Nottinghamshire Police and Crime Commissioner Notice of Decision



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<b>For Decision or Information</b>	Decision
<b>Date received*:</b>	10 <sup>th</sup> November 2016
<b>Ref*:</b>	2016.051

\*to be inserted by Office of PCC

### TITLE: AWARD OF CONTRACTS FOR VEHICLE RECOVERY SERVICES

**EXECUTIVE SUMMARY:** This supersedes Decision record 2016.038 – contract has not changed but some criteria has. The purpose of this report is to recommend approval for award of contract for Lot 1 – East Yorkshire Motorsport (Sparrow).

Historically Nottinghamshire Police recover between 6,000 and 6,500 vehicles per year across the County of Nottinghamshire. This is not guaranteed but is quoted to give an indication of potential work flow. Currently the services are carried out through an agent. This tender is being carried out so that the service can be brought back in house. By introducing an in-house vehicle recovery scheme managed by the existing force Vehicle Recovery and Abnormal Load Administrators will bring about cost savings as detailed later in this report. The recovery areas within Nottinghamshire are divided into beat codes. This Lead the procurement strategy to include 5 lots for the five different areas within the county.

The original proposal for the Award of Contract to East Yorkshire Motorsport (Sparrow) was challenged by Richford Motors. East Midlands Police Legal Services (“EMPLS”) advised that in order to try to resolve the matter amicably and to demonstrate the PCC’s commitment to a fair and transparent process, Nottinghamshire Police should re-evaluate all the tenders submitted and not commence the standstill period until that process had been completed, the successful tenderer identified and a properly detailed standstill letter provided to each tenderer. As the scores were so close EMSCU agreed that a new evaluation should take place with an independent panel.

The re-evaluation panel evaluated and marked the tender responses received in accordance with the award criteria and scoring mechanisms (including any weighting) set out in the ITT.

Below is the outcome of Lot 1

Lot 1 Area one			
	Available Percentage	East Yorkshire Motorsport (Sparrow)	Richford Motors
Technical	30%	27.50%	16.25%
Service Model	30%	30.00%	17.50%
Support Services	20%	18.33%	8.33%
Capacity	10%	9.17%	6.67%
Business Continuity	5%	3.75%	2.50%
Health and Safety	5%	5.00%	2.92%
<b>Total</b>	<b>100%</b>	<b>93.75%</b>	<b>54.17%</b>

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**INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)**

## Tender Award Report

**FINANCIAL INFORMATION** (please include if is it capital or revenue or both. What the split is and the totals being requested. Is this a virement/ something already budgeted for or something that requires additional funding. Are there any savings that can be offered up/or achieved)

Currently, the duty garages pay a management fee of £27.00 every time they are called-out, of which £20.00 is retained by the incumbent provider and £7.00 is forwarded to Nottinghamshire Police. Based on the average of 6,000 to 6,500 vehicles recovered per annum, the incumbent supplier currently receives between £120,000 and £130,000 pa from the arrangement; whilst Nottinghamshire Police receives between £42,000 and £45,500 pa.

The agreed contract management fee in the new contracts is £32 per vehicle. This will be income that Nottinghamshire Police receive from the vehicle recovery garages, of which there will be 5. This calculation is worked out for the whole county (all 5). There are approximately 6,500 vehicles recovered (under estimated). Approximately 10% are PACE vehicles which the force have to pay recovery on. Therefore non-pace vehicles equate to 5,400 to 5,850 vehicles.

Income received from the vehicle management fee received from duty garages could potentially be in the region of £187,200 per annum, therefore, the costs of the software and the costs of recovery of vehicles used in crime (£70,000) could potentially be offset, leaving an annual net income to the force of approx. £117,200 per year. Additionally, the salary costs of the three Vehicle Recovery and Abnormal Load Administrators (£77,312) could be offset but is already in the core staffing budget; this would leave a surplus of approx. £39,888 per annum.

**Breakdown of costs**

<b>Breakdown</b>	<b>Income (Estimated)</b>	<b>Associated Costs</b>
Potential income from vehicle management fee	£187,200*	N/A
ELVIS Software and licence costs	N/A	£24,500
Cost for recovery of vehicles used in crime	N/A	£45,500**
salary costs of the three Vehicle Recovery and Abnormal Load Administrators on the A1 pay scale	N/A	£77,312
Approximate Surplus Per Annum		<b>£39,888</b>

\*Based on £32 management fee x 5850 vehicles

\*\*Based on PACE expenditure for 600 to 650 (£70 + VAT per vehicle) would be between £42,000 and £45,500

The costs and income have been worked out on an annual basis on existing volumes. Initial set up costs for ELVIS software were £61,500 (including Yr1 maintenance and licence costs) and therefore £24,500 is the annual revenue costs from Yr 2.

Service credits have also been incorporated into these contracts so if suppliers do not meet response times the force receives funds back.

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The current Q2 Forecast outturn (revised budget) is £109,872 for 16/17. The budget includes vehicle storage costs, which will be supplied by the garages with no additional costs and outsourced vehicle recovery services (which is now being brought in house). The income that we currently have forecasted is £131,226 which works out typically at £16 per vehicle.

Please note that in the original business case there was an estimated income of £160,000 which was based on a management fee of £27.00 and not £32.00 which has now been agreed.

Signature:   
**Chief Finance Officer**

Date: 10<sup>th</sup> November 2016

**Is any of the supporting information classified as non public or confidential information\*\*?**

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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If yes, please state under which category number from the guidance\*\*

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**DECISION:**

The decision after the re-evaluation of Lot 1 is to Award the supplier onto the below Lot as they demonstrated the Most Economical advantageous tender.

Lot 1 – East Yorkshire Motorsport (Sparrow)

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**OFFICER APPROVAL**

I have been consulted about the proposals above and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:  
**Chief Executive**



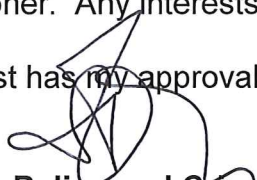
Date:

**DECLARATION:**

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature:  
**Nottinghamshire Police and Crime Commissioner**



Date:

