

SCOTTISH POLICE
AUTHORITY

Meeting	Public SPA Board Meeting
Date	25 August 2016
Location	Stirling Court Hotel, Stirling
Title of Paper:	Award of Framework Contract for the Provision of Vehicle Hire Services
Item Number	12.2
Presented By	Colette Sherry, Head of Commercial Services, Police Scotland
Recommendation to Members	For Approval
Appendix Attached:	No

PURPOSE

This paper is submitted to the SPA Board following approval by the Finance & Investment Committee on 9 August 2016.

To invite members to;

1. Approve the participation in the Scottish Government Call-Off Contract for Vehicle Hire Services, for the period 1 September 2016 – 31 March 2019.

This paper is presented in accordance with the Police Scotland Standing Orders Relating to Contracts, and is submitted for approval by the Full SPA Board.

1. BACKGROUND

- 1.1 Police Scotland has a requirement to hire vehicles for officers and staff where this is the most appropriate method to meet business needs or operational tasks. The requirement is administered by the Fleet Department and managed by a service provider. In line with the approved fleet strategy this has seen the centralisation of the process for hiring vehicles across Scotland, where senior management authorisation is required and a low performance vehicle is the preferred option. The current SPA/Police Scotland contract for vehicle hire expires on 31 August 2016.
- 1.2 In accordance with The Public Contracts (Scotland) Regulations 2012 as amended, the Scottish Government commenced a mini competition under the Crown Commercial Services framework agreement for Vehicle Hire Services RM1062, Lot 1 – UK Vehicle Hire, inviting firms to download, complete and return an invitation to tender for Vehicle Hire Services for Scottish Central Government organisations.
- 1.3 Of the five firms listed under Lot 1 of the framework agreement four submitted offers in response to the invitation to tender.
- 1.4 An evaluation team was created from members of the User Intelligence Group set up by the Scottish Government for the introduction of this contract and consisting of organisations who have historically utilised the service provision the most. The evaluation team's members represented the Scottish Government, Scottish Prison Service, Education Scotland, Forestry Commission and Police Scotland.
- 1.5 The offers were evaluated by the evaluation team in accordance with the award criteria detailed in the invitation to tender and as directed by the framework agreement, that is, the most economically advantageous tender having regard to:

Criteria	Weighting
Quality	60%
Service Delivery (30%)	
Account Management (15%)	
Order Process, including complaints procedure (15%)	
Cost	40%
TOTAL	100%

2. FURTHER DETAIL ON REPORT TOPIC

2.1 Having evaluated the offers in accordance with the specified methodology and against the published award criteria detailed in 1.5 above, details of the scores awarded for each firm are as follows:

Firm	Total Evaluation Score
Arnold Clark Finance Ltd T/A Arnold Clark Car & Van Rental	88.73
Enterprise Rent-A-Car UK Ltd	92.43
Europcar Group UK Ltd	61.20
Scot Group T/A Thrifty Car & Van Rental	62.32

2.2 The offer from Enterprise Rent-A-Car UK Ltd represented the most economically advantageous tender received in respect of the provision of vehicle hire services.

2.3 As a result of the mini-competition detailed above the Scottish Government awarded a Call-Off Contract for Central Government organisations from the Crown Commercial Services framework agreement for Vehicle Hire Services RM1062 to Enterprise Rent-A-Car UK Ltd for the period 1 April 2016 – 31 March 2019.

3. FINANCIAL IMPLICATIONS

3.1 The total estimated value to Police Scotland of utilising the Call-Off Contract for vehicle hire services for the period 1 September 2016 to 31 March 2019 is £2,433,000 (Ex VAT) and provision has been made in the Fleet budget. This is the equivalent of £941,807 (Ex VAT) per annum.

- 3.2 When compared with the cost of the current contract this represents a saving of £5,000 (Ex VAT) per annum. It had been hoped that the tender exercise conducted by the Scottish Government would realise a more immediate saving based on improved commercial arrangements however the current contract has proven to be competitive in terms of the current vehicle hire market.
- 3.3 The hire process will be more automated with Enterprise and will realise efficiencies for Police Scotland. This will streamline the front end and back office requirements involved and produce detailed management information to assess both supplier and customer performance.
- 3.4 It is recognised that initial savings are not at the level wished for but following discussions with Enterprise initiatives have been identified that could lead to potential savings in conjunction with behavioural changes across Police Scotland.
- 3.5 One initiative centres around the pick-up and drop-off methods for hire vehicles and utilising Enterprise branches rather than historic practices of having vehicles delivered and collected from Police Scotland premises. Promoting and introducing this initiative could realise an estimated saving of between £44,000 and £62,000 on operating costs.
- 3.6 A second initiative would be to introduce the Enterprise Car Club that charges a flat rate per vehicle to have pools of vehicles situated at high volume Police Scotland locations. Not only could this further improve the efficiency of the process and vehicle use but it could reduce the Police Scotland pool car fleet and lower mileage reimbursement payments. Case studies show that this initiative has reduced such payments by 20% in similar organisations.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no specific personnel / TUPE implications as a result of this recommendation.

5. LEGAL IMPLICATIONS

- 5.1 This procurement was performed in compliance with The Public Contracts (Scotland) Regulations 2012 and the Police and Fire Reform (Scotland) Act 2012.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications as a result of this recommendation.

7. SOCIAL IMPLICATIONS

- 7.1 The Call-Off Contract commits Enterprise Rent-A-Car Ltd to complying with the Scottish Government sustainable development strategy and ethical policy by supporting the Scottish Government 'Greener Scotland' strategic objective, including:

- 7.1.1 A proactive approach to sustainable consumption and the efficient use of resources;
- 7.1.2 Consideration given to social and environmental consequences;
- 7.1.3 Policies which ensure that business activities have a direct positive impact on climate change and energy; and
- 7.1.4 Policies which encourage natural resource protection and environmental enhancement.

8. COMMUNITY IMPACT

- 8.1 Enterprise Rent-A-Car Ltd will assist the Scottish Government to understand and deliver opportunities to deliver community benefits from the Call-Off Contract including:

- 8.1.1 Targeted recruitment;
- 8.1.2 Training, skills development and apprenticeships;
- 8.1.3 A commitment to support the living wage; and
- 8.1.4 No use of zero hour contracts.

9. EQUALITIES IMPLICATIONS

- 9.1 There are no equalities implications as a result of this recommendation.

10. ENVIRONMENT IMPLICATIONS

- 10.1 As described at 7.1.

RECOMMENDATIONS

Members are invited to consider:

- (i) Approving the participation in the Scottish Government Call-Off Contract for Vehicle Hire Services, for the period 1 September 2016 – 31 March 2019; and
- (ii) Subject to approval from SPA, and as part of service provision to the Authority by police staff permitted under section 83 (2) of the Police and Fire Reform (Scotland) Act 2012, to instruct Procurement staff within Police Scotland to prepare contract documentation for the contract period, to present this documentation for review and signature by the Accountable Officer and subsequently issue on behalf of the Authority.