

Meeting	SPA Board Meeting
Date and Time	16 December 2015, 1300hrs – 1545hrs
Location	Tollcross International Swimming Glasgow
Title of Paper	Contract Award for the Provision of Vehicle Accident Damage Repairs
Item Number	9
Presented By	Mrs Susan Mitchell, Director of Corporate Services, Police Scotland
For Approval / Information	For Approval
Appendix Attached:	Appendix 1 - Evaluation Summary

PURPOSE

To invite Scottish Police Authority (SPA) Members to;

Approve the award of a Contract in respect of the Provision of Vehicle Accident Damage Repairs for the initial period 15 January 2016 to 14 January 2020.

This paper is being submitted in accordance with Section 27 of the Scheme of Administration between the SPA and Police Scotland.

1. BACKGROUND

- 1.1 The purpose of this report is to provide Members of the SPA with information on the outcome of the tender process undertaken and proposed award of contract for the provision of Vehicle Accident Damage Repairs.
- 1.2 Currently, the SPA does not have a contract which covers the national position for the repairs to vehicles which have been accident damaged.

2. FURTHER DETAIL ON REPORT TOPIC

- 2.1 In January 2015, Police Scotland advertised the Contract Notice for a National Contract to replace the existing legacy contractual agreements and local service level agreements.
- 2.2 Offers were invited by an advertisement placed in the Official Journal of the European Union (OJEU), via the Public Contracts Scotland web portal, as specified in the provisions of the EU Directives relating to Public Sector Contracts and in accordance with the open tendering procedures.

- 2.3 Taking cognisance of the geographical differences across the various Divisions of Police Scotland and therefore the different nature of the requirements when it comes to vehicle repairs, it was agreed to split the tender into lots focused on 'urban' and 'rural' areas.
- 2.4 This report deals with the contract for the 'urban' areas, where a high volume of accident damage repairs are carried out. The requirement has been split into nine geographical lots. An assessment has been made that twenty suppliers will be required to support the nine Police workshops. A Service Level Agreement (SLA) will be created by Police Scotland and local repairers to cover the remaining accident damage repairs in the more rural and outlying areas of Scotland.
- 2.5 A procurement process was conducted at that time and a recommendation on the award of the contract for the various lots was made to Members of the Finance & Investment Committee on 26 May 2015.
- 2.6 At that time, Members noted the paper and recommended its approval to the full SPA Board which was due to meet on 24 June 2015.
- 2.7 However, having carried out some additional due diligence, it was identified that there were discrepancies between the published invitation to tender (ITT), the tender responses and the evaluation criteria, that could have resulted in a material difference to the outcome of the successful contract lot awards. As a consequence of this, the report to the full SPA Board was withdrawn so that legal advice could be considered before progressing further.
- 2.8 A full review of the initial procurement process was carried out and the companies who submitted bids were notified. The ITT was re-issued and companies invited to re-submit their bids or amend them.
- 2.9 The details contained within this report reflect the bids that were submitted and evaluated under the second process.
- 2.10 Fifteen companies submitted offers in response to the ITT and fourteen submissions satisfied the Scottish Police Authority's minimum standard of economic and financial standing.
- 2.11 The offers were evaluated in accordance with the award criteria detailed in the ITT and are shown in Table 1 overleaf.

Table 1 – Summary of Evaluation Criteria

Criteria	Weighting
Cost	40
Percentage Discount Weighting	20
Primary repair base within one hour drive of workshop location. Were required AA route map will be used to provide an estimated drive time.	5
Radius for collect of damaged vehicles	3
How vehicle repairs will meet manufacturer's standard	7
Qualifications of staff	5
Security of premises	4
Evidence of automotive repair costing system and sample invoice	13
Ability to securely store documentation	3
TOTAL	100

- 2.12 The various companies submitting tender bids to specific lots are shown in Table 2 overleaf.
- 2.13 Cost was evaluated using a standard and premium labour rate, a storage cost, cost to fit a tyre and a percentage parts discount for the vehicle manufacturers that are most prevalent within the Police fleet.
- 2.14 Tender submissions were evaluated by representatives of Fleet Management and Procurement for the lots detailed.
- 2.15 There were no bids received for lots 2 and 6, while the bid for lot 1 did not meet the Quality criteria set out in the ITT.

2.16 Table 3 provides a summary of the successful companies and the anticipated total value of the contracts over the duration of the contract (4 years).

Table 3 – Anticipated Contract Spend per Supplier

Supplier	Lots	Anticipated spend over contract term
Bustec Ltd	3 and 4	£ 480,000
Elder and Paton Ltd	3	£ 240,000
SMA Vehicle Remarketing Ltd	4,5,7,8 and 9	£ 1,200,000
UK Accident Repairs Ltd	4,5 and 9	£ 720,000
Parks of Hamilton	7 and 8	£ 480,000
Glasgow Audi Repair Centre	7	£ 240,000
Total		£ 3,360,000

2.17 Negotiations with suitable suppliers will be conducted to provide coverage for Lots 1, 2 and 6.

2.18 Contractors have been advised that whilst every effort would be made to ensure an equitable distribution of work between Contractors appointed under each Lot, no guarantee of this can be given and the decision on distribution of work must remain with Police Scotland. The allocation is demand based, spread across the accident damage repairers. Each job allocated is recorded on the fleet national data base (Tranman) by our workshops with a unique order number issued at point of repair to the supplier detailing vehicle details, vehicle downtime and cost of repair.

2.19 Appendix 1 provides the Evaluation Summary for all submissions.

2.20 On 10 November 2015, Finance & Investment Committee Members noted the request to Award the Contract for the Provision of Vehicle Accident Damage Repairs and recommended its submission to the Full SPA Board for approval.

3. FINANCIAL IMPLICATIONS

3.1 The overall spend for this service is based on an estimate of available legacy information on vehicle accident damage and is anticipated to be around £4.8 million over the four year contract term.

Table 4 shows the anticipated breakdown of this spend by lot.

Table 4 – Anticipated Spend by Lot

Lot 1 - Aberdeen	£480,000
Lot 2 -Dumfries	£480,000
Lot 3 -Dundee	£480,000
Lot 4 - Edinburgh	£720,000
Lot 5 - Fife	£480,000
Lot 6 - Inverness	£480,000
Lot 7- Glasgow	£720,000
Lot 8 - Motherwell	£480,000
Lot 9 - Stirling	£480,000
Total	£4,800,000

- 3.3 As it has not been possible to award lots 1, 2 and 6, therefore, in accordance with the Public Contracts (Scotland) Regulations 2012 14.(a) (ii), in the absence of tenders, or suitable tenders submitted, negotiations are to be held with companies who can provide the service to ensure all the spend in this area is undertaken on contract.
- 3.4 The anticipated value of these lots are indicated in Table 4 above.
- 3.5 As legacy Scottish Forces had individual, pre-dominantly off contract arrangements for the provision of this service, it has been difficult to establish and compare the financial benefits of this contract.
- 3.6 However, the award of this contract will enable a more structured monitoring and tracking of spend against awarded contracts and ensure that future savings are easily identified.
- 3.7 Every effort will be made to reduce and mitigate costs associated with vehicle accident damage. Police Scotland vehicle accidents have reduced in the last 12 months by 12%. This has been as a result of the following initiatives being introduced;
- The introduction of the Vehicle Assessor Contract where each vehicle is assessed before any repair is carried out highlighting labour and parts spend;
 - Vehicle Reversing sensors fitted as standard on all new Police Vehicles across Scotland;
 - The introduction of a national fleet management system across the country where all accident data will be recorded at a central location identifying accident trends;
 - Vehicle User Groups have been introduced where accident data is presented to divisions highlighting trends and mitigation,
 - The future roll out of Telematics in vehicles can save up to 20% of accident costs as realised by other UK Police Forces and

- A process has been implemented to review all claims to ensure that every opportunity is taken to reduce/recover costs from 3rd party claimants.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications resulting from the award of this contract.

5. LEGAL IMPLICATIONS

- 5.1 This procurement was performed in compliance with the Public Contracts (Scotland) Regulation 2012.
- 5.2 Not entering into this contract for the provision of accident damage repairs exposes the Authority to the risk of a legal challenge from the supply chain, as the requirement of the Public Contracts (Scotland) Regulations 2012 will not have been applied.

6. REPUTATIONAL IMPLICATIONS

- 6.1 Inability to properly provide this service could lead to reputational damage for Police Scotland and the Scottish Police Authority from a number of perspectives including a lack of available vehicles to support operational delivery. Ultimately, the public would suffer from a lack of service, which in turn would lead to lower confidence in Police Scotland and the Scottish Police Authority.

7. SOCIAL IMPLICATIONS

- 7.1 There are no social implications resulting from the award of this contract.

8. COMMUNITY IMPACT

- 8.1 There are no community impact implications resulting from the award of this contract.

9. EQUALITIES IMPLICATIONS

- 9.1 The tender process ensures that all suppliers sign up to confirm compliance with the Equality Act 2010. Furthermore, the tender process for this Contract requested and evaluated: the maintaining of standards and complaints processes; the tenderers' methods of communicating and training equalities practices; and the tenderers' obligations to ensure sub-contractors also work under the guidelines of the Equality Act 2010.

RECOMMENDATIONS

To invite SPA Members to;

1. Approve the award of a Contract in respect of the Provision of Vehicle Accident Damage Repairs to those companies highlighted within Table 3 for the estimated sum of £3,360,000.00 for the period 15 January 2016 to 14 January 2020.

On receipt of this approval, recommend that;

2. 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 on behalf of the Scottish Police Authority:
 - (1) to issue the appropriate notification under Regulation 32 of the Public Contracts (Scotland) Regulations 2012 of the Authority's award decision;
 - (2) to observe the relevant standstill period required by the said Regulations,
 - (3) subject to there being no challenge by an unsuccessful Tenderer, to prepare, issue and sign, on behalf of the Authority, Contract Documentation; and.
 - (4) thereafter throughout the contract period to place orders as required to satisfy the Organisation requirements for the Provision of Vehicle Accident Damage Repairs.

APPENDIX 1 - Summary of Awarded Lots and Ranking of Bids Received

Name	Lot 1 - Aberdeen	Lot 2 - Dumfries	Lot 3 - Dundee	Lot 4 - Edinburgh	Lot 5 - Fife	Lot 6 - Inverness	Lot 7- Glasgow	Lot 8 - Motherwell	Lot 9 - Stirling	Total Lots Awarded	
Parks of Hamilton		No Bids Received				No Bids Received	2	2		2	
H&J Burgoyne							6			5	
Glasgow Audi Repair Centre								3	3		1
Queenswell Coachworks				3							
UK Accident Repair Ltd					2		2	4	4	2	3
JM Accident Repair centre											
Robert B Bruce Coachworks							3				
Proteck Bathgate Ltd					4						
SMA vehicle remarketing ltd					1		1	1	1	1	5
Brian Much Tayside				Fail (Quality)							
Bustec				1	3		4	5	5	3	2
Advantage Vehicle Body Repair Specialist Ltd				Fail (Quality)							
Autotech				Fail (Quality)							
Elder and Paton				2			5			4	1
Lawrence of Kemnay	Fail (Quality)										
Total Lots Awarded	0	0	2	3	2	0	3	2	2	14	