

DECISION NO: PCCG-2016-012	
<u>OFFICE OF POLICE & CRIME COMMISSIONER</u>	
LEAD CHIEF OFFICER:	Nigel Stephens, Assistant Chief Officer - Resources
TITLE:	Provision of Managed Service for Vehicle Recovery Scheme
DATE:	29 January 2016
TIMING:	Urgent
PURPOSE:	Approval
1.	<u>RECOMMENDATION</u>
1.1	It is recommended that the contract for the Provision of a Managed Service for Vehicle Recovery Scheme be awarded to Automobile Association Developments Ltd (AA) in accordance with paragraph 66(c) of the Manual of Corporate Governance.
1.2	The contract is awarded under the National Framework led by Surrey Police for Provision of a Vehicle Recovery and Disposal Managed Service. Gwent Police's contract will be awarded for a period of three (3) years with an option to extend for an additional two (2) year periods, awarded annually.
2.	<u>INTRODUCTION & BACKGROUND</u>
2.1	The current contract arrangement for a Managed Service Vehicle Recovery Scheme was originally awarded under a national framework led by Sussex Police. The framework was awarded in November 2011 for a period of four (4) years to one supplier, the AA. Gwent Police utilised this framework for their requirements and awarded a contract to the AA in November 2012 for a period of three (3) years ending in October 2015. There has been an extension of the contract by the force until the 31 March 2016 to allow for the AA to carry out their tendering processes for local recovery providers to provide the service.
2.2	Gwent Police used to run and manage the recovery service in-house via a local contract with local providers prior to the award to a managed service provider in October 2012.
2.3	Following the success of the current arrangement with the AA under the Sussex framework, the decision was taken to continue to utilise the managed service provision under the new framework being led by Surrey Police.
2.4	Utilising a managed service for the forces requirements, removes the majority of daily admin duties for Fleet staff with recovery firms, call login and issuing recovery instructions. This is all carried out by the AA through their dedicated call centre and our dedicated Regional Contract Manager. The AA deal with complaints from the public, recovery firms and the management of the recovery firms, including vetting and quarterly reviews.

3.	<u>ISSUES FOR CONSIDERATION</u>
3.1	Following a fully compliant procurement process in accordance with the European Directives Surrey Police awarded the national framework to the AA as the single supplier for the framework based on their most economically advantageous tender response. The framework was awarded for the maximum of four (4) years and commenced on 1 November 2015.
3.2	Once the framework had been awarded, the AA were contacted to meet with Gwent representatives to establish timescales and proposal for implementing the new contract. Gwent Police are unable to contract under the new arrangement until 1 April 2016, as early adopters' priority was given to Surrey and Sussex Police as the framework leads.
3.3	Gwent Police met with the AA Regional Contract Manager in early January 2016 to review the framework options. The options were reviewed by the Acting Head of Fleet, Vehicle Recovery Liaison Officer and Senior Procurement Officer, with a final proposal agreed.
3.4	The specification of the overarching framework incorporated the majority of the service already being provided under the current scheme. The final proposal confirmed the term of the contract, response times, vehicle storage, recovery operators premises and the financial element. The financial element is stated in section 5 of this report.
4.	<u>NEXT STEPS</u>
4.1	On approval of the report, a sign up agreement will be completed between Gwent and the AA, which will need to be approved by Surrey Police as part of the requirements of the overarching framework. This will then allow the AA to commence the tendering process for recovery firms within the force area to provide the service. This is scheduled to be completed and in place by 1 April 2016.
5.	<u>FINANCIAL CONSIDERATIONS</u>
5.1	<p>During the period of October 2014 and September 2015 Gwent Police spent £58,685 under the current Managed Service Vehicle Recovery Scheme contract. The expenditure came from the fee the force paid for PACE and Police Vehicle recoveries which totalled 1,067 at a cost of £55 per vehicle recovered.</p> <p>In addition to this the force received a £55,950 rebate from the AA. The rebate was based on the number of statutory recoveries made in the period, which totalled 3,730 vehicles at £15 per vehicle recovery by the AA.</p>
5.2	<p>Under the new Managed Service Vehicle Recovery framework the following financial standing will apply, Gwent will pay £50 per vehicle recovered relating to PACE and Police Vehicles, which is a total expenditure of £53,350 based on the same number of vehicles stipulated in paragraph 5.1.</p> <p>Gwent will also receive a guaranteed rebate of £53,820 based on statutory recoveries made through the scheme; this is not affected by the number of recoveries made whether numbers increase or decrease.</p>

	For information, the number of vehicles recovered under statutory recoveries by the AA in our current contract have declined year on year.																																				
5.3	Based on the detail within paragraphs 5.1 and 5.2, the force will achieve a saving of £3,205 for the first year based on the reduction in the fee paid for recovery of PACE and Police Vehicles. This savings figure incorporates the reduction in the rebate that the force would achieve compared with last year (14/15) and this year (16/17).																																				
5.4	<p>Savings Breakdown:</p> <table border="1"> <thead> <tr> <th>Type of Vehicle Recovered</th> <th>No. of Recoveries</th> <th>Current Contract</th> <th>New Contract</th> </tr> </thead> <tbody> <tr> <td>PACE</td> <td>427</td> <td>£55 per recovery</td> <td>£50 per recovery</td> </tr> <tr> <td>Police</td> <td>640</td> <td>£55 per recovery</td> <td>£50 per recovery</td> </tr> <tr> <td></td> <td>1067</td> <td>£58,685</td> <td>£53,350</td> </tr> <tr> <td></td> <td>Difference</td> <td></td> <td>£5,335</td> </tr> <tr> <td>Statutory</td> <td>3730</td> <td>£15 per recovery</td> <td>Annual Rebate</td> </tr> <tr> <td></td> <td>3730</td> <td>£55,950</td> <td>£53,820</td> </tr> <tr> <td></td> <td>Difference</td> <td></td> <td>-£2,130*</td> </tr> <tr> <td></td> <td>Total Saving</td> <td></td> <td>£3,205</td> </tr> </tbody> </table> <p>*There is a reduction in the rebate hence the negative figure.</p>	Type of Vehicle Recovered	No. of Recoveries	Current Contract	New Contract	PACE	427	£55 per recovery	£50 per recovery	Police	640	£55 per recovery	£50 per recovery		1067	£58,685	£53,350		Difference		£5,335	Statutory	3730	£15 per recovery	Annual Rebate		3730	£55,950	£53,820		Difference		-£2,130*		Total Saving		£3,205
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5.5	In the new framework arrangement with The AA, they have a requirement to review the financial standing proposed by them for the force for the forthcoming year, which is to be agreed by both parties. This will outline the proposed annual rebate and could identify additional saving for that year. This will need to be contract managed by the Senior Procurement Officer and Acting Head of Fleet.																																				
6.	<u>PERSONNEL CONSIDERATIONS</u>																																				
6.1	There are no personnel considerations related to this contract.																																				
7.	<u>LEGAL IMPLICATIONS</u>																																				
7.1	This report has been submitted in line with the Manual of Corporate Governance. The procurement process for the arrangement has been completed in accordance with the European Directives.																																				
8.	<u>EQUALITIES AND HUMAN RIGHTS CONSIDERATIONS</u>																																				
8.1	This proposal has been considered against the general duty to promote equality, as stipulated under the Strategic Equality Plan and has been assessed not to discriminate against any particular group.																																				
8.2	In preparing this report, consideration has been given to requirements of the Articles contained in the European Convention on Human Rights and the Human Rights Act 1998.																																				
9.	<u>RISK</u>																																				
9.1	The risks for the Commissioner if the contract is not approved are identified																																				

	<p>as:</p> <ul style="list-style-type: none"> • No contractual managed service in place after 31 March 2016 • No service provision or contract in place after 31 March 2016 • Increase in cost to the force to establish our own managed service contract or establish our own in-house managed scheme
10.	<u>PUBLIC INTEREST</u>
10.1	Following approval of this report by the Commissioner, this document will be made available to the public.
11.	<u>CONTACT OFFICER</u>
11.1	David Hatchley, Senior Procurement Officer
12.	<u>ANNEXES</u>
12.1	N/A

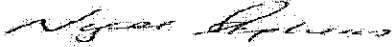
For OPCC use only

Office of the Chief Constable

I confirm that **Provision of Managed Service for Vehicle Recovery Scheme** report has been approved.

It is now forwarded to the OPCC for **approval**.

Signature:



Date: 4 February 2016

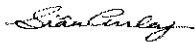
	Tick to confirm (if applicable)
Financial The Chief Finance Officer has been consulted on this proposal.	✓
OPCC (insert name) The Chief of Staff has reviewed the request and is satisfied that it is correct and consistent with the PCC's plans and priorities.	✓
Legal The legal team have been consulted on this proposal.	N/A
Equalities The Equalities Officer has been consulted on this proposal.	N/A

Chief of Staff/Chief Finance Officer:

I have been consulted about the proposal and can confirm that financial, legal, equalities etc... advice has been taken into account in the preparation of this report.

I am satisfied that this is an appropriate report to be submitted to the Police and Crime Commissioner for Gwent.

Signature:



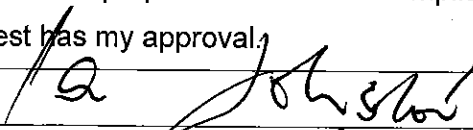
Date: 11/02/16

Police and Crime Commissioner for Gwent

I confirm that I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct.

The above request has my approval.

Signature:



Date:

15.2.16