



THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST:			
CPC-0001303 approval for the award of Vehicle recovery and Disposal Managed Service			
Title:			
Vehicle recovery and Disposal Managed Service			
Executive Summary:			
<p>The Police and Crime Commissioner for Cleveland procured the Vehicle Recovery and Disposal Managed Services with The Automobile Association via a Collaborative Framework with The Police and Crime Commissioners from Surrey and Sussex in 2012 as a Contract Participant.</p> <p>The Current contract includes a referral fee back on to the PCC of £20 per recovery which is paid monthly. Based on 4010 recoveries during previous 12 month period saw an income of approximately £80,200.</p> <p>The Joint Procurement Service of Surrey and Sussex have established this Framework Agreement via a fully EU compliant competition.</p> <p>During negotiation the PCC of Surrey and Sussex have made a few significant changes to the Framework Agreement. All of these changes are non-negotiable by the Contract Participants, and are detailed in the accompanying Procurement Report.</p> <p>The Framework Agreement term is for 3 years with the option to extend by 12 additional months, making the maximum possible Framework Agreement term 4 years, however Contract Participants have the option of a 5 year term and split as a 3 + 2 and thus the Call Off Contract end date is after the end date of the Framework Agreement.</p>			
Decision:			
The PCC is asked to approve the procurement methods used and award the contract to The Automobile Association for 3 years with an optional 2 year extension.			
OPCC Lead Officer:			
Michael Porter			
Contractor Details (if applicable):			
The Automobile Association, Swallowfield One, Wolverhampton Road, Oldbury, B69 2AG			
Implications:			
Has consideration been taken of the following:	Yes	No	
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
(If yes please provide further details below)			

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

The current contract includes a referral fee back to the PCC of £20 per recovery which is paid monthly. Based on 4010 recoveries during previous 12 month period saw an income of approximately £80,200.

The new contract moves way from a fee per referral to a fixed annual fee based on the previous year's recoveries and is detailed fully in the accompanying Procurement Report.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Terms and Conditions are those set out in the Collaborative Framework Agreement.

Equality and Diversity Implications

There are no diversity & equal opportunity implications associated with the award of this contract.

Human Rights Implications

There are no Human Rights implications associated with this contract. There are no sustainability implications associated with the award of this contract.

Sustainability Implications

There is no sustainability implications associated with the award of this contract.

Risk Management Implications

There are no risks associated with the award of this contract.

OFFICER APPROVAL

Chief Executive

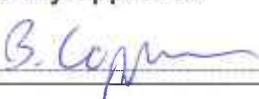
I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signed: 

Date: 23/3/16

Police and Crime Commissioner:

The above request HAS my approval.

Signed: 

Date: 23/2/16

**Report of the Chief Constable to the Police and Crime Commissioner for
Cleveland – February 2016**

Status: For Decision

Procurement Report for the Vehicle Recovery

1. Purpose

- 1.1. As a result of the current Collaborative Framework for Vehicle Recovery and Disposal Managed Service with The Police and Crime Commissioners from Surrey & Sussex coming up for renewal in March 2016.
- 1.2. The Joint Procurement Service for Surrey & Sussex Police have established this Framework Agreement via a fully EU compliant competition.
- 1.3. This Framework Agreement is for the provision of a Vehicle Recovery and Disposal Managed Service and has been awarded to a single Managed Agent to provide a single access point for all vehicle recoveries and disposal.
- 1.4. This Framework Agreement can reduce the time and cost by offering a means for calling off services that have already been competitively tendered.
- 1.5. The Framework Agreement term is for 3 years with the option to extend by 12 additional months, making the maximum possible Framework Agreement term 4 years, however Contract Participants have the option of a 5 year term and split as a 3 + 2 and thus the Call Off contract end date is after the end date of the Framework Agreement.

2. Recommendation

- 2.1. The PCC approves the procurement method used and the award of a 3 year contract with an option to extend for a further 2 years to the Automobile Association (AA).

3. Background

- 3.1. The Police and Crime Commissioners for Surrey and Sussex have awarded a Framework Agreement for Vehicle Recovery Managed Services. This Framework Agreement is available for named Police Forces and Police and Crime Commissioners to use as a Contract Participant.
- 3.2. Vehicle recovery is arranged by the AA, on our behalf, via a Recovery Operator, for any vehicle that is either:
 - 3.2.1. Involved in a road traffic accident or breakdown and is causing an obstruction,
 - 3.2.2. Has no Road Tax, valid insurance, or MOT
 - 3.2.3. Stopped due to driver having no valid driving licence, or is disqualified
 - 3.2.4. Abandoned, burnt out, stolen or involved in a crime
 - 3.2.5. Driver was stopped under PACE Stop & Search, or seizure



- 3.3. The main benefits for Contract Participants are:
 - 3.3.1. A simple and streamline route to access vehicle Recovery Managed Services,
 - 3.3.2. Standard terms and conditions,
 - 3.3.3. Providing a contract price,
 - 3.3.4. A complete management solution for the recovery and disposal of vehicles.
- 3.4. The Call off Contract will be based on the Terms and Conditions set out in the Framework Agreement.
- 3.5. A meeting took place on 11th February 2016 between Procurement and The Automobile Association in response to the changes from the current Vehicle Recovery and Disposed Managed Service Framework to the new proposed Framework. Key details outlined below:
 - 3.5.1. Police Referral Fee
 - 3.5.1.1. Moving away from Actual Fee to a Fixed either monthly, quarterly or annually basis based on the previous year's total vehicles recovered
 - 3.5.1.2. This will be reviewed on an annual basis, however in the first year of the contract every 6 months

3.5.1.3. The Referral Fee value will fluctuate year on year as it is based on the previous year's vehicles recovered volume

3.5.2. Management Fee

The current management fee charged to the Recovery Operator is £36.50 per vehicle of which Cleveland Police receive £20 and the AA retain £16.50 for all vehicles that do not fall under PACE or are Police vehicles.

3.5.3. PACE (Police & Criminal Act (1984)) Amount – this fee is between the AA and the Recovery Operator only. The PACE Fee for any vehicle seized (where the vehicle owner would not be charged recovery fees by the Recovery operator)

3.5.3.1. On the new Framework, the Recovery Operator (RO) will now not pay a management fee for those vehicles and receive the full £50 amount.

3.5.4. Auction Threshold

Currently set at £500 – any vehicle valued at below this value will be scrapped.

The monies raised by selling a car at auction are split between the Recovery Operator and Cleveland Police, as the AA do not take any part of this. The framework contract dictates that the Recovery Operator will receive the equivalent of the Statutory Recovery Fee and 14 days storage and the remainder goes to the Cleveland Police, so please see the following basic examples;

- a. Vehicle sells at a hammer price of £1,200
 - i. - £200 for HMRC
 - ii. - £162 auction fee
 - iii. Leaves £838 to be split
 - iv. RO requires £150 Stat fee + 14 days storage = £430
 - v. £838 - £430 = £408 for Cleveland Police + the £200 for them to pass on to HMRC

- b. Vehicle sells at a hammer price of £500
 - i. - £100 for HMRC
 - ii. - £162 auction fee
 - iii. Leaves £238 to be split
 - iv. RO requires £150 Stat fee + 14 days storage = £430
 - v. As there's only £238 this all goes to the Recovery Operator and there's no remainder to go to Cleveland Police – however they still receive the £100 to pass on to HMRC

3.5.5. Property Books

Currently the AA supply Property Books to the RO, these record the personnel property that has been recovered from the vehicle, but are keen to

move over to recording on ELVIS (Easy Link Vehicle Information System). Agreed that this would be preferred

4. Implications

4.1 Financial

The current contract includes a referral fee back to the PCC of £20 per recovery which is paid monthly. Based on 4010 recoveries during previous 12 month period saw an income of approx. £80,200.

The new contract moves away from a fee per referral to a fixed annual fee which can be paid monthly, quarterly or annually. Volumes are reviewed six monthly and adjusted accordingly.

The below table outlines annual proposed fee based on the average calculated from the last 3 years recoveries.

Contract Years	Police Referral Fee (£)	Recovered Vehicles
2016 – 2017	£80,200.00	4010
2017 – 2018	£80,200.00	4010
2018 – 2019	£80,200.00	4010
2019 - 2020	£80,200.00	4010
2020 – 2021	£80,200.00	4010
Total	£401,000.00	20,050

4.2 Legal

Terms and Conditions are those set out within Collaborative Framework Agreement.

4.3 Diversity & Equal Opportunities

There are no diversity & equal opportunity implications associated with the award of this contract.

4.4 Human Rights Act

There are no Human Rights implications associated with the award of this contract.

4.5 Sustainability

There are no sustainability implications associated with the award of this contract.

4.6 Risk

There are no risks associated with the award of this contract.

5. Conclusions

- 5.1 The negotiation and award of the Framework Agreement by the Police and Crime Commissioners for Surrey & Sussex has been carried out via a fully EU compliant procedure
- 5.2. The contract term is for 3 years with the option of 2 further 12 month extensions and on the basis that the number of recoveries average out, then the **potential** Police Referral Fee could be £401,000.00 over the 5 year term.
- 5.3 A signed and completed, Call Off Contract to be returned the Police and Crime Commissioners of Surrey and Sussex for due process.
- 5.4 Once signed and returned the Call off Contract becomes a legally binding contract incorporating the Framework Agreement Terms and Conditions.