

Meeting	SPA Authority Meeting
Date	26 May 2021
Location	Video Conference
Title of Paper	Fleet Capital Homologation
Presented By	James Gray, Chief Financial Officer
Recommendation to Members	For Approval
Appendix Attached	No

PURPOSE

The purpose of this paper is to provide homologation of a contract award decision which was made immediately following the reallocation of capital funding and the requirement to award contracts in order to allow for delivery of the vehicles prior to the end of the financial year 2020/21.

This paper provides a record of decision making following the event through the appropriate governance channel, and documents this decision in order to support future scrutiny.

This paper is submitted to Members for approval.

1. BACKGROUND

- 1.1 The Fleet Department were awarded a capital reallocation for fleet vehicles including electric vehicles, marked road policing vehicles and marked beat vehicles in March 2021.
- 1.2 It was recommended to purchase an approximate additional 325 fleet vehicles via direct award under the CCS Vehicle Purchase Framework RM6060. This comprised:
 - 235 x electric unmarked vehicles via Hyundai;
 - 52 x marked road policing vehicles via BMW UK Ltd and Volvo Car Company; and
 - 38 x marked beat vehicles via Peugeot Motor Company and Ford Motor Company.
- 1.3 The decision to recommend a direct award to the manufacturers detailed above was based on both the outcome of the previous e-auction for these categories of vehicle and the current business position of the vehicle manufacturers given the COVID 19 pandemic.
- 1.4 As a result of the pandemic restrictions across Europe most of the suppliers on the lots required to be utilised for this requirement have advised that they would not currently be in a position to take part in a mini competition as many of their staff are currently furloughed and that business as usual for them, will take months to achieve even after lockdown restrictions are lifted. As a result suppliers and NAPFM (National Association of Police Fleet Managers) have requested that only direct awards are placed under the framework at this time. It is worth noting that all other forces across the UK are following this route to market as a means to try and assist the vehicle manufacturers at this difficult time and still ensure their own capital orders are delivered prior to the end of the financial year.
- 1.5 The Framework offers enhanced and blue light specific terms and conditions as well as preferential warranty provisions which are available for vehicles bought under the agreement.

- 1.6 The suppliers have confirmed that they will apply the current discount structure from previous call off contracts and price increases would only be applied to reflect model changes which provides some comfort that this requirement would still demonstrate best value.
- 1.7 The contracts ensure that the Contractors will comply with the Equality Act 2010 with a specific clause included within the Framework.
- 1.8 This procurement was performed in compliance with Police Scotland`s Standing Orders Relating to Contracts, The Public Contracts (Scotland) Regulations 2015 (the Regs) / The Procurement Reform Act 2014 (the Act) and the Police & Fire Reform (Scotland) Act 2012.

2. FURTHER DETAIL ON THE REPORT TOPIC

- 2.1 The committee are asked to note that due to the requirement to place orders in time for delivery prior to the end of Financial Year 2020/21: the DCO gave approval on 10 March 2021; the SPA Chief Executive gave approval on 12 March 2021; and the Scottish Government gave approval on 16 March 2021 for the award of a contract with:

- Hyundai in respect of the Supply of Unmarked Electric Vehicles x 235 for a period up to 31 March 2021 at a total estimated contract value of £6.1m (ex VAT);

and also note the DCO gave approval on 10 March 2021 and the SPA Chief Executive gave approval on 12 March 2021 for the award of contracts with:

- BMW UK Ltd and Volvo Car Company in respect of the Supply of Marked Road Policing Vehicles x 52 for a period up to 31 March 2021 at a total estimated contract value of £1.56m (ex VAT); and
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- Peugeot Motor Company and Ford Motor Company in respect of the Supply of Marked Beat Vehicles x 38 for a period up to 31 March 2021 at a total estimated contract value of £608,000 (ex VAT).

- 2.2 It should also be noted that there are an additional four contract awards associated with the overall capital allocation however because of their lower value followed their own appropriate governance but still in line with Police Scotland Standing Orders Relating to Contracts.
- 2.3 As a result of the fluid stock levels the total value of all of these awards will be a maximum of £10.8m (ex VAT) reflective of potential changes to the purchased volumes.
- 2.4 All contracts ran until 31 March 2021. This paper is submitted as per the Police Scotland`s Standing Orders Relating to Contracts, and in accordance with the COVID-19 Accountable Officer guidance on homologation of immediate decision making, for approval by the Head of Procurement.

3. FINANCIAL IMPLICATIONS

- 3.1 There are financial implications in this report:
- Marked beat car: approximately 38 vehicles for an estimated £608k;
 - Marked roads policing: approximately 52 vehicles for an estimated £1.56m; and
 - Unmarked electric vehicles: approximately 235 vehicles for an estimated £6.1m.
- 3.2 CCS suppliers have continued to apply discount structures that were in place for previous agreements with UK Police Forces. These discounts are unlikely to be achieved for this requirement should Police Scotland go to an open tender route to market for this requirement.

4. PERSONNEL IMPLICATIONS

- 4.1 There are no personnel implications associated with this paper.

5. LEGAL IMPLICATIONS

- 5.1 There are no legal implications associated with this paper.

6. REPUTATIONAL IMPLICATIONS

- 6.1 There are no reputational implications associated with this paper.

7. SOCIAL IMPLICATIONS

7.1 There are no social implications associated with this paper.

8. COMMUNITY IMPACT

8.1 There are no community impacts associated with this paper.

9. EQUALITIES IMPLICATIONS

9.1 There are no equalities implications associated with this paper.

10. ENVIRONMENT IMPLICATIONS

10.1 The additional purchase of electric vehicles will further support the long term Fleet strategy and reduce the carbon footprint of the organisation.

RECOMMENDATIONS

Members are requested to note the information in this paper and approve the homologation of the contract award decision which was made immediately following the reallocation of capital funding and the requirement to award contracts in order to allow for delivery of the vehicles prior to the end of the financial year 2020/21.