

DMPC Decision – PCD 1609

Title: Contract Novation – Vehicle Conversion and Decommissioning Services

Executive Summary:

This paper seeks approval for the novation of the contract for Vehicle Conversion and Decommissioning services awarded to WN VTECH Ltd t/a VCS Police & Special Projects to Castilian 1 Limited (currently undergoing name change to Coleman Milne Ltd T/A VCS Police & Special Projects to maintain the continuity of service. The terms of the existing contract will be maintained. There are no financial implications arising from this proposal.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

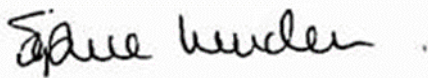
1. Approve the novation of agreement 11400328034 which was awarded to WN VTECH Ltd t/a VCS Police & Special Projects to Castilian 1 Limited (currently undergoing name change to Coleman Milne Ltd T/A VCS Police & Special Projects which will be final legal entity).

Deputy Mayor for Policing and Crime

I confirm 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. Any such interests are recorded below.

The above request has my approval.

Signature



Date 12/03/2024

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. MOPAC awarded a contract for the provision of vehicle conversion and decommissioning services to WN VTECH Ltd trading as (t/a) VCS Police & Special Projects in July 2022 for a up to 5-year term with a value of £22.6m – see PCD1079.

2. Issues for consideration

- 2.1. The supplier went into administration in November 2023. In December 2023 the Dumarey Group acquired the supplier.
- 2.2. This paper seeks approval for the novation of the original contract award to the new owner.
- 2.3. MPS assure that based on due diligence and the evidence provided that novation to the new supplier is the best course of action to maintain continuity of service.

3. Financial Comments

- 3.1. The original contract award was for a value of up to £22,600,000 over a up to 5 year term. There is no expected change to this arising from the novation. The MPS confirm that the capital and revenue budgets identified in 2021 to fund these costs remain in place.

4. Legal Comments

- 4.1. The MPS Directorate of Legal Services assure that this contract novation is permissible under Regulation 72(1)(d)(ii) of the Public Contract Regulations where a new contractor replaces the one to which the MOPAC had initially awarded the contract as a consequence of universal or partial succession into the position of the initial contractor, following corporate restructuring, including takeover, merger, acquisition or insolvency, of another economic operator that fulfils the criteria for qualitative selection initially established, provided that this does not entail other substantial modifications to the contract and is not aimed at circumventing the Regulations.
- 4.2. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months. This proposed novation is an unforeseen variation of the contracts.

5. Commercial Issues

- 5.1. The original contract was for the conversion and decommissioning of marked and unmarked response vehicles. The contract was awarded in July 2022 to WN VTECH Ltd

t/a VCS Police & Special Projects. The term was for an initial period of 4 years with a optional 1 year extension. The contract value was £22,600,000.

- 5.2. The MPS identify that the supplier failed to notify the MPS of any Financial Distress Event, or adhere to their obligations within the contract. The Dun and Bradstreet system parameters used to notify the MPS of changing commercial assessments were set too low and not shared widely within the MPS. Lessons have been learned and updates using enhanced parameters will be sent to business, commercial and finance managers.
- 5.3. In November 2023 the MPS were informed that the company (and its guarantor) had entered administration. In December MPS were informed that the Dumarey Group had acquired WN VTECH Ltd t/a VCS Police & Special Projects and other companies.
- 5.4. The MPS recommend this contract novation in order to maintain continuity of service.
- 5.5. The MPS assure that the same responsible procurement obligations that were placed on the original contractor will apply to the new supplier.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that there are no privacy issues arising from this novation.

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure that the same equality obligations that were placed on the original contractor will apply to the new supplier.

8. Background/supporting papers

- Appendix 1 MPS Report - Vehicle Conversion & Decommissioning Services – Novation of Contract

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report.

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The interim MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

Samuel H. Ford.

Date 12/03/2024