

**DMPC Decision – PCD 661****Title: Vehicle Recovery and Examination Service Continuity Project & Strategic Options****Executive Summary:**

The purpose of this project is to secure the continuity of the Vehicle Recovery and Examination Service (VRES). VRES is an essential Metropolitan Police Service (MPS) function, providing a vehicle recovery, removal, examination, storage and disposal service across London in accordance with over a dozen statutory regulations. It processes over 36,000 vehicles a year that interfaces with operational teams across the MPS and plays an important and increasing role in crime-fighting.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

1. Agree that the 'as is' VRES operating model (with storage provided in-house and Recovery Services remaining outsourced) is retained and the option to outsource non-crime storage is removed.
2. Approve the project's recommendations with regard to the future of the sites at Perivale, Charlton and Northolt.
3. Agree that the Director of Commercial Services initiates a procurement competition to replace the existing Recovery Contract upon its expiry in 2021, on the basis of the procurement strategy set out in this paper, and that the Director of Commercial Services is given delegated authority to award the contract to the most economically advantageous bid. Agree further that any increase in income from statutory fees for storage and recovery are ring-fenced to support VRES.
4. Agree that the VRES Estates requirements are included as a formal requirement within the revised Estates strategy and that, in the event that the estates options set out above are not secured, that the Estates-related capital and revenue funding associated with these options is retained for the pursuit of alternative Estates options. Agree further that the Director of Property Services is given authority to pursue emerging opportunities to secure the long-term VRES Estate and that the necessary governance processes can be expedited to ensure that appropriate opportunities can be secured as they arise.
5. Subject to approval of point 1, agree that the Estates aspect of the VRES project move into Programme 11, with the Director of Operational Support Services remaining as the Senior User and that aspects relating to the review of statutory fees and the re-tender of the Recovery Contract move into BAU with continued support from Commercial Services.

**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**

*Spive Wende*

**Date**

*13/11/2019*

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DIRECTOR**

### **1. Introduction and background**

- 1.1 The business challenges impacting on VRES' operational continuity are the leases of its sites at Perivale and Charlton and the contract for providing the vehicle recovery service, for which the contract expires in 2021.
- 1.2 The goal of the VRES Continuity Project is to mitigate these risks and secure the continuity and sustainability of the service. Last year's Strategic Outline Case (SOC) for the project outlined a set of short and medium-term strategic options for the VRES operating structure, covering both its Estates footprint and arrangements with commercial third parties.
- 1.3 This OBC (Outline Business Case) evaluates these options and sets out a recommended way forward for both vehicle storage, examination and recovery, both of which would significantly reduce the medium-term risk of service disruption or failure.

### **2. Issues for Consideration**

- 2.1 The SOC for the VRES Continuity Project, with support from the Directorate of Legal Services (DLS) and Operational teams, assumes that the role and scope of the VRES service will remain 'as is' in the short to medium term, both with regard to crime and non-crime activity. This assumption builds on the DLS opinion that VRES is an essential MPS service with a clear role in enabling the MPS to fulfil its statutory functions and retain important crime-fighting capabilities. This OBC retains this assumption and explores the options set out in the SOC for how this scope and role could be delivered differently, while minimising operational risk for the MPS.
- 2.2 The consequences of VRES losing one or both of the current pounds without an adequate replacement would be significant and would almost certainly result in service failures across many aspects of operations.
- 2.3 The primary benefit of the project is the reduction in operational risk through increased service resilience and the avoidance of service failure. In delivering this benefit, the project will enable VRES to operate on a secure, sustainable operational foundation over the short, medium and long term. As well as reducing operational risk, this may enable the service to identify and explore potential future opportunities to improve Vfm in service delivery, such as the development of income generation opportunities.
- 2.4 VRES is an essential MPS service that contributes to the safety and efficiency of London's roads and plays an important and increasing role in fighting crime. This project helps to secure the medium to long term continuity of this service.

### **3. Financial Comments**

- 3.1 As the potential value of the VRES Vehicle Recovery contract exceeds the OJEU threshold, the tender opportunity will be published through OJEU as a two-stage restricted process;
  - Stage One : a Supplier Questionnaire (SQ) in which bidders are required to provide details of their capability, capacity and experience in providing the required services. Including the operation of a recovery fleet which complies with the Ultra-Low Emission Zone (ULEZ), the Memorandum of Understanding between the Mayor's Office for Policing and Crime and Transport for London, and the vehicle safety elements of the Mayor's Transport Strategy.

- Stage Two : an Invitation to Tender (ITT) in which bidders who have been down-selected at SQ stage are invited to provide detailed costed proposals to deliver the services. Commercial Services have carried out market intelligence and confirmed that there is a sufficient appetite in the market to run a competitive procurement exercise of this nature. The value of the OJEU will be set at £100M.

- 3.2 The contract will be procured in three lots, with each lot covering a discrete geographical region in London. This approach provides the best VfM for the MPS while also creating a greater level of service resilience in the event of significant underperformance by one supplier.
- 3.3 The procurement will also put in place reserve suppliers for each lot. In the event that a single supplier wins all three lots, Commercial Services will engage with that supplier through the contract negotiation phase to agree a commercial and operating model which minimises any associated complexity, reduces risk and maximises VfM.

#### **4. Legal Comments**

- 4.1 Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.2 The Mayor's Office for Policing And Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and / or services valued at £181,302 or above will be procured in accordance with the Regulations.
- 4.3 Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the DMPC has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.
- 4.4 Legal advice has been provided and will be sought for any significant legal implications arising from this report, due to its recommendations or decisions being novel in nature or contentious.

#### **5. GDPR and Data Privacy**

- 5.1 The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 5.2 Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 5.3 The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.

#### **6. Equality Comments**

- 6.1 There are no equality and diversity impacts identified or foreseen arising from these proposals.

#### **7. Background/supporting papers**

None

**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

**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 – YES

**Originating Officer Declaration**

*Tick to confirm statement (✓)*

**Financial Advice:**

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

✓

**Legal Advice:**

Legal information is contained within this report.

✓

**Equalities Advice:**

Equality and diversity are contained within this report.

✓

**GDPR and Data Privacy**

- GDPR compliance issues are covered in the body of the report and the GDPR Data Protection Officer has been consulted on the GDPR issues within this report.

✓

**Head of Unit:**

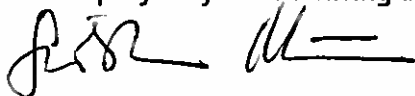
The CFO has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Interim 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**



**Date**

13/11/2019



**MOPAC**MAYOR OF LONDON  
OFFICIAL - PUBLIC**VRES Continuity Project & Strategic Options****MOPAC Investment Advisory & Monitoring meeting 31/10/19****Report by Bidisha Kondal on behalf of the Chief of Corporate Services**

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

***EXECUTIVE SUMMARY***

The purpose of this project is to secure the continuity of the Vehicle Recovery and Examination Service (VRES). VRES is an essential Metropolitan Police Service (MPS) function, providing a vehicle recovery, removal, examination, storage and disposal service across London in accordance with over a dozen statutory regulations. It processes over 36,000 vehicles a year that interfaces with operational teams across the MPS and plays an important and increasing role in crime-fighting.

Some significant business challenges threaten VRES' medium-term operational capability. Leases on the pounds at Perivale and Charlton will require renewal or relocation in the coming years. Furthermore, VRES uses a sole prime contractor for vehicle recovery, and this contract expires in 2021.

The goal of the project is to mitigate the risks associated with these challenges and secure the continuity and sustainability of the service. Last year's Strategic Outline Case (SOC) for the project outlined a set of short and medium-term strategic options for the VRES operating structure, covering both its Estates footprint and arrangements with commercial third parties. This OBC evaluates these options and sets out a recommended way forward for both vehicle storage, examination and recovery.

## Recommendations

The Deputy Mayor for Policing and Crime (DMPC), via the Investment Advisory and Monitoring meeting (IAM), is asked to;

1. Agree that the 'as is' VRES operating model (with storage provided in-house and Recovery Services remaining outsourced) is retained and the option to outsource non-crime storage is removed.
2. Approve the project's recommendations with regard to the future of the sites at Perivale, Charlton and Northolt.  
Please note: the details of the preferred approach are commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels.
3. Agree that the Director of Commercial Services initiates a procurement competition to replace the existing Recovery Contract upon its expiry in 2021, on the basis of the procurement strategy set out in this OBC, and that the Director of Commercial Services is given delegated authority to award the contract to the most economically advantageous bid. Agree further that any increase in income from statutory fees for storage and recovery are ring-fenced to support VRES and PSD revenue streams.
4. Agree that the VRES Estates requirements are included as a formal requirement within the revised Estates strategy and that, in the event that the estates options set out above are not secured, that the Estates-related capital and revenue funding associated with these options is retained for the pursuit of alternative Estates options. Agree further that the Director of Property Services is given authority to pursue emerging opportunities to secure the long-term VRES Estate and that the necessary governance processes can be expedited to ensure that appropriate opportunities can be secured as they arise.
5. Subject to approval of point 1, agree that the Estates aspect of the VRES project move into Programme 11, with the Director of Operational Support Services remaining as the Senior User and that aspects relating to the review of statutory fees and the re-tender of the Recovery Contract move into BAU with continued support from Commercial Services.

## Time sensitivity

A decision is required from the Deputy Mayor by 14/11/2019, and if possible earlier to secure decisions needed around the estates positions for both Perivale and Charlton.



## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

### **Introduction and background**

6. The purpose of this project is to secure the continuity of VRES as an essential MPS function, providing a vehicle recovery, removal, examination, storage and disposal service across London in accordance with over a dozen statutory regulations. It processes over 36,000 vehicles a year, interfaces with operational teams across the MPS and plays an important and increasing role in crime-fighting.
7. Some significant business challenges threaten VRES' medium-term operational continuity. These are;
  - The leases on pounds at Perivale and Charlton
  - VRES also uses a sole prime-contractor for vehicle recovery, for which the contract expires in 2021.
8. These features of the VRES operation have resulted in significant medium-term risks to its operational continuity.
9. The goal of the VRES Continuity Project is to mitigate these risks and secure the continuity and sustainability of the service. Last year's Strategic Outline Case (SOC) for the project outlined a set of short and medium-term strategic options for the VRES operating structure, covering both its Estates footprint and arrangements with commercial third parties.
10. This OBC evaluates these options and sets out a recommended way forward for both vehicle storage, examination and recovery, both of which would significantly reduce the medium-term risk of service disruption or failure.

### **Issues for consideration**

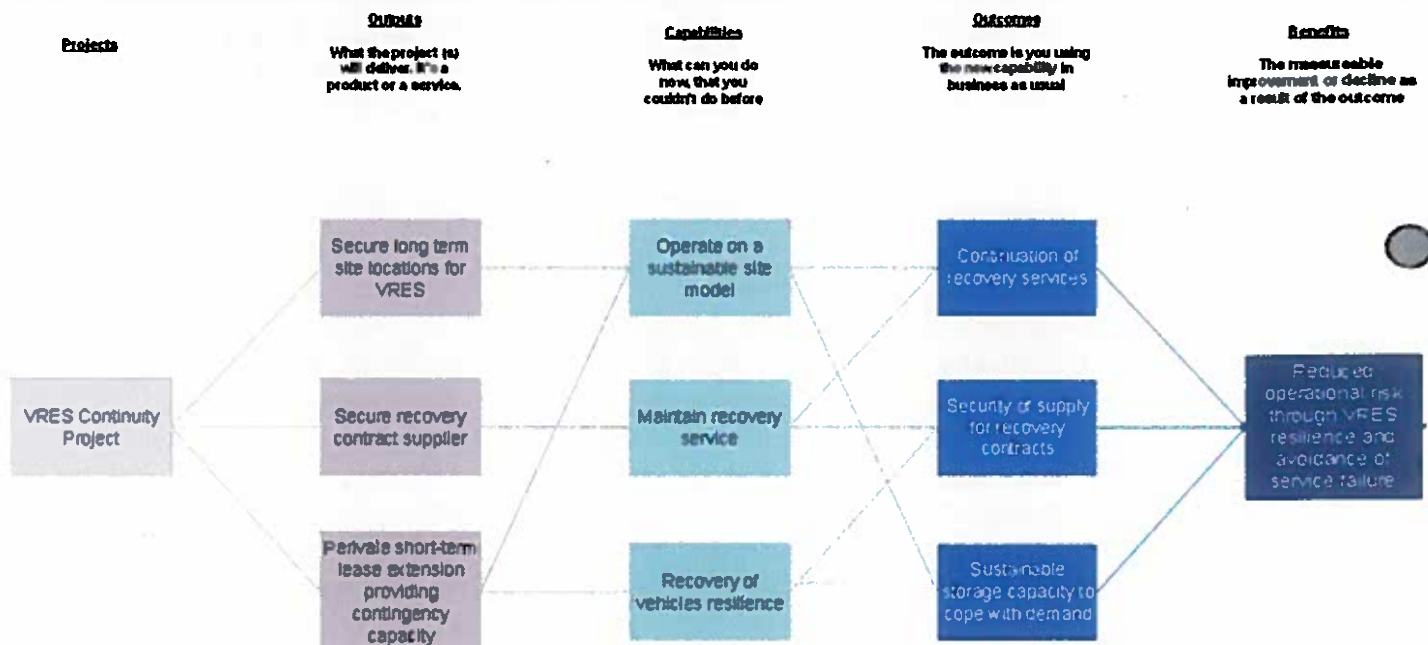
11. The issues for consideration include:
  - **VRES' strategic role:** The SOC for the VRES Continuity Project, with support from DLS and Operational teams, assumes that the role and scope of the VRES service will remain 'as is' in the short to medium term, both with regard to crime and non-crime activity<sup>1</sup>. This assumption builds on the DLS opinion that VRES is an essential MPS service with a clear role in enabling the MPS to fulfil its statutory functions and retain important crime-fighting capabilities. This OBC retains this assumption and explores the options set out in the SOC for how this scope and role could be delivered differently, while minimising operational risk for the MPS.

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<sup>1</sup> VRES Continuity Project & Strategic Options, p4, paragraph 11

- **Risk of service failure:** The consequences of VRES (MO4, MO8 and other users) losing one or both of the current pounds without an adequate replacement would be significant and would almost certainly result in service failures across many aspects of operations.
12. The other issues for consideration are within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels (e.g. OJEU).
  13. The goal of the VRES Continuity Project is to mitigate the short, medium and long-term risks to business continuity by identifying and assessing strategic options for the VRES operating structure and securing a way forward which places the service on a sustainable operational footing. The primary benefit of the project is the **reduction in operational risk through increased service resilience and the avoidance of service failure**. In delivering this benefit, the project will enable VRES to operate on a secure, sustainable operational foundation over the short, medium and long term. As well as reducing operational risk, this may enable the service to identify and explore potential future opportunities to improve VfM in service delivery, such as the development of income generation opportunities.

VRES Benefits Map



## **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>2</sup>**

14. VRES is an essential MPS service that contributes to the safety and efficiency of London's roads and plays an important and increasing role in fighting crime. This project helps to secure the medium to long term continuity of this service.

### **Financial Comments**

15. This information is within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels.

### **Commercial and Procurement Comments**

16. As the potential value of the VRES Vehicle Recovery contract exceeds the OJEU threshold, the tender opportunity will be published through OJEU as a two-stage restricted process;
- Stage One : a Supplier Questionnaire (SQ) in which bidders are required to provide details of their capability, capacity and experience in providing the required services. Including the operation of a recovery fleet which complies with the Ultra-Low Emission Zone (ULEZ), the Memorandum of Understanding between the Mayor's Office for Policing and Crime and Transport for London, and the vehicle safety elements of the Mayor's Transport Strategy.
  - Stage Two : an Invitation to Tender (ITT) in which bidders who have been down-selected at SQ stage are invited to provide detailed costed proposals to deliver the services. Commercial Services have carried out market intelligence and confirmed that there is a sufficient appetite in the market to run a competitive procurement exercise of this nature. The value of the OJEU will be set at £100M

The contract will be procured in three lots, with each lot covering a discrete geographical region in London. This approach provides the best VfM for the MPS while also creating a greater level of service resilience in the event of significant underperformance by one supplier.

The procurement will also put in place reserve suppliers for each lot. In the event that a single supplier wins all three lots, Commercial Services will engage with that supplier through the contract negotiation phase to agree a commercial and operating model which minimises any associated complexity, reduces risk and maximises VfM.

### **Legal Comments**

- Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent

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<sup>2</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.

- The Mayor's Officer for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and / or services valued at £181,302 or above will be procured in accordance with the Regulations.
- Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the DMPC has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.

Note : Legal advice has been provided and will be sought for any significant legal implications arising from this report, due to its recommendations or decisions being novel in nature or contentious.

This information is contained in the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels.

### **Equality Comments**

17. The equality and diversity impact has been considered with no issues identified or foreseen. All select service providers will be evaluated for acceptable equality and diversity statements, as well as their ability to comply with the Equality Act 2010. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

### **Privacy Comments**

18. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
19. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
20. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.

21. A DPIA has been completed for this project. The project will ensure a privacy by design approach, which will allow the MPS to find and fix problems at the early stages of any project, ensuring compliance with GDPR. DPIAs support the accountability principle, as they will ensure the MPS complies with the requirements of GDPR and they demonstrate that appropriate measures have been taken to ensure compliance.

### **Real Estate Implications**

22. This information is within the restricted section of the report and commercially sensitive at the time of writing. The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and published via the relevant channels ().

### **Environmental Implications**

23. Any third party contracts agreed as part of this project will ensure that suppliers comply with environmental legislation or policy. In particular, the vehicle recovery contract will include provisions that suppliers comply with such relevant clean air policy (e.g. Ultra Low Emission Zone).

Report authored by: Vlasta Turner  
For and on behalf of: Bidisha Kondal

### **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of the OBC for the VRES Continuity Project and Strategic Options project is exempt from publication for the following reasons:

- It is exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 - Commercial Interests);  
and
- The relevant sections under the FOIA (Freedom Of Information Act) that would exempt this information from disclosure, particularly Commercial Interest under Section 43

The paper will cease to be exempt when the relevant commercial decisions set out within the OBC have been contractually agreed and publicised via the relevant channels (e.g. OJEU).

