

# MOD successfully lets contract for non-operational vehicles, supported by Commerce Decisions and AWARD

## Customer profile

Project Phoenix was delivered and is now managed by Service Provision Project Team (SPPT) which sits within General Support Group in the Land Equipment Operating Centre. SPPT is a small highly motivated and agile Project Team who specialise in Contractor Logistic Support (CLS) and Contracting For Availability (CFA) type contracts.

**Phoenix Vision:** Phoenix will be the beacon of excellence for Fleet Management through innovation.

**Phoenix Mission:** Phoenix will enable MOD Customers to receive an assured service whilst delivering benefits through continuous improvement.

## About the programme

The Ministry of Defence currently has a white fleet of around 15,000 vehicles. This has previously been managed under a 10-year PFI contract that expired in August 2011. It provided a mixture of leased and spot rental vehicles including cars, minibuses, coaches, vans and freight transport, as well as specialist vehicles ranging from dog vans to horse ambulances to mountain rescue vehicles.

Project Phoenix was established to maintain the level of service required by the MOD while reducing the cost. The MOD is also keen that the new contract is greener than the previous PFI arrangement.

By changing to an externally-let framework, the MOD aims to establish a more effective and efficient means of managing the requirement. Under the previous PFI contract, MOD Top Level Budget holders (TLBs) in areas like Land, Air, Fleet, DE&S, and Defence Estates managed their own fleets. As there was no fleet management across these TLBs, vehicles were not moved from one cost centre to another when not in use. As a result vehicle utilisation was running at approximately 40%. The MOD sought to move towards an externally-let framework as a more efficient way of supplying its organisations with white fleet vehicles.

The Government Procurement Service (GPS - formerly Buying Solutions) had already established a series of frameworks to meet the needs of various government departments - the framework has eight lots in total, and Project Phoenix was established to deliver via Lot 8, which sought to identify a supplier for the MOD's non-operational vehicles.

This framework route gives MOD access to the same categories of vehicles previously provided through the PFI. The prices on the frameworks are transparent, and the providers are incentivised to meet key user requirements and deliveries, and to drive up utilisation and identify where savings can be made.

The new system will maximise vehicle usage. Under the new framework, the TLB will inform the fleet manager that it requires a certain number of vehicles on a certain number of days. When not needed, these vehicles will be moved to another cost centre in the MOD that



requires them, or could even be let out externally to other organisations. Vehicles will only be paid for when they are being used.

Vehicle availability may also be improved. Vehicles in categories under 7.5 tonnes, for example, will be available anywhere on the UK mainland within two hours. In the future, it is planned that the IT systems will allow for car sharing - for example, if people are booking cars to go from Abbey Wood to Andover on the same day, at the same time, the system will say a car is available but will also inform them that someone else is going and ask if they could car share.

## Objectives

- Deliver transport to MOD where and when it is needed
- Improve efficiency
- Improve cost effectiveness
- Achieve value for money in rental and leasing of transport
- Improve sustainability and green aspects of the service provided in order to reduce the impact on the environment



## Project procurement challenges

The key challenges of this project were:

- Tight timescales – the project got underway in Nov 2009, with the existing contract due to expire in August 2011 and the new contract needing to be in place by September 2011
- Two OGC Gateway reviews -were cautious about the timescales, and two separate reviews recorded that the timescales were unachievable
- Part of the team was relatively inexperienced, not having taken part in any formal evaluations previously, and not being part of DE&S
- A significant amount of stakeholders from across the Defence Community needed to be consulted and involved.

## Role and Value of Commerce Decisions and AWARD

### Initial engagement

Commerce Decisions became involved with the project prior to the issue of an Invitation to Tender (ITT) to the down-selected companies. The project team invited Commerce Decisions in for a scoping meeting; a contract was placed and AWARD set up within a couple of weeks.

Commerce Decisions assisted the Customer in finalising the evaluation plan. This included the provision of a quality assurance audit on both the scoring methodology and also on the question set, which encompassed the technical questions, risk, commercial and soft issues.

A bespoke training package was then delivered to key personnel, followed by briefings to the large team of evaluators and stakeholders on the use of AWARD.

**“The whole team were briefed in just over an hour. The consultant was then available on site to offer support to the team as they got started. Both AWARD and the evaluation process proved straight forward to understand and use,” commented Steve O’Leary, Project Phoenix Programme Manager.**

### Use of AWARD

The AWARD system had been configured ready for the evaluation prior to the briefing. The ITT responses and supporting documentation had been loaded, so that everything was ready for the team to commence evaluation straight after the briefing.

The use of AWARD engendered a consistent approach across the technical evaluation; each question was accompanied by a clear set of guidance instructing the evaluators how it should be scored. AWARD also provided a clear workflow – evaluators were only presented with the questions they were required to score, and only given access to the tender documents to which they needed to refer. Throughout, an automatic audit trail was built up, providing the project team with a robust and comprehensive record of all data input and activities performed.

Project Phoenix was working to very challenging and rigid timescales. This was a CAT A project which needed to be in place within 20 months. Once the tenders were returned by the bidders, there were only 3 weeks allocated for the evaluation process.

Using AWARD significantly shortened the timescales that would have been required to complete the evaluation. It also allowed the team to work from home with laptops – this meant that the evaluators could perform the evaluation without interruptions.

**“As programme manager, AWARD gave me minute by minute progress and allowed me to allocate resource where it was needed most. I could deal with things as they were happening, ensuring that we kept to the demanding timescales,” said Steve O’Leary.**

The Programme Manager’s overall view of Commerce Decisions and AWARD

- With the time available, the project team would not have been able to meet the challenging timescales without using AWARD.
- The use of AWARD enabled the project to quickly ascertain that there were several viable bids that could deliver the capability required. AWARD was invaluable in ascertaining which of these represented the best value for money option for the MOD.
- The support we had from Commerce Decisions enabled us to ensure that we asked the right questions with regard to some particular issues we faced.
- The Commerce Decisions’ consultants became part of the team and proved to be a significant asset. The relationship between the team and the consultants contributed greatly to the success of the project.

**“AWARD brought clarity and transparency to a complex and time-challenged programme. Without AWARD, we would not have met the contract award deadline.”**

**Steve O’Leary, Programme Manager, Civilian Platforms, Service Provision Project Team, DE&S**