



Home Office

The Secretary of State for the Home Department

Pre-Tender Market Engagement

Vehicle Hire & Car Share Services

HO Ref: C18489

Authority: Home Office (“the Authority”).

Date Response required: 12:00 (GMT), Thursday 9th July 2020

1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for a potential competition, expected to be conducted under a relevant public sector framework, to procure the provision of Vehicle Hire and Car Share Services.
- 1.2 The purpose of this PTME is to provide the market (from herein referred to as “Suppliers”) with early sight of the Authority’s requirements, and to seek feedback from Suppliers in order to:
- 1.2.1 help refine the requirements;
 - 1.2.2 understand the capability and appetite of Suppliers to deliver the requirements, and the possible risks involved; and
 - 1.2.3 shape the commercial approach accordingly.
- 1.3 The Authority shall maintain commercial confidentiality of all information received from Suppliers during the PTME, and shall maintain the principals of transparency, fairness and equality at all times.
- 1.4 Suppliers are reminded that, whilst the procurement itself is currently expected to be conducted using a further competition under the public sector framework identified below, and with participation limited to the relevant organisations accordingly, any Supplier may respond to this PTME.
- 1.5 Suppliers are reminded that this document and all related information shared by the Authority in relation to this PTME should not be used for any other purposes.

2 INTRODUCTION

- 2.1 The Authority leads on immigration and passports, drugs policy, crime policy and counter-terrorism and works to ensure visible, responsive and accountable policing in the UK. The Authority is a ministerial department, with 23,500 staff supported by 30 agencies and public bodies.
- 2.2 There are currently around 1330 vehicles within the Authority’s fleet, the vast majority of which are owned.
- 2.3 The most common type of vehicle operated by the Authority are general purpose passenger cars and vans, along with 4x4’s and vans with various conversions to suit operational needs, such as cellular vans.
- 2.4 Some vehicles operate in a controlled and/or restricted environment, e.g. airside, which will require specific access permissions and operating standards.
- 2.5 A number of the Authority’s vehicles are involved in law enforcement and covert operations.
- 2.6 The Authority also utilises vehicle hire services to support fulfilment of its duties and business travel needs. In the year March 2019 to Feb 2020, 21,109 vehicle hire bookings were made by Authority staff, across multiple locations nationally. **Appendix A** refers.

3 OUTLINE PROJECT OUTCOMES REQUIRED

- 3.1 The Supplier shall support the Authority making available national and international car hire, and car share, to all Authority staff, which in many cases is necessary to support fulfilment of front-line duties.
- 3.2 The Supplier will support the Authority by making available hire vehicles to all Authority staff, at all locations across the UK, including Scottish Islands: Orkney Islands, Shetland Islands, Isle of Lewis and Isle of Benbecula.
- 3.3 The supplier will support the Authority by making available hire vehicles worldwide, in particular Europe, North America and Australia. The number of international hires was 26 in 2018 and 41 in 2019, with vehicle type being mostly compact, standard or intermediate.
- 3.4 The Supplier will support the Authority in meeting the government commitment to electrify 25% of cars in central government department fleets by 2022 and 100% by 2030.
- 3.5 As a Public Sector body, the Authority is also required to achieve and demonstrate value for money in the execution of its functions and operational delivery, which includes provision of these Services.

4 SERVICE OUTPUTS/DELIVERABLES

4.1 Booking Tool

- 4.1.1 The Supplier shall provide a single on-line booking tool that has the ability to direct the user to the best option between car hire and car share as appropriate.
- 4.1.2 The Supplier shall provide an offline booking service, whereby bookings can be made either by telephone or email.
- 4.1.3 The Supplier shall provide an emergency out-of-hours telephone booking service.
- 4.1.4 The booking tool must ensure that the user is required to input a valid Authority Cost Centre and Directorate Code, and that these codes are updated monthly from reports supplied by the Authority.
- 4.1.5 The Authority may also require the Supplier to provide a level of integration with its own eMarketplace solution. Further details are available at: <https://suppliers.basware.co.uk/options/integration>.

4.2 Motor Insurance

- 4.2.1 The Authority makes use of the “Crown Indemnity” status as per section 183 of the Road Traffic Act, for all hire vehicles driven because hire vehicles are only employed for use in the public service of the Crown. This shall extend to the future use of car share also.
- 4.2.2 The Supplier will only be required to provide insurance cover (Fully Comprehensive), including Collision Damage Waiver (CDW) on the occasions when it is stated as a specific requirement of any particular booking, such as when:

- 4.2.2.1 a third party working on behalf of the Authority(s) requires a hire vehicle;

4.2.2.2 the vehicle is driven overseas, or hire commences overseas;

4.2.2.3 the Authority, for whatever reason, does not have either Crown Indemnity or its own appropriate insurance cover.

4.3 Damage

4.3.1 The Authority will not liable for wheel, tyre or windscreen damage unless shown to have been caused by driver behaviour.

4.3.2 The Authority's Fleet Management Supplier will handle damage claims on behalf of the Authority.

4.3.3 The Supplier shall work with the Authority's nominated Fleet Management Supplier to manage accidents and claims and provide monthly Management Information reports to the Authority to evidence that the process is robust, transparent and cost effective.

4.4 Fuel

4.4.1 The Supplier shall provide clear identification on the vehicle of the type of fuel to be used, including identification at the filling point and on the key fob. If clear identification of the type of fuel is not shown, the Authority shall not be liable if the vehicle is re-fuelled with the wrong fuel type.

4.4.2 Any additional pence per litre refuelling charge should not be excessive and should be aligned / proportionate to the UK government weekly/monthly fuel price index.

4.5 Traffic Violations

4.5.1 The Supplier must inform the user of any traffic violation or vehicle toll charge penalty within 48 hours of receiving the notice, ensuring the user is not prejudiced in their ability to appeal that decision.

4.5.2 Other than offences that require the Supplier to make representation, the Supplier shall be responsible for making the immediate payment of all fines, fees or penalties incurred by the driver of a vehicle to the relevant Issuing/Charging authority, including, but not limited to congestion charges, toll charges, parking fines, and road traffic offences.

4.6 Car Share Option

4.6.1 The Supplier shall work with the Authority to develop the Car Share scheme, in particular a "Mixed Used Vehicle Pool" which shall be available during all hours required throughout the week.

4.7 Continuous Improvement / Future Proofing

4.7.1 Over the course of the contract, the Supplier shall apply knowledge and expertise to support the Authority to design best value solutions across the organisation, and provide recommendations, information, calculation and advice on how to reduce vehicle hire expenditure. This includes but isn't limited to all aspects of vehicle related travel, including vehicle hire, lease cars, Car Club, and vehicle procurement.

4.8 Social Value

- 4.8.1 The Supplier will support the Authority in meeting its social value commitments, including but not limited to:
- electrify 25% of cars in central government department fleets by 2022 and 100% by 2030.
 - a default of zero or ultra-low emission at tailpipe for all vehicles
 - fleet average of no more than 130 grams/kilometre of carbon dioxide (CO₂) emissions aiming for no more than 75 grams/kilometre from 2020.

4.9 Management Information & Performance Reporting

- 4.9.1 The Supplier shall make comprehensive, transparent and reliable Management Information (MI) and data reports available to the Authority via an electronic solution (e.g. online or email in spreadsheet format) free of charge.
- 4.9.2 The Supplier must provide management information that supports the Authority's ability to provide accurate reporting to Defra against the Government Fleet Commitment. This will include vehicle engine size and CO₂ emissions <=50gCO₂/km or >50gCO₂/km against each vehicle.
- 4.9.3 The Supplier must include MI that shows vehicles hired for 28 days and those hired for 29+, to clearly differentiate between daily rental and long-term flexi rental.
- 4.9.4 It is anticipated that the Supplier shall also be required to provide performance related MI to demonstrate compliance with defined service levels, which shall be subject to a service credit mechanism (i.e. deduction of payment) where there is evidence of non-performance / compliance. Indicative areas that may be subject to service levels include, but are not necessarily limited to:
- Online and Off-Line Booking System Availability.
 - Complaints to Bookings Ratio and Complaints Resolution.
 - Vehicle Availability & Condition.
 - Additional Damage and Traffic Violation Reporting.
 - Accuracy and Timeliness of Management Information & Invoicing.
 - Contribution to Social Value Objectives.

5 COMMERCIAL APPROACH

5.1 The Authority currently anticipates, but does not commit to, applying the following commercial approach to satisfy these requirements:

- 5.1.1 Utilising Crown Commercial Service Framework ref RM6013 – Public Sector Vehicle Hire Solutions, Lot 2 (UK National Vehicle Hire and Car Share) and Lot 8 (International Vehicle Hire).
- 5.1.2 Procuring a contract for an initial term of 2 years, with an option to extend for 2 further periods of 12 months each (i.e. maximum contract term of 2+1+1 years).
- 5.1.3 Notwithstanding the impacts of COVID-19, the estimated value of the contract is expected to be in the region of £1,800,000 per annum (ex VAT), and therefore potentially £7,200,000 over the maximum 4-year contract term. Note that this is an indicative value for information only, and not a budget figure. The Authority expects to receive optimum value for money proposals as part of any subsequent competitive procurement exercise.

6 KEY DATES & TIMESCALES

6.1 The detailed timescale for the project is still being developed, however it is anticipated that a procurement competition will formally commence in Q3 2020, with contract award and any mobilisation period in Q4 2020.

7 MARKET FEEDBACK

7.1 The Authority is keen to obtain feedback from Suppliers on the specific areas listed in the table below.

7.2 Please provide feedback by email to **timothy.lundy@homeoffice.gov.uk** by **12:00 GMT on Thursday 9th July 2020** (the "Response Deadline").

7.3 Please limit your responses to one A4 page per Question, except for Question 2 where 2 A4 pages are permitted, and please avoid submitting any generic sales material.

Q1	<p>Appetite to Bid:</p> <p>Do you envisage that your organisation would be willing and able to provide a competitive bid for the requirement as currently described?</p> <p>Please provide supporting rationale for your answer, including identification of any particular opportunities / barriers / issues that the Authority should consider.</p> <p>Please ensure your response is directly relevant to the operational requirements and proposed commercial approach described. Please do not provide a simple 'sales pitch'.</p>
Q2	<p>Key Deliverables:</p> <p>As described above, key requirements for the Authority include:</p> <ul style="list-style-type: none">• Full national coverage to be available to all Authority staff across the UK and are continuously and consistently satisfied.• International coverage available as required.• All services accessed through one on-line portal and included in a single consolidated invoice.• Work with the Authority to develop the Car Share scheme.• Tangible contribution towards social value commitments, including electrifying 25% of cars in central government department fleets by 2022 and 100% by 2030, and reducing CO2 emissions. <p>Please provide feedback on any specific commercial and / or operational approaches that you believe would support successful fulfilment of these requirements, without impacting value for money.</p>
Q3	<p>ITT Pack:</p> <p>What key information would you expect / want the Authority to include within their Invitation to Tender (ITT) / Further Competition documentation to assist in the bidding process?</p>
Q4	<p>Procurement Timescales:</p> <p>What considerations and / or minimum allowances should the Authority take into account with regards project timescales, including:</p> <ul style="list-style-type: none">a) Tender submission period (i.e. from ITT publication to tender response deadline?b) Mobilisation period (i.e. from contract award to full service commencement)?

	c) COVID-19 impacts.
Q5	Mobilisation / Transition: Please provide an indication of the level of cost and resource you envisage being required for successful service transition / mobilisation, over and above that required for steady state service delivery, and any particular obligations you envisage on the Authority to achieve service 'go-live'.
Q6	Business Continuity / Financial Distress: In line with commercial best practice and the recommendations of the Governments Outsourcing Playbook ¹ , the Authority places a high priority on ensuring long-term business continuity. As such, Suppliers may be required provide relevant assurances regarding the financial health of their organisation and any key supply chain partners used to deliver the service, including but not limited to: <ul style="list-style-type: none"> a) Financial guarantees (e.g. Parent Company Guarantee) b) Comprehensive, contract-specific business continuity / resolution plans, and periodic evidence of successful plan testing. c) Regular, pro-active and transparent reporting on corporate financial health. Please indicate whether your organisation would be willing / able to comply with such requirements and provide any supporting comments.
Q7	General Feedback: Please provide any other feedback you feel would assist in preparing for a potential procurement exercise.

8 QUESTIONS AND CLARIFICATIONS

- 8.1 Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to timothy.lundy@homeoffice.gov.uk only.
- 8.2 The Authority does not commit to responding to any questions or communications received in respect of the PTME. However, where the Authority is able to respond, it shall ensure that all Suppliers have equal access to information regarding this PTME exercise, by publishing a consolidated "Questions and Answers" document prior to the response deadline.
- 8.3 Responses to questions will not identify the originator of the question or contain any commercially confidential information.
- 8.4 If a Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Supplier must state this in their email and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Supplier will be invited to decide whether:
- 8.4.1 the question/clarification and the response should in fact be published; or
 - 8.4.2 it wishes to withdraw the question/clarification.

¹ <https://www.gov.uk/government/publications/the-outsourcing-playbook>

9 GENERAL CONDITIONS

- 9.1 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering the requirements. It will also aid Supplier's understanding of the requirements in advance of any formal competitive procurement exercise.
- 9.2 The Authority reserves the right to change any information contained within this PTME at any time, and Suppliers rely upon it entirely at their own risk.
- 9.3 The Authority reserves the right not to proceed with a competitive procurement exercise after this PTME or to award any contract.
- 9.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Supplier.
- 9.5 No down-selection of Suppliers will take place as a direct consequence of any responses or interactions relating to this PTME.
- 9.6 The Authority expects that all responses to this PTME will be provided by Suppliers in good faith to the best of their ability in the light of information available at the time of their response.
- 9.7 No information provided by a Supplier in response to this PTME will be carried forward, used or acknowledged in any way for evaluating the Supplier, in any subsequent formal procurement process.