



Sale and Disposal of Vehicles, Spare Parts and Tyres (Surplus Assets)

Statement of Requirement (StOR)

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Defence Equipment Sales Authority

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Authorisation

Approved by: Vince Cannella

Signature:

Date: 07 Nov 2017

1. APPLICATION

1.1 The aim of this Statement of Requirements (StOR) is to define the scope of work and associated reference documents required in order for the Contractor to deliver a service to manage the Sale and Disposal of Vehicles, Spare Parts and Tyres (Surplus Assets).

1.2 This document sets out the processes and procedures, responsibilities and activities that shall be undertaken by both the Contractor and the Authority.

2. SCOPE OF SURPLUS ASSETS COVERED BY THIS STOR

2.1 The Surplus Asset categories described below are not exhaustive and should be used only as a guide to the range of assets that may be tasked to the Contractor. The Authority does not warrant the accuracy, or comprehensiveness of Surplus Asset descriptions and is in no way bound by the descriptions of Surplus Assets below.

2.2 Surplus Assets that make up this requirement are considered by the Authority to be surplus to requirements, beyond use, or beyond economic use.

2.3 Main Surplus Asset categories and examples covered by this StOR:

2.3.1. White Fleet Vehicles:

<u>Types:</u> Hatch Back, Saloon, Coupe, Double Cab, Dog Carriers, Panel Vans, Armoured, SUV, Tipper, Refuse Truck
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<u>Various Manufacturers:</u> Toyota, Skoda, Vauxhall, Ford, Mazda, Audi, Mercedes, Mitsubishi, DAF, Dennis

2.3.2 Green Fleet Vehicles:

<u>Types:</u> 110, 90, Snatch 2 Cargo Platform
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<u>Various Manufacturers:</u> Land Rover, Leyland DAF, Foden
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2.3.3 Military Armoured Vehicles:

<u>Types:</u> Combat, EOD, Bridging, C-IED / EOD
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<u>Various Manufacturers:</u> Alvis (BAE Systems), ST Kinetics, Leyland DAF, Pearsons

2.3.4 Mechanical Handling Equipment, Plant & Machinery

<u>Types</u> such as: Excavator, Fork Lift, Tractor, Crane
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<u>Various Manufacturers</u> such as: JCB, Bamford, Valtra, Volvo

2.3.5 Airfield Support

<u>Types</u> such as: Fire Tender, Snow Blower, Road Sweeper, Bagged Conveyor Belt
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<u>Various Manufacturers</u> such as: Volvo, MAN, Dennis, Rolba

2.3.6 Trailers

<u>Types</u> such as: Tanker, Platform, Skeletal, Glider Launch, GS Cargo

<u>Various Manufacturers</u> such as: Penman, Broshuis
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2.3.7 Vehicle Spares

<u>Types</u> such as: Wiper Blades, Lights, Nuts, Filters, Engines, Panels, Gearboxes, Doors
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Various Manufacturers

2.3.8 Tyres (which may include tyres, track and other rubber vehicle spares)

<u>Types</u> such as: 4x4, HGV, Rubber Track, Metal Track

Various Manufacturers

<u>Various Conditions:</u> New, Marketable, Unmarketable
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3. REQUIREMENTS

3.1 This Statement of Requirements (StOR) covers the following:

Section 1: Routine Task Forms, collection and validation of Surplus Assets;

- 1.1 Requirements common to all Surplus Assets
- 1.2 Requirements specific to Vehicles
- 1.3 Requirements specific to Spares and Tyre Surplus Assets

Section 2: Management of stock including storage of Surplus Assets and record keeping;

- 2.1 Requirements common to all Surplus Assets
- 2.2 Requirements specific to Vehicles
- 2.3 Requirements specific to Spares and Tyres
- 2.4 Accounting for government Surplus Assets

Section 3: Marketing and sale of Surplus Assets including Repair and Refurbishment;

- 3.1 Requirements common to all Surplus Assets
- 3.2 Requirements specific to vehicles

Section 4: Reporting;

- 4.1 Requirements common to all Surplus Assets

Section 5: Government to Government Sales and Gifting;

- 5.1 Requirements common to all Surplus Assets

Section 6: Goods for Recycling or Destruction;

- 6.1 Requirements common to all spare parts and Tyres

Section 1: Routine Task Forms, collection and validation of Surplus Assets**1.1 Requirements common to all Surplus Assets**

- a) Surplus Assets shall be tasked by the Authority through the issue of an electronically signed Routine Task Form by the Authority's Designated Officer, supported by other documentation as required.
- b) An electronically signed Routine Task Form issued by the Authority's Designated Officer is the Contractor's only authority to proceed. The Contractor shall forward any tasks or declarations received from any other MOD organisation and any officially recognised customer without any formal action, to the Authority's Designated Officer for consideration of formal Tasking. In the event that there is any doubt as to the status of an officially recognised customer, the Contractor shall verify with the Authority's Designated Officer.
- c) The Authority may cancel or vary any Routine Task prior to collection of the Surplus Assets. In such circumstances, the Authority will either issue a cancellation of the Routine Task Form or reissue the Routine Task Form, amended as appropriate.
- d) The Contractor shall acknowledge receipt of all Routine Tasks within 24 hours, or on the next Business Day.
- e) Within 5 Business Days of receiving a Routine Task Form, the Contractor shall contact the declaring unit/establishment or depot identified on the Routine Task Form to arrange collection at a mutually suitable date and time.
- f) The Contractor shall be responsible for the safe loading and transport of the Surplus Asset to its premises using an suitable means of transport and other resources, including packaging, pallets, containers and labour. The Contractor shall not assume any assistance from the Authority in the loading or handling of assets, unless otherwise agreed with the declaring unit/establishment or depot. The Contractor shall not drive any collected Surplus Asset under its own power on the public highway. In the event that the Contractor utilises the Authority pallets or containers, the Contractor shall ensure that they are returned within Forty (40) Business Days or, if lost or damaged by the Contractor, replaced on a like for like basis by agreement, in accordance with instructions given by the Authority.

- g) The Contractor shall complete collection of the Surplus Assets within 10 Business Days of receipt of the Routine Task Form, or in the case of RN Marchwood only, within 7 Business Days of receipt of the Routine Task Form.
- h) The Contractor shall notify the Authority's Designated Officer immediately in writing, if the declaring unit/establishment or depot and the Contractor agree to extend the collection timescale.
- i) The declaring unit/establishment or depot will allow the Contractor reasonable access to sites for the purposes of collecting Surplus Assets. Most Authority sites accept collections between 09.00 to 16.00 hours Monday to Thursday, and 09.00 to 12.00 hours Friday. The Contractor shall be responsible for determining the operating hours of each specific site when arranging collection.
- j) Upon collection, the Contractor shall check whether the goods are in accordance with the Routine Task Form and report any anomalies immediately to the declaring unit/establishment or depot's nominated point of contact and seek confirmation that the Surplus Asset is still to be collected or locate within a reasonable period any Surplus Assets missing in order that such items may still be collected before leaving the site. Where confirmation is received the declaring unit/establishment or depot point of contact is authorised to release the Surplus Asset to the Contractor with erroneous issue documentation, detailing the identified discrepancy in accordance with the Temporary Receipt Form at Appendix 3 to the StOR.
- k) Upon receipt of Surplus Assets at the Contractor's premises, the Contractor shall verify the goods received against the Routine Task Form and any associated documentation. The Contractor shall complete and submit a Goods Received Report to the Authority in accordance with the Schedule of Requirements. In the event that there are any anomalies between the paperwork and the physical Surplus Assets, including the circumstances described in Para j), these shall be classified either as:
- i. Discrepancy Items (DI) defined as items which should have been received according to the Routine Task Form. This includes items received in lower quantities; or
 - ii. Goods Received in Error (GRIE), defined as items which have been received but were not identified in the Routine Task Form or where unidentified or unauthorised equipment has been included, eg hazardous substances or waste, items subject to US International Traffic in Arms (ITAR) or other export control authorisation, firearms, loose equipment or fitted systems such as communications, weapons, imaging which have not been specifically listed on the Routine Task Form where they are included on a Domestic Management Code (DMC) list provided by the Authority to the Contractor.

l) The Contractor is responsible for maintaining all documentation relating to the quantity and detail of the Surplus Assets as well as an auditable record of instructions from the relevant unit.

m) Discrepancy Items (DIs)

- i. In the event the Contractor does not receive Surplus Assets identified in the Routine Task Form or associated documentation, the Contractor shall seek advice in the first instance from the declaring unit/establishment or depot of what action should be taken.
- ii. If the declaring unit/establishment or depot fails to respond within twenty (20) Business Days, the Contractor shall notify the Authority's Designated Officer. The Contractor shall provide the Routine Task number under which the Surplus Assets were received, full details of the Discrepancy and any relevant documentation, including the unit's issue voucher (IV) number, weighbridge ticket number (if applicable), bill of lading (if applicable). The Authority's Designated Officer will either issue an amended Routine Task Form amending the quantity issued or other instructions as appropriate.
- iii. The Contractor shall include a report on the discrepancies raised in the previous quarter in the Progress Report to be submitted under Item 2.7 of the Schedule of Requirements, to be discussed at each quarterly progress meeting.

n) Goods Received in Error (GRIE)

- i. In the event that the Contractor receives GRIE, the Contractor shall physically segregate the GRIE in a separate store and shall seek advice in the first instance from the declaring unit/establishment or depot of what action should be taken. The GRIE shall not be sold, scrapped or disposed of until the Authority gives further instructions in accordance with para n, iv) below.
- ii. If the declaring unit/establishment or depot fails to respond within twenty (20) Business Days, the Contractor shall notify the Authority's Designated Officer by issue of a Part 1 Extraordinary Task Form in accordance with Condition 23 of the Contract for the Authority's countersignature. The Contractor shall include the following information on the Extraordinary Task Form:
 - i. Routine Task number against which the GRIE were collected

- ii. Details of the GRIE, including the reason the items received are GRIE
- iii. Originator's UIN
- iv. Originator's title
- v. Unit/Depot Issue Voucher (IV) number
- vi. Mode of transport used if collected
- vii. Weighbridge ticket number (if applicable)
- viii. Bill of lading (if applicable)
- ix. Confirmation GRIE have been segregated from Surplus Assets
- x. Photographic evidence (dated) sufficient to show the GRIE's condition at the time the Routine Task Form is raised and a statement by the Contractor as to the GRIE's condition at the time of the Routine Task Form
- xi. Contractor signature and date of signature.

iii. The Authority's Designated Officer will either:

- i. countersign the Part 1 Extraordinary Task Form to authorise the Contractor to submit a Part 2 Extraordinary Task Form Quotation (Nil Cost where appropriate) including the proposed method of disposing of the GRIE or returning to the Authority; or
 - ii. issue an amended Routine Task Form to include the Goods Received in Error as a Surplus Assets Tasking; or
 - iii. other instructions as appropriate.
- iv. Where the Authority's Designated Officer issues an amended Routine Task Form, the Contractor shall take the GRIE out of quarantine and place them on charge using a Contractor produced receipt voucher to include the full NATO Stock Number (or a suitable unique reference number if this is not known), with a copy of the Routine Task Form attached to it.
- v. The applicable depot points of contact shall be as follows, or as otherwise advised by the Authority:
- i. Bicester, Donnington or storage outlets at Stirling, Longtown, Westmoors and Ashchurch:

E-mail: DESLCSLS-LogMACDRTeam@mod.uk

Telephone number: 01952 673017

ii. DE&S Portsmouth

E-mail: DESNBCP-COBLOGOPS@mod.uk

Telephone number: 023927 23491

o) The Contractor shall be liable for the full replacement cost of any Surplus Asset damaged, destroyed, lost or stolen whilst under the control of the Contractor.

1.2 Requirements specific to Vehicles

- a) Where possible, the Authority's point of contact at the declaring unit/establishment or depot will provide the Contractor, in addition to the Routine Task Form, with either:
- i. 1 copy or up to 5 copies of the applicable MoD Form 654 (Application for Disposal of Vehicles); or
 - ii. a Date in Service Letter (DISL) to amend or replace a MoD Form 654; or
 - iii. in the case of OGD vehicles, a DVLA form V5C.
- b) If not available at the time a Routine Task is issued, such documents will be provided later where available.
- c) Should a V5C Form be sent, the Contractor shall complete the V5C in accordance with the applicable legislation.
- d) Under no circumstances shall the MoD Form 654 be amended by the Contractor.

- e) The Contractor shall additionally check the Surplus Asset's description, registration and chassis numbers against Part 1 of the MoD Form 654 or the Routine Task Form to confirm the identity of the Surplus Asset, prior to loading the Surplus Asset for collection.
- f) The Contractor shall sign and date a Temporary Receipt Form for each Surplus Asset to be collected from the Authority's premises. The declaring unit/establishment or depot point of contact shall countersign and date each Temporary Receipt Form to authorise the removal of the Surplus Asset from site.
- g) Where there are no discrepancies between the Surplus Asset and the Description, Registration and Chassis numbers stated at Part 1 of the MoD Form 654, the Contractor shall sign, mark with their official stamp and date 5 copies of the form (at Part 3) to acknowledge receipt returning four (4) copies to the declaring unit/establishment or depot within twenty (20) Business Days of collection and retaining the top (No 1) Auctioneer's copy.
- h) Upon the Contractor signing of the MoD Form 654, or twenty (20) Business Days after collection (whichever happens earlier), the Contractor shall be deemed to have confirmed the accuracy of the information contained in the MoD Form 654, to have accepted the Surplus Asset for sale and to have taken the Surplus Asset on charge.

1.3 Requirements specific to Spares and Tyre Surplus Assets

- a) Where possible, the Authority's point of contact at the declaring unit/establishment or depot will provide the Contractor, in addition to the Routine Task Form, with either issue vouchers (IVs) or an inventory listing.
- b) The Contractor shall additionally conduct a receipt check against the content of issue vouchers (IVs) or an inventory listing and shall provide copies of receipted documents to the declaring unit/establishment or depot.

Section 2: Management of stock including storage of Surplus Assets and record keeping**2.1 Requirements common to all Surplus Assets**

- a) The Contractor shall ensure that all Surplus Assets are stored and handled in accordance with all applicable legislation, and including but not limited to the requirements of the standards included in Condition 20 of the Contract. The Contractor shall take all necessary steps in the course of storage and handling:
- i. to ensure the Authority's property is afforded appropriate security protection;
 - ii. to prevent loss of, or damage to the Surplus Assets or any other property of the Authority, including damage or deterioration due to weather;
 - iii. to prevent death or personal injury;
 - iv. to prevent claims from third parties;
 - v. to protect the Authority from reputational damage;
 - vi. to protect the environment; and
 - vii. to take any measures necessary so as to not adversely affect the value of the Surplus Assets.
- b) The Contractor shall account for all property in accordance with Condition 33 of the Contract and as described in Section 2.4 of the Statement of Requirement (StOR).
- c) The Authority shall be entitled to inspect any Surplus Assets in the Contractor's possession at any time, without prior notice.
- d) The Contractor shall provide access to the Authority to the Contractor's stock and scrap records immediately upon request wherever possible or within three (3) Business Days.
- e) The Contractor shall not break any Surplus Asset for the purpose of reclaiming spare parts for sale or for the purpose of swapping parts between Surplus Assets, unless prior written consent has been provided by the Authority.

2.2 Requirements specific to Vehicles

- a) The Contractor shall record and maintain the following information for all vehicles throughout the duration of the Contract:
- i. Vehicle Asset Code
 - ii. Consignor
 - iii. Make and Model, Registration No, Chassis No.
 - iv. Condition, using the following lettering system to define condition:-
 - Condition A - Running, no damage;
 - Condition B - Running, but damage or mechanical defect;
 - Condition C - Not running, minor mechanical damage;
 - Condition D - Not running with significant mechanical or accident damage.
 - v. Transaction History - including full details of:
 - When the Surplus Asset was Tasked
 - When the Surplus Assets were collected
 - Sales information to include customer details, contract details if not sold against the Contractor's standard Terms and Conditions, date of sale, agreed prices, Routine Task Form number and the date the Authority received payment for the Surplus Asset.

2.3 Requirements specific to Spares and Tyres

- a) The Contractor shall record and maintain the following information for all Spares and Tyres throughout the duration of the Contract:
- NSN/part number/DMC

- Quantity received
- Description of what the Surplus Asset is
- Condition (whether A1 - New, A2 - Used, EO – Unserviceable)
- Consignor
- MoD IV number
- Stock Location at Contractor's Premises
- Transaction history – Routine Task Number, date collected, date sold (if applicable), the Customer's identity, price paid and the date payment was made by the Contractor to the Authority.

- b) For items deemed saleable and valued at £50.00 or more, the Contractor shall record and maintain a full item based stock account, unless otherwise agreed with the Authority. For items deemed saleable and valued below £50.00, the Contractor shall perform a check against the Issue Voucher to ascertain if the item is correctly recorded.
- c) For Surplus Assets deemed not saleable and suitable only for recycling or destruction, the Contractor shall annotate the Issue Voucher that the equipment has been stored and identified for recycling or destruction. The Contractor shall record and maintain a record of in all such instances.

2.4 Accounting for Government Surplus Assets

- a) The accounting system used by the Contractor shall be subject to the approval of the Authority's Defence Internal Audit Asset Accounting Centre (DIA-AAC).
- b) The Contractor shall comply with any formal Asset Accounting Instructions issued by DIA-AAC, including the use of any required Authority forms. If in any doubt, the Contractor shall seek guidance and advice from DIA-AAC.
- c) The Contractor shall conduct an annual stocktaking programme for all Surplus Assets in their custody, except where prior dispensation has been authorised by the Authority, either by Defence Equipment Sales Agency or DIA-AAC, covering the following scope:
- i. One Hundred (100)% of all vehicles

- ii. One Hundred (100)% of all vehicle spares valued at greater than £2000.00 per item, as valued by the Minimum Selling Price (MSP) if the Authority has assigned an MSP, or the Contractor's evaluation where no MSP has been applied;
 - iii. Twenty (20)% of all other items valued at between £50.00 and £1,999.00 (stock location only) as valued by the Minimum Selling Price (MSP) if the Authority has assigned an MSP, or the Contractor's evaluation where no MSP has been applied. These Surplus Assets are to be selected at random and to be representative across the range, type and location, and as agreed by the Authority.
- d) A certificate of completion together with details of any identified discrepancies shall be submitted to DIA-AAC on an agreed stocktaking date. The Contractor shall afford access to enable the Authority to conduct an annual audit against the stocktaking programme and any other assets held by the Contractor.
- e) To assist in the stocktaking and audit activity, the Contractor shall:
- i. Nominate a Stock Controller responsible to DIA-AAC for the maintenance of the Public Store Account.
 - ii. Ensure the proper segregation of duties within the Contractor's organisation so as to achieve a form of internal check over the control of Surplus Assets.
 - iii. Maintain complete, permanent and up-to-date records showing receipts, issues, current balances and the final authorised disposal of stocks for all Contract transactions.
 - iv. Ensure proper authorisation for each transaction and, where applicable, usage against entitlement.
 - v. Serially numbered vouchers by types with receipt of vouchers, checked at salient points in the system.
 - vi. Ensure the immediate check and receipting of vouchers against stores received.
 - vii. Ensure reporting of all losses of, and damage to, Authority Surplus Assets as soon as the Contractor becomes aware of any loss or damage.
 - viii. Ensure suitable and secure stores area for Surplus Assets, with segregation from commercial stocks and no unauthorised access.

Section 3: Marketing and sale of Surplus Assets, including repair and refurbishment**3.1 Requirements common to all Surplus Assets**

- a) The Contractor shall assess the Surplus Assets as part of the Goods Received check, and determine the marketing and sales strategy that offers the best return to the Authority and keep records of the following:
 - i. Condition upon Unloading
 - ii. Condition at transfer of Title.
- b) As part of the marketing and sales strategy, the Contractor shall be responsible for deciding and completing repair and/or refurbishments that will add value to Surplus Assets for sale and thereby increase the gross selling price and/or the likelihood of achieving a sale. The Contractor shall take all reasonable steps to prepare, present and promote positively the Surplus Assets for marketing and sale.
- c) The Contractor shall have its own internet website for the purposes of completing marketing and sales activity.
- d) The Contractor shall utilise multiple methods of marketing to achieve maximum market exposure of Surplus Assets which may include, but not limited to the following;
 - i. traditional marketing: print media, television campaigns, radio broadcast;
 - ii. modern marketing: social media, internet advertisement.
- e) The Contractor shall not claim to be an Agent of the Authority.
- f) The Contractor shall be expected to utilise multiple methods of sale in both the domestic and global markets which include, but not limited to:
 - i. direct sales to end users and;
 - ii. trade sales to industry and;
 - iii. end of life sales for reclamation.

- g) The Authority may require the Contractor to attend any trade shows, fares or exhibitions to support the Authority's sales activities. The Authority will provide reasonable notice to the Contractor should the Authority require the Contractor's attendance to any such events. The Authority shall not be liable for costs incurred by the Contractor in supporting sales, including any costs incurred when attending any trade shows, fares or exhibitions.
- h) The Contractor shall be liable for all costs of marketing activity.
- i) The Contractor shall not cause reputational damage to the Authority when undertaking marketing and sales activity. The Contractor shall not make any publicity announcements in respect of any sale without the prior written consent of the Customer.
- j) The Contractor shall be responsible for and abide by all extant UK export licencing laws, policy and legislation and shall require the Authority's consent in accordance with condition 14 of the Contract as appropriate.
- k) The Contractor shall undertake the completion of all sales activity for Contractor to Customer Sales, including but not limited to;
 - i. invoicing the Customer
 - ii. receipting payment from the Customer
 - iii. payment to the Authority of its percentage return
 - iv. reporting to the Authority
 - v. keeping records of the sale
- l) The Contractor shall be able to demonstrate upon request that the method and value of sale is appropriate to the condition of a Surplus Asset.
- m) By exception, the Authority may give Notice requiring the Contractor to refurbish Surplus Assets for sale at its absolute discretion through issue of an Extraordinary Task Form under Item 3 of the Schedule of Requirements. The Contractor shall then refurbish Surplus Assets in accordance with the specification given in the Extraordinary Tasking Form.

3.2 Requirements specific to Vehicles

- a) Pre-sale preparation: If not already removed by the declaring unit/establishment or depot the Contractor shall, on receipt at their premises, remove all civilian number plates (if no DVLA Form V5C is present), and all military number plates, beacons, crests, badges, fire extinguishers, tax discs, police and ambulance stripes, and all other MoD (or other government department) associated markings, fixtures and fittings. Wherever possible this process shall involve removal without damage or depreciation from the potential sale value of the Surplus Asset. In all cases where fire extinguishers are removed from vehicles, removal is to be reported to the Authority as GRIE as per Section 1.1 of the StOR above. The Contractor is responsible for all costs relating to pre-sale preparation.
- b) In cases where careful removal of Surplus Assets' markings is not possible the Contractor shall contact the Authority to agree appropriate action.
- c) To protect the Authority's reputation, the Contractor shall ensure that all Surplus Assets sold shall leave the Contractor's premises in adherence to all applicable UK legislation.
- d) Where available, the Contractor shall supply the original top (No.1) copy of MOD Form 654 to the purchaser at the time of sale to enable the purchaser to register the Surplus Asset, retaining a copy for his records for six (6) months from the date of sale of the Surplus Asset.
- e) There may be circumstances under which the Authority shall instruct the Contractor not to supply the purchasers of Surplus Assets with the original top (No. 1) copy of the MoD Form 654. The Authority's decision in this regard shall be final.

Section 4: Service Reporting (Does not include Contract Progress or Performance Reports)**4.1 Requirements common to all Surplus Assets**

- a) The Contractor shall provide the following Service reports in accordance with Item 2 of the Schedule of Requirements, as follows:
- i. Stock Report
 - ii. Goods Received Report
 - iii. Sales Report
 - iv. Waste Report
- b) The Stock Report shall include:
- i. All Surplus Assets received and stored at the Contractor's premises awaiting sale
 - ii. Identification of any Surplus Assets that are ring fenced Government to Government stock
 - iii. Customer details of who purchased the Surplus Asset or recycled or disposed of the Surplus Asset
 - iv. Reason for recycling or scrapping of Surplus Assets
 - v. Edart ID (if provided)
 - vi. Routine Task number for Surplus Assets
 - vii. Date received or collected
 - viii. Military Registration Number
 - ix. Civilian Registration Number
 - x. Vehicle Description
 - xi. Domestic Management Code
 - xii. NATO Stock Number
 - xiii. Part Number (if NSN cannot be identified)
 - xiv. Description of Store
 - xv. Quantity in Stock
 - xvi. Current Market Value, per unit, total
 - xvii. Condition in accordance with Sections 2.2 a iv or 2.3 a above.

- xviii. Contractor Stock Reference Number
- xix. Stock Location
- xx. In a separate tab, list any Surplus Assets that were declared to the Contractor 10 or more calendar months previously from the date of Routine Task Form that remain unsold.

c) The Goods Received Report shall include:

i. Vehicles:

- Edart ID (if provided)
- Routine Task Number
- Military Registration Number
- Civilian Registration Number
- Vehicle Description
- Quantity Sent
- Minimum Selling Price (if applicable)
- Condition in accordance with Section 2.2 a iv above
- ITAR status
- Quantity Received

ii. Vehicle Spares and Waste Rubber Products:

- Edart ID (if provided)
- Routine Task Number
- Domestic Management Code
- NATO Stock Number
- Part Number (if NSN cannot be identified)
- Description of Store
- Quantity Sent
- Minimum Selling Price (if applicable)
- Condition in accordance with Section 2.3 a above

- ITAR status
- Quantity Received

- d) The Sales Report shall be in the format provided at Appendix 1 to the StOR. The Contractor must identify the Surplus Assets sold, recycled or disposed of as waste by the Contractor during the month.
- e) The Waste Report shall be in the format provided at Appendix 2 to the StOR.
- f) The following information is the minimum requirement of information to be stored for each Routine Task for audit purposes by the Contractor for the duration of the Contract:
- i. Routine Task Number
 - ii. Date of Routine Task
 - iii. Description of the Surplus Assets
 - iv. Unique Identifying Reference (for example, Equipment Registration Mark (ERM) or Vehicle Registration Number (VRN) or NATO Stock Number (NSN) or Part Number if no NSN available, MoD Asset No)
 - v. Quantity
 - vi. Condition in accordance with Sections 2.2 a iv or 2.3 a above.
 - vii. MoD IV number
 - viii. Stock Location at Contractor's Premises
 - ix. Consignor
 - x. Collection address
 - xi. Sale amount, date and Customer details
 - xii. Proof of payment in relation to any HMRC liability
 - xiii. All legal documentation including Waste Transfer Notes and Consignment Notes (where required). These should be issued with each task
 - xiv. Any documentation in law relating to the consignments disposal
 - xv. Discrepancies against IV in accordance with Section 2.3 (if applicable)
 - xvi. Whether the Surplus Asset was ever ring fenced for a Government to Government sale, and whether a Surplus Asset was ring fenced prior or after Tasking.

- g) All Service reports and all records held under the Contract shall be subject to the approval of, and subsequent audit by DIA-AAC. The records shall also be provided by the Contractor or the Authority to the National Audit Office upon request.

Section 5: Government to Government Sales and Gifting

5.1 Requirements common to all Surplus Assets

- a) The Contractor shall support the Authority in agreeing Government to Government (G2G) Sales, where requested, in accordance with Conditions 24 and 25 of the Contract.
- b) The Contractor shall immediately remove Surplus Assets from general sale upon receipt of a Notice from the Authority instructing the Contractor to ring fence Surplus Assets for the purpose of a G2G Sale. The Contractor shall under no circumstances sell ring fenced Surplus Assets. The Authority and the Contractor shall work collaboratively to progress the G2G sale.
- c) Should the G2G Customer wish to undertake inspections, site visits or meetings with the Contractor, the Contractor shall host the G2G Customer, providing catering, facilitating reasonable access to view the Surplus Assets and providing office facilities, as far as is reasonable.
- d) The Contractor may agree Additional Services with the G2G Customer via a separate direct contract in accordance with Condition 26 of the Contract.
- e) The Contractor shall make no publicity announcements in respect to any G2G Sales without the prior written consent of the Authority.
- f) In the event of gifting, the Authority will raise an Extraordinary Task Form at Annex C to the Contract under Item 3 of the Schedule of Requirements.

- g) The Contractor shall perform Operational Functional Checks on all Surplus Assets ring fenced for a Government to Government Sale. The Operational Functional Check shall ensure that the motorised Surplus Assets are capable of moving under their own power. Where required and where available, the Contractor shall request the Authority to provide any necessary technical information..

Section 6: Goods for Recycling or Destruction

6.1 Requirements common to all Surplus Assets

- a) All Surplus Assets identified as Goods for Destruction or Recycling by the Contractor (GDR) shall be physically segregated from sellable Surplus Assets and shall be physically marked by task number and defect code.
- b) Ten (10) Business Days prior to recycling or destruction of GDR items the Contractor shall give Notice to the Authority's Designated Officer, through submission of a GDR report detailing the following:
 - i. The task number under which each GDR item was declared;
 - ii. Defect code, in accordance with one of the following:
 - TD: Tread Damage;
 - WD: Wall Damage;
 - FO: Foreign Object embedded in Tyre;
 - DSP: Damage to spare part;
- c) Should more than one of the above apply, the Contractor shall use the most applicable code.
- d) The Contractor may subcontract the Authority's GDR requirement to third party organisations. In this instance, where the Contractor holds an insufficient quantity of GDR to form an economically viable load at the end of each quarter, the Contractor may request authorisation from the Authority to hold GDR in stock until such a time as it becomes economically viable to destroy and/or recycle the GDR. When it is economically viable for the Contractor to despatch GDR for recycling or destruction, the Contractor shall give Notice to the Authority confirming that the GDR have been despatched for destruction or recycling within 10 Business Days.
- e) Wherever possible the Contractor shall recycle GDR and shall only send GDR to landfill where absolutely necessary and all other possible disposal routes have been exhausted.

- f) The Authority will undertake quarterly audits of GDR awaiting destruction or recycling in order to ensure that the Contractor is correctly identifying Surplus Assets as GDR and identifying the correct method of disposal whether recycling or any other form of destruction. The Authority will inspect no less than thirty items, or the total number of GDR items if the Contractor currently holds less than thirty GDR items and may audit any number of GDR items, upon reasonable request.
- g) The Contractor shall make available any resources, such as Personnel and Machinery, as required by the Authority in order to conduct a GDR audit.
- h) Upon completion of the destruction or recycling of GDR, the Contractor shall submit the following to the Authority within 10 Business Days:
 - I. Weighbridge certification;
 - II. Soft copy company letter headed paper and Director signature attesting satisfactory completion of the works;
 - III. Commercial invoice.