



Ministry  
of Defence

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15 December 2016 Our Reference: FOI2016/11510

[REDACTED]  
Thank you for your email dated 26 November 2016. You asked:

***Could you please supply a copy of DSACOMDD/5009:***

***The MOD vehicle disposals contract to Witham Specialist Vehicles, including SCHEDULE 2 which should display agreed disposal prices and % of selling price returned to the MOD.***

I am treating your email as a request for information in accordance with the Freedom of Information Act 2000 (FOIA). A search for the information has now been completed within the Ministry of Defence (MOD), and I can confirm that information in scope of your request is held.

However, we considered that some of the information requested fell within the scope of the following qualified exemption: Section 43 (*Commercial Interests*). When a qualified exemption applies, a Public Interest Test has to be conducted to decide whether, in all the circumstances of the case, the public interest in maintaining the exemptions outweighs the public interest in disclosure.

We have completed this work and concluded that information relating to the '*...agreed disposal prices and % of selling price returned to the MOD*' fell entirely within the scope of the qualified exemption provided for at Section 43(2) (*Commercial Interests*) of the FOIA and has been withheld.

Section 43(2) provides that information is exempt if its disclosure would, or would be likely to prejudice the commercial interests of any organisation or person holding it, including the MOD and its contractors.

The FOI Act contains a presumption in favour of disclosure and there is a public interest in the release of information which supports the accountability of the MOD for its use of public money; for example, to demonstrate that value for money is being obtained for taxpayers and that effective contractual processes are in place. Greater transparency of decision making

processes makes government more accountable and the release of information would allow an increased public understanding of how the procurement processes are undertaken in an open and honest way.

For context it is worth stating that the Disposal Services Authority (DSA), as part of the MOD, disposes of defence equipment that is surplus to requirement and that most surplus equipment is sold through a series of competitively awarded marketing agreements with specialist contractors. These marketing agreements are structured to not only encourage the commercial partner to achieve the highest possible level of return from sale but to provide a cost free disposal service to the Department, with costs and profit only being recoverable on completion of sale. This ensures that the best return for the taxpayer is achieved.

The DSA has a marketing agreement with Witham Specialist Vehicles Ltd, for which DSA receives a proportion of the sale receipts.

The Public Interest Test recognised that release of sale receipts received could prejudice Witham's ability to secure a fair market price for vehicles, or other MOD assets, yet to be sold. More widely, releasing details of the receipts received by DSA under the marketing arrangement could weaken the MOD's position in a competitive environment by revealing market sensitive information which would be of use to potential contract bidders. It could also result in companies generally being deterred from sharing commercially sensitive information with the MOD if they are unsure about whether their information would be protected.

Accordingly, the Public Interest Test concluded that the release of this information would prejudice the commercial interests of the MOD and that the balance of the arguments lay in favour of withholding the information to protect the commercial interests of the MOD and its customers.

Details of the contract DSACOMDD/5009 (less the financial information discussed above) is available on line as follows:

- Click the following hyperlink: [www.gov.uk/contracts-finder](http://www.gov.uk/contracts-finder)
- Click 'Start Now' to the 'Find a Contract' page
- Enter the following Keywords: 'Complete Disposal Service for Surplus Equipment'
- Press 'Search' and click on 'Complete Disposal Service for Surplus Equipment'
- Scroll down to 'Other Information' and click on the hyperlink to 'final contract'

If you are not satisfied with this response or you wish to complain about any aspect of the handling of your request, then you should contact me in the first instance. If informal resolution is not possible and you are still dissatisfied then you may apply for an independent internal review by contacting the Information Rights Compliance team, 1<sup>st</sup> Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail [CIO-FOI-IR@mod.uk](mailto:CIO-FOI-IR@mod.uk)). Please note that any request for an internal review must be made within 40 working days of the date on which the attempt to reach informal resolution has come to an end.

If you remain dissatisfied following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.ico.org.uk>.

Yours sincerely



Secretariat  
Defence Equipment and Support