



Ministry
of Defence

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19 July 2016

Our Reference:FOI2016/06564

Dear [REDACTED],

Thank you for your email dated 27 June 2016. You asked:

I should like answers to 5 questions relating to the Enabling Contract for the Disposal of Surplus Government Armoured and Non-Armoured Vehicles, and Vehicle Spares (contract DSACOMDD/5009):

1. ***Total number of sales.***
2. ***'Sale price' of each vehicle sold.***
3. ***Percentage of the 'sale price' that the DSA received.***

For the following 5 vehicle types over the past 1-year:

- ***DAF 8x6 DROPS Multilift: Hook Loader LHD***
- ***DAF 4X4 Truck 5 Tonne Cargo***
- ***JCB 4 CX backhoe loader***
- ***Foden 6x6 Recovery Vehicle***
- ***Foden 8x6 DROPS IMMLC Logistic Support Truck LHD***

4. ***On what date will the current contract end?***
5. ***If a contract extension has been granted, from what date will it become effective and for what period of time?***

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 *'Sale price' of each vehicle sold* and the *'Percentage of the 'sale price' that the DSA received'* 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), part of 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.

In this instance the vehicles that you have listed are being sold through a marketing agreement with Witham Specialist Vehicles Ltd, for which DSA receive a proportion of the sale receipts. In this regard it is important to state that the sale of these vehicles is an on-going activity.

The Public Interest Test recognised that release of sale receipts received could prejudice Witham's ability to secure a fair market price for vehicles 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.

The answers to your remaining questions for the period 1 April 2015 to 31 March 2016 are as follows:

Total number of sales. - 5,721 individual sales.

For the following 5 vehicle types over the past 1-year:

DAF 8x6 DROPS Multilift: Hook Loader LHD - 180 DAF DROPS of all variants.

DAF 4X4 Truck 5 Tonne Cargo - The MOD does not operate a 5T Variant; however, we have sold 272 of the 4Tonne Leyland DAF – (all variants)

JCB 4 CX backhoe loader - None.

Foden 6x6 Recovery Vehicle - 39 of all variants.

Foden 8x6 DROPS IMMLC Logistic Support Truck LHD - 40 Foden DROPS of all variants.

On what date will the current contract end? If a contract extension has been granted, from what date will it become effective and for what period of time?

The current contract has been extended from 30 June 2016 to the 30 April 2017 and it is planned that a new contract will commence on the 1 May 2017. However, DSA recognises that the development of the new requirement may take time and provision has been made to extend the existing contract, if needed, for two further option periods of six months. If both of these options are exercised the new contract will not commence until 1 May 2018.

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, 1st Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail 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



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