Termination of Approved Garage Contract

SUMMARY

1.1 Derby City Council had a contractual agreement with Abbey Garage Car Care Centre Ltd for the inspection and testing of hackney carriages and private hire vehicles, as one of a number of approved testing garages for the licensed vehicle fleet within the city.

1.2 In February 2015 the business was sold and, as a consequence of the sale, the Driver and Vehicle Standards Agency (DVSA), formally known as Vehicle and Operator Services Agency (VOSA), stopped the business from undertaking MOT's.

1.3 Clause 4.1 of the contract document states "The Service will be in conformity with the Specification". As the Specification requires the ability to perform MOT testing, Abbey Garage is not in a position to provide the Service "in conformity with the Specification" and is therefore in material breach of the contract.

1.4 Clause 22.3.2 which states "Any material breach or a series of persistent minor breaches by the Supplier of the Contract or any Order pursuant thereto which in the opinion of the Council justifies termination of the Contract", therefore allowing the authority to terminate the contract.

RECOMMENDATION

2.1 To note the report.

REASONS FOR RECOMMENDATION

3.1 To update the Licensing Committee on the current status of Derby City Council's approved garages.

SUPPORTING INFORMATION

4.1   Derby City Council had a contractual agreement with Abbey Garage Car Care Centre Ltd for the inspection and testing of hackney carriages and private hire vehicles, as one of a number of approved testing garages for the licensed vehicle fleet within the city.

4.2   On 6 February 2015 the company became Abbey Garage Ltd following the sale of the business.

4.3   As a consequence of the sale of the business the Driver and Vehicle Standards Agency (DVSA), formally known as Vehicle and Operator Services Agency (VOSA) stopped the business from undertaking MOT's. This was due to there being no approved examiner.

4.4   The Licensing Team were not notified of this change in circumstances.

4.5   The new owner of Abbey Garage Ltd confirmed by email to officers that they were no longer authorised to undertake MOT's.

4.6   Clause 4.1 of the contract document states "The Service will be in conformity with the Specification". As the Specification requires the ability to perform MOT testing, Abbey Garage is not in a position to provide the Service "in conformity with the Specification" and is therefore in material breach of the contract.

4.7   Clause 22.3.2 states that "Any material breach or a series of persistent minor breaches by the Supplier of the Contract or any Order pursuant thereto which in the opinion of the Council justifies termination of the Contract" allows termination of the contract by the authority.

4.8   The contract was formally terminated on 1 June 2015 by the Council's Procurement Team.

4.9   The Authority now has a contract with five Approved Garages.

OTHER OPTIONS CONSIDERED

5.1   None.

This report has been approved by the following officers:

Legal officer	Olu Idowu
Financial officer	n/a
Human Resources officer	n/a
Estates/Property officer	n/a
Service Director(s)	n/a

Other(s)	Michael Kay

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

1.1   None arising from this report.

Legal

2.1   As set out in the report.

Personnel

3.1   None arising from this report.

IT

4.1   None arising from this report.

Equalities Impact

5.1   None arising from this report.

Health and Safety

6.1   None arising from this report.

Environmental Sustainability

7.1   None arising from this report.

Property and Asset Management

8.1   None arising from this report.

Risk Management

9.1   None arising from this report.

Corporate objectives and priorities for change

10.1   The proposals set out in this report will deliver **better outcomes for our communities**.