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Award

## **Fleet services**

Metropolitan Housing Trust Ltd

UK5: Transparency notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-072035

Procurement identifier (OCID): ocds-h6vhtk-05dcce

Published 7 November 2025, 1:24pm

## **Scope**

## **Reference**

2025-2026-287

## **Description**

Management of fleet and related services

To view this notice, please click here:

<https://www.delta-esourcing.com/delta/viewNotice.html?noticeId=985759408>

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## **Contract 1**

### **Supplier**

- SG Fleet Ltd

### **Contract value**

- £14,000,000 excluding VAT
- £16,800,000 including VAT

Above the relevant threshold

### **Earliest date the contract will be signed**

8 December 2025

### **Contract dates (estimated)**

- 9 December 2025 to 8 November 2030
- 4 years, 11 months

### **Main procurement category**

Services

### **CPV classifications**

- 50111000 - Fleet management, repair and maintenance services
- 50111100 - Vehicle-fleet management services

- 50111110 - Vehicle-fleet-support services

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## **Other information**

### **Conflicts assessment prepared/revised**

Yes

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## **Procedure**

### **Procedure type**

Direct award

### **Direct award justification**

Additional or repeat goods, services or works - extension or partial replacement

MTVH seeks to retain SG Fleet for maintenance of its existing fleet vehicles and any new requirements for the next 5 years to October 2030.

The below summary outlines options and costs and benefits:

Option 1 - Extend existing & new requirements

Cost / benefit to MTVH: + £42k profit share AND + mileage credits £248k

Technical issues: Advantage – further innovation eg. EV charging

Option 2 - Extend existing requirements and re-tender new requirements

Cost / benefit to MTVH: + £42k profit share; + mileage credits £248; Economies of scale reduced by spreading over two suppliers

Technical issues: Management of x2 systems

Business disruption: Operational downtime for switch over

Impact on customer service response time

Option 3 - retender ALL requirements

Cost / benefit to MTVH: Settle existing vehicles £3.8m: Long term ROI: Uncertain cost over-runs

Technical issues: No other company will take on existing vehicles: Training and knowledge transfer: Regulatory and legal compliance checks

Business disruption: Operational downtime for switch over; Impact on customer service response time

Existing fleet justification for retaining SG Fleet:

-Benefit from the 50% profit share when the vehicles are de-leased. Average at £600 p/ vehicle, therefore potential of £42k in profit share credits.

-MTVH will not be charged the first £150.00 for damage/ excess wear and tear per vehicle, in accordance with the BVRLA Guide. Based on an average of 8.6% of the fleet having damage, potential savings are £903.

-MTVH will receive mileage credits back when the vehicle is de-leased, this is for mileage that have been paid for and as part of the lease and not used. Based on milage readings from Sept 2025 and projected to the contract end date, a total of 1,034,571 miles hasn't been used. Payment for any excess mileage at the rate of 20.00/ (some at 15.00) pence (plus VAT) per one mile for the first 10,000 excess miles and 30.00/ (some at 22.51) pence (plus VAT) per mile. Therefore, potential saving of £247,207.

-In total MTVH could potentially receive approx £248,152k in credits.

-Savings/ cost avoidance we've benefited from in the last 4 years with SG Fleet are:

oModul Safestowe issue £40k (sourced circa x40 safestowes to prevent delays)

oModul Compensation £2k (donated to Molly Higgins Charity)

- oExpansion Project Vehicle delivery (Axis TUPE) which avoided further soft costs (hires), potentially £35.5k (based on x35 vehicles for 1 month).

- oYTD saved £10.5k in SMR (service, maintenance & repair) savings / goodwill (based on 2024/25 YTD figures)

- oExtend current 21-plate vehicle contracts to 60 months, saving circa £46k (till end of contract)

Terminating would result in having to settle all current vehicle lease contracts, estimated £3.8m (as of Sept 2025).

Total Gross Value: £12m (over 5 years) (based on 2024/25 YTD figures, includes all vehicle costs).

If we were looking to change supplier, the vehicles are all on individual contracts (some recent ones on 5 year-leases), the start date dependent on when they were received. We would need to pay off the individual contracts if we were to terminate or phase out until contract expiry.

New fleet requirements:

In order to undertake a comparison of SG Fleet vs average market rate for new vehicles using manufacturers and specifications required, we must account for MTVH specification, technical work to accommodate and allow for business disruption. All vehicle suppliers are going to source the vehicles from the same place, directly from the manufacturers.

- Existing vehicles will need to stay with SG Fleet. New providers won't except existing fleet vehicles originally from another fleet provider. If that was an option, the lease contracts would need to be settled prior to a transfer, costing the business an estimated £3.8m (as of Sept 2025).

- Training and Knowledge Transfer

- oStaff Training: Employees need to be trained on the new provider's system, which can involve a learning curve and potentially reduce productivity in the short term.

- oKnowledge Gaps: The team is used to working with the current provider's system, and there might be challenges in transferring that knowledge. Documentation, support from the new provider, and training programs can help mitigate this, but would potentially reduce productivity.

- Regulatory and Compliance Issues

oLegal and Regulatory Compliance: As we operate in a heavily regulated industry, ensuring that the new provider complies with all relevant regulations (e.g. environmental standards, safety protocols, etc.) is a key consideration.

oFleet Certification and Inspection Records: If there are certifications or inspections that need to be updated or transferred, keeping track of these can be complex.

#### -Operational Downtime

oTransition Period: The transition period itself may involve downtime where some vehicles are unavailable while being switched over. Minimizing operational disruptions is key to maintaining business continuity.

oScheduling and Route Optimization: There could be temporary inefficiencies in route planning and scheduling as you adjust to the new provider's systems.

#### -Cost Overruns

oUnexpected Costs: Transitioning may involve hidden costs such as installation fees, integration expenses, or troubleshooting that weren't accounted for upfront.

oLong-Term ROI: If the new provider offers lower rates but higher operational costs (due to inefficiencies, for instance), the long-term savings may not be as expected.

#### -Customer Service and Support

oResponse Time: The quality of customer service during the transition is crucial. A lack of prompt support can cause delays in addressing technical issues and system bugs.

oOngoing Technical Support: Make sure the new provider offers sufficient ongoing technical support post-transition, especially as we may encounter any lingering issues.

Diseconomies of scale – (all the above business case) PLUS internal costs and switching costs of changing supplier

#### -Operative costs:

oTime to switch into a new vehicle, based on 8 hours p/ Op, p/ Vehicle to swap at £60 p/hr, based on 70 vehicles = £33,600.

#### -Fleet team admin costs:

oRemoving & adding vehicles to all fleet systems (fleet central, insurance, parking & toll apps, Wex fuel cards, etc.) 30 mins p/ vehicle at a fleet admin rate of £16.24 p/hr =

£568.40

## Summary

In summary, retaining SG Fleet as fleet provider through direct award and signing up to SG Fleet's Master Hire Agreement enables MTVH to:

- 1.Minimise business disruption and ensure seamless service delivery to residents
- 2.Ability to customise vehicles to required specification
- 3.Generate cost efficiencies
- 4.Enable a medium to long term re-procurement strategy

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## Supplier

### **SG Fleet Ltd**

- Companies House: 04110984

Station Court, Old Station Rd, Hampton in Arden

Solihull

B92 0HA

United Kingdom

Email: [ostevenson@sgfleet.com](mailto:ostevenson@sgfleet.com)

Region: UKG32 - Solihull

Small or medium-sized enterprise (SME): Yes

Voluntary, community or social enterprise (VCSE): No

Contract 1

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## Contracting authority

### Metropolitan Housing Trust Ltd

- Public Procurement Organisation Number: PMCL-4972-LYCY

The Grange, 100 Hight St

London

N14 6PW

United Kingdom

Email: [procurement@mtvh.co.uk](mailto:procurement@mtvh.co.uk)

Region: UKI54 - Enfield

Organisation type: Public authority - sub-central government