





Presentation to APSE National Transport Operations and Vehicle Advisory Group APSE Offices, Manchester

23 October 2019

David Shouesmith, Managing Director, GovPlanet UK and Europe BEST TOGETHER **FORITCHIEBROS**.

WHO ARE GOVPLANET AND WHAT DO WE DO?

- Part of Ritchie Bros Auctioneers (RBA), a publicly-listed global vehicle and equipment auction group
- A separate business within RBA, structured to offer re-sales services to the public sector and its commercial partners
- New to the UK government market, present for the past 20 months or so
- Currently working with 11 fire and rescue services, 5 police forces and 11 local authorities, plus a number of service and fleet management companies
- Provide a one-stop-shop for vehicle re-sales and our particular strength is obtaining best value for specialist vehicles
- Have an innovative model that combines technology with vehicle expertise to deliver substantially better re-sales returns, plus a superior service, compared to our (auction) competitors

We hope that by working with APSE we can get our message out to the 353 local authorities in England and Wales and the 32 in Scotland.

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BEST TOGETHER IS RITCHIE BROS.



THE GOVPLANET UK TEAM

Shouesmith

David



Simon Morley



Lynn Dumpleton



The Ingleton Team

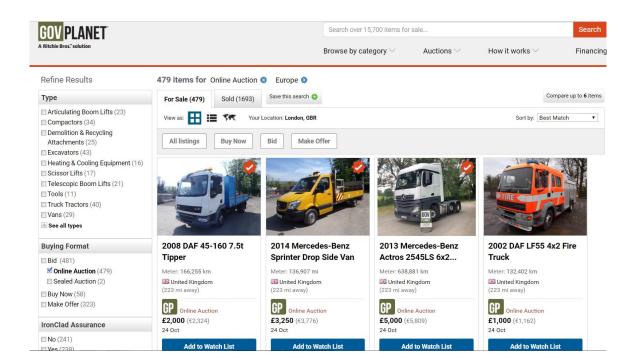


RITCHIE BROS. **BEST TOGETHER**



THE GOVPLANET PROPOSITON: 'MORE THAN AN AUCTION COMPANY'

- A one-stop-shop, with high confidence in delivering significantly higher net returns for all vehicles
- Realise the optimum value from the sale of specialist vehicles and plant
- Superior, personal, **service** levels
- Value-add repair and refurbishment
- Range of transparent commercial models to suit, including all-inclusive service model. No hidden charges or fees
- Support to fleet optimisation valuations, market conditions
- Access to a range of sales channels to a global market for specialist vehicle sales, with an emphasis on direct sales

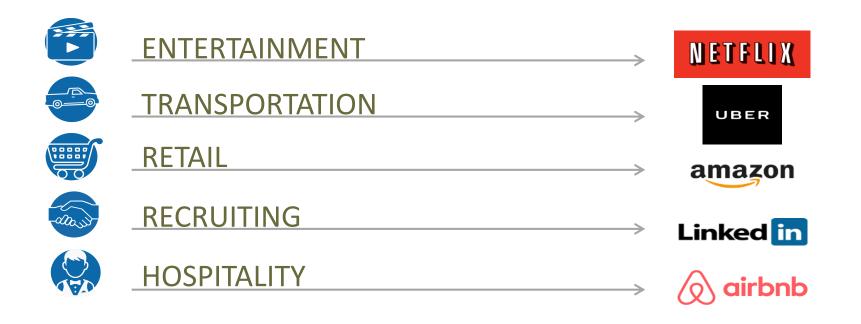


2.2 Million Registered Users

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DISRUPTIVE TECHNOLOGY & PROCESSES ARE CHANGING EVERY INDUSTRY...



...AND GOVPLANET IS CHANGING EQUIPMENT RESALE:

IS IT TIME TO MODERNISE YOUR APPROACH?





OUR BUYER DATA SUPPORTS OUR GLOBAL REACH

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Item 2156686 Mercedes-Benz Sprinter Mini-Bus,,W/Rear Lift, EX Council, Low Mile, In very good Condition For mor ... 🖪 2009 Mercedes-Benz Sprinter Bus (London Borough of Camden Transport Depot) Location: Ingleton, GBR • S/N: WDB9061552N408201 • Usage: 63,743 • Category: • Bids: 0 • TM: Simon Morely Equip Hits: 76 • Users: 49 • Closes: 6/11/2019 12:00:00 PM US Pacific • # of Relists: 1 • Item Status: Auction ended, not sold Current Price: Not Sold • Reserve/Open: 8,500 GBP • Target: 0 • vs Target: 0 • Pricing MV: Unknown



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				8612823	3617799	Greg Overfield	Greg Overfield		OH, USA	4195476323	3636			5/30/2019	1	5/7/2019
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LEVERAGING CHICHEBROS. IRON GLOBAL REACH TO MAXIMISE PRICES



GovPlanet is an IronPlanet[®] Marketplace

- Buyers from 121 countries*
- 40%+ traffic from mobile devices*
- 18 yrs of online marketplace experience*

- GovPlanet: 2.2 million auction attendees**
- 100% sales

*IronPlanet numbers and information; IronPlanet registered users can also bid on GovPlanet

**Attendees since preview of items open



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THE LIVE AUCTION MODEL - SOME COMMENTS

Live auctions provide local authorities with a convenient disposals channel that provides transparency and competition. But...

- Prices are subject to the vagaries of the auction on the day
- Live auctions are dominated by trade buyers who sell-on at a mark-up value that is lost to the seller
- They charge significant buy-side fees which are opaque to sellers and which can suppress prices
- Are a reasonable option for standard cars and light commercial vehicles where there is high volume and a large number of buyers...
- ...but deliver poor value for lower volume, specialist items
- Do not access wider markets, such as export markets
- Online auction facilities are used to augment the live auction and are not at the core of sales activities
- Vehicle preparation for live auctions tend to be limited especially for heavier and specialist vehicles and plant, which suppresses prices

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SOME OBSERVATIONS ON THE UK LOCAL AUTHORITY VEHICLE AND EQUIPMENT RE-SALES MARKET (1)

- The 'disposal' end of the procurement cycle rarely gets the attention it deserves:
 - The focus is on new acquisition
 - The line of least resistance is perpetuated 'keep doing the same'
 - End-of-life vehicles and equipment are perceived as low value, therefore not worth putting much effort into
 - There may be a lack of incentive if there is no direct budgetary benefit to fleet managers
- Local live auction tends to be the preferred option, often via long-standing arrangements but...
- ...with such a wide range of local authority fleet management and disposals models a one-size-fits-all live auction cannot meet all needs
- Expensive, specialist vehicles rarely do well at a live auction
- Space is often a key consideration for fleet managers, therefore speed-of-service can be a priority requirement

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SOME OBSERVATIONS ON THE UK LOCAL AUTHORITY VEHICLE AND EQUIPMENT RE-SALES MARKET (2)

- Where local authorities run competitions for 'auction services':
 - The requirement tends to be narrowly-defined, seeking 'auction services'; a broader 're-sales services' requirement would invite other sales channels, such as direct sales, to be demonstrated
 - Commercial evaluation tends to be restricted to cost-of-service: resale price performance, buyer charges or wider services are rarely considered yet these should all be elements of a compliant MEAT assessment
 - There is a poor understanding of the live auction fees structure and its impact on prices, especially buyer-side fees
 - We sometimes see a requirement for a 'free' disposals service; this suggests a lack of understanding of common auction company fee structures and the total cost of the service
 - Occasionally there is divergence between Procurement running a compliant process and a fleet manager's requirements for a simple, fast and efficient service
 - Interpretation of public sector procurement rules is variable: what constitutes transparency, competition and cost-of-service?

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SOME OBSERVATIONS ON THE UK LOCAL AUTHORITY VEHICLE AND EQUIPMENT RE-SALES MARKET (3)

- Competition and transparency can also be demonstrated by online listings and sales platforms – live auction is not the only compliant channel
- The growth of ULEZ in UK cities and the accelerated introduction of sustainable fleets suggests there is a need for some careful fleet optimisation decisions involving potentially high-value assets, for which price forecasting based on good global market knowledge should inform
- Access to export markets helps reduce local market saturation and drives price performance. There is a strong export market for ex-UK vehicles, including Euro 5





SOME CURRENT GOVPLANET UK CLIENTS

Local Authorities: Fife, Birmingham, Northumberland, Stockport, Rushcliffe, Enfield, Camden, Havering, East Riding, Stevenage, Oxford

Police: Kent and Essex , Leicestershire, Northants, Staffordshire Surrey & Sussex

Fire: Staffordshire, Northants, Lancashire, Greater Manchester, Devon/Somerset, Cleveland, East Sussex, Nottingham, Northumberland; Durham/Darlington, Merseyside, West Midlands: pilots imminent with Hants, Gloucester, Cheshire. Also OEMs: Rosenbauer, Delta, Weber

Fleet Management and Finance Companies: Balfour Beatty, BT Fleet, SHB, Chevron, Wincanton, Hitachi Capital, AFP, Gordon Brothers, Sims Waste Management, Dawson Sweepers Ltd UK MoD Plant and Equipment: ALC (FMC) Ltd (Amey & Babcock JV): plant & equipment PFI provider to UK MoD US Department of Defense: UK and Europe 'rolling stock' Groundcare Contractors: Glendale



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SOME THINGS TO THINK ABOUT

- When were your vehicle disposals arrangements last reviewed?
- If you use an auction company, do you understand the fee structures and how they affect your returns?
- Does an auction company provide the service and returns you expect?
- How do you benchmark re-sale price performance for specialist vehicles?
- If you can improve your re-sale price income, could you negotiate a share for your budget?
- Is your procurement department providing the service you want, or is it applying public sector procurement rules inflexibly?
- Does the commercial structure for your re-sales competitions take account of all aspects of MEAT?
- Are you taking advantage of the innovations now available, particularly in multi-channel sales and leveraging digital opportunities?
- Would you consider moving more of your surplus vehicles to overseas markets a positive?
- Do you have access to reliable price information to support fleet optimisation decisions and are you confident this is robust enough to support transition to low emissions fleets?
- Do you have processes to ensure any security concerns related to vehicle resales are considered?





GOVPLANET LOCAL AUTHORITY CASE STUDIES



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2016 HAKO Bio Chopper - 200hrs Consignors MSP: £40,000 Sold Aug 2019 via Direct sale: £46,500

+65%

62 plate Nissan Leaf Consignors MSP: £3,000 Sold Oct 2019 direct: £4,950









2012 MAN-TGL 12.220 Consignors MSP: £4,500 Sold Aug 2019 On line: **£12,000**

2012 DAF - Scarab Sweeper 82,328km Consignor's expectation: £10-12,000 Sold via GovPlanet Direct Sale Jan 19: £23,000









2009 Land Rover Defender 130 TD5 Tipper - 34,168 miles Consignors MSP: £13,000 Sold Oct 2019 On line: £17,740

2011 New Holland T6020 Tractor Consignors MSP: £17,000 Sold Oct 2019 On line: **£20,250**







CASE STUDIES 2018: SPECIALIST VEHICLES

2009 MERCEDES SPRINTER VAN, 96600 mls CAP Average Apr 18 Price: £3,500 Sold via GovPlanet Direct Sale Jan 18: £5,000





2009 MERCEDES VARIO POLICE TFU CONVERSION, 15,000 mls Nearest CAP Price: £3,500 Sold via Direct Sale Apr 18: £20,000



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2012 NEW HOLLAND T4.65 4WD TRACTOR, 829 hrs No CAP Prices. Consignor's expectation: **£14,000** Sold via **GovPlanet** Direct Sale Nov 17: **£18,500**





2006 CATERPILLAR 930G WHEEL LOADER

No CAP prices. Consignor's expectation: **£12,000 GovPlanet refurb costs: £750**

Sold via GovPlanet Direct Sale Nov 16: £18,000



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2008, Mercedes 24 seater Mini-bus 160,696km Consignor's expectation: <£10,000 Sold Nov 18 via GovPlanet direct sale: 11,250





2008 MERCEDES ECONIC RCV, 128,056 km Consignor's expectation: <£1.5-2000 Sold Nov 18 via GovPlanet direct sale: £3,250





2012 MITSIBUSHI TUSO 7.5T CANTER TIPPER, EX-LEASE, 31000 mls Consignor's expectation: £7,500 Sold via GovPlanet Direct Sale Feb 18: £9,150





2010 DAF 7.5t 4x2 TIPPER, EX-LEASE, 140,000 km Consignor's expectation: **£8,000** Sold via **GovPlanet** Direct Sale Mar 18: **£11,000**





2014 HAKO City Master 1250 - Five units Consignors MSP: £6,000 per unit Sold Nov 2018 via GovPlanet direct sale: £12,500/unit Totalling £62,500

108%





2008 75E16 EUROCARGO TRUCK

2016 live auction price **£4,500**: refurb costs **£2,500** Sold 2016 via direct sale: **£10,000**





2010 MERCEDES ECONIC 2629 RCV, 152,759 km No CAP Price: consignor's expectation: **<£4-5000** Sold via **GovPlanet** direct sale Nov 17: **£6,750**





CASE STUDIES: LOCAL AUTHORITY SPECIALIST TRUCKS

2010 DAF COMPACT SWEEPER, 96,600 mls Live auction price: £21,500 Sold via GovPlanet Direct Sale 2017: £28,000





2010 DAF CF 85.410 8X4 HOOKLIFT Consignor's expectation: £12-13,000 Sold via GovPlanet Direct Sale Mar 18: £17,000





CASE STUDIES: WASTE HANDLING PLANT

2001 FUCHS MHL 331 Tracked Material Handler, 23309 hours

Seller expectation: £9000

Sold via GovPlanet Direct Sale May 19: £13000





2007 Atlas 1704 Wheel Loader, 12058 hoursSeller expectation: £15-17500Sold via GovPlanet Direct Sale May 19: £23000





Ransome Parkway 3 Mower, 2151 hours Consignor estimated price: ~£3300 Sold via GovPlanet Direct Sale Jun 19: £4400





Ransome Parkway 3 Mower, 1299 hours Consignor estimated price: ~£5100 Sold via GovPLanet Direct Sale May 19: £6190

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Toro CT2140 Compact Triple Turf Mower, 1192 hours

Consignor estimated price: ~**£3300** Sold via **GovPlanet** Direct Sale May 19: **£4400**





Nimos Weed Ripper Consignor estimated price: ~£500 Sold via GovPlanet Direct Sale May 19: £700





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