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Media Release

DVA: Procurement of vehicle testing equipment

Weaknesses in both procurement processes and contractual arrangements contributed to the failure of a £10.8 million Driver and Vehicle Agency (DVA) contract for vehicle testing equipment. This contract was terminated in April 2025 through a negotiated settlement without delivering any of its intended outcomes. At this point the total cost incurred by the DVA, including a £1.5 million settlement payment, amounted to approximately £5.1 million. That is among the findings of a report published today (Tuesday 17 November 2026) by the Comptroller and Auditor General.

Dorinnia Carville's report focusses on a contract for new vehicle testing equipment and associated IT systems, which was awarded by the DVA in 2019, following a procurement process supported by the Department of Finance's Construction and Procurement Delivery (CPD).

The report identifies weaknesses in the procurement process. It notes that the successful tender was priced at £10.8 million, 53 per cent lower than the only other compliant bid and 40 per cent below the DVA's business case estimate. Further checks were undertaken, but these did not provide sufficient assurance that the proposed solution could be delivered at the price quoted. The report also highlights limited scrutiny of the proposed IT solution, which subsequently became a major source of disagreement between the DVA and the contractor

After award, concerns about the contractor's performance emerged early and persisted throughout the project. As a result, the DVA first attempted to terminate the contract in 2022. However, weaknesses in the contractual arrangements, particularly the absence of clear and enforceable delivery dates, contributed to the contractor successfully challenging this decision in the High Court. After further delivery problems and a second attempt to terminate, the two parties reached a negotiated settlement in April 2025, which brought the contract to an end.

By March 2025, the DVA estimated that approximately £5.1 million had been incurred, including a £1.5 million settlement payment, without delivering the intended vehicle testing solution or operational improvements. The failure has delayed planned improvements by more than four years, leaving the DVA reliant on temporary measures, including the use of Temporary Exemption Certificates, to help manage testing demand.

A replacement contract, valued at approximately £46 million, was subsequently awarded in March 2026, with delivery of the new vehicle testing solution expected to complete in mid-2029. The report notes that direct comparison with the original £10.8 million contract is challenging because of changes including project scope, market prices, implementation assumptions and contract lifespan.

Commenting on the report's findings, Dorinnia Carville commented:

"This report evidences a missed opportunity to improve much needed services, as well as a significant waste of public money. Despite extensive engagement and evaluation activity, the processes followed by the DVA and CPD did not provide sufficient assurance over whether the proposed tender could be successfully delivered in practice. In addition, once serious problems emerged, weaknesses in the contractual arrangements also made it more difficult to bring the contract to a timely conclusion."

"I welcome the fact that both the DVA and CPD have identified lessons from the project, and there is evidence that these have been acted upon to improve subsequent procurement exercises. However, it is vital that learning is shared beyond these two organisations, particularly as today's findings echo those in previous reports by the NIAO on the delivery of major IT projects. Given the significance of the issues identified, the cost to the public purse, and the continuing evolution of procurement legislation and guidance, it is important that lessons from this contract inform procurement and contractual practices more broadly."

ENDS

Notes for Editors

1. The Comptroller and Auditor General (C&AG) is Head of the Northern Ireland Audit Office (the Audit Office). She and the NIAO are totally independent of Government. The C&AG certifies the accounts of Government Departments and a range of other public sector bodies. She has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. Her reports are published as Assembly papers.

2. The Driver and Vehicle Agency is an executive agency of the Department for Infrastructure and is responsible for vehicle and driver testing and licensing in Northern Ireland. The DVA typically inspects more than one million vehicles each year across 15 vehicle testing centres.

3. Construction & Procurement Delivery (CPD) provides professional procurement services to NICS departments, agencies and non-departmental public bodies. It acts as a Centre of Procurement Expertise.

4. The report will be available on the Audit Office website at www.niauditoffice.gov.uk and is embargoed until 00.01 hrs on Tuesday 17 November 2026.