

DMPC Decision – PCD 1453

Title: Sourcing Strategy for Water and Waste Water

Executive Summary:

This paper seeks approval to initiate procurement to provide for the continued supply of water and waste water services for a initial period of 4 years with the option for a 1 year extension. The recommended route to market is the Central Purchasing Body (CPB) Laser. The estimated contract value is up to £10,403,000.

Delegation is also sought for the MPS Director of Commercial to enter into an alternative 2 year contract via the Crown Commercial Services framework if the preferred procurement route is not successful.

The estimated cost of the 4 + 1 year contract will be met from existing budgets, including the corporate provision for inflation, and if applicable the corporate provision for inflation and separate business cases for volume increases.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

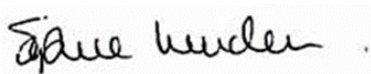
1. Approve re-procurement of water and wastewater services for a 4-year term (with an optional 1-year extension), to a maximum value of £10,403,000.
2. Delegate authority for MPS Commercial Director to approve the award of the outcome of the Laser led mini-competition procurement process.
3. Delegate authority to the MPS Director Commercial Services to enter into an alternative 2-year contract single supplier agreement sourced from CCS, (MOPAC's current Central Purchasing Body (CPB) solution provider), in the event that the terms of the 4+1-year contract solution prove unsuitable for any reason

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

28/06/2023

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The existing contract for the supply of water and waste water services expires on 31 January 2024.

2. Issues for consideration

- 2.1. Water utility commodity costs, represent circa 94% of the total unit cost and are fixed by the industry regulator Ofwat, consequently there is little difference in unit rates offered by different suppliers, regardless of contract length.
- 2.2. The proposal for the longer term contract of at least four years will provide the benefit that the contract will be renewed less frequently saving the MPS time and resources, both in procurement effort and managing supplier transition. In addition, longer contract periods offer better opportunities to develop the customer-supplier relationship management and deliver improvements to the quality of demand and billing data (for example through the automation of meters, AMR) and potential deployment of ancillary services to improve water conservation measures and leakage detection.

3. Financial Comments

- 3.1. The estimated contract value over a 5 year term is £10,403,000. The MPS has a core budget for this term of £7,346,000. Increases in costs above the core budget associated with inflation will be managed from the MPS corporate provision for inflation, and any increases arising from volume changes will be subject to separate business case approval.

4. Legal Comments

- 4.1. The MPS Directorate of Legal Services assure that the proposed routes to market are compliant with Public Contract Regulations 2015.
- 4.2. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.

5. Commercial Issues

- 5.1. This paper seeks approval for the procurement of the supply of water and waste water services. The preferred procurement route is via a centralised purchasing body (CPB),

Laser, for a period of 4 years with an optional further 1 year extension. The estimated 5 year contract value is £10.4m.

- 5.2. If the preferred route is not successful the alternate route also via a CPB – the Crown Commercial Services – will be used. This will be for a two year term at a value of £3.9m.
- 5.3. The use of a CPB is a route that is the same approach as the GLA and its functional bodies.
- 5.4. The Laser option would use the MPS Social Value Standard questions and minimum weighting values in the mini-tender competition Laser would execute on our behalf.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that the project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered

7. Equality Comments

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure that as the proposal represents a continuation of an existing procurement approach, this work does not change any aspects relating to equality or diversity.

8. Background/supporting papers

- Appendix 1 MPS Report - SOURCING STRATEGY FOR WATER AND WASTEWATER SERVICES

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – NO

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

Commercial issues are covered in the body of the report.

✓

GDPR/Data Privacy

GDPR compliance issues are covered in the body of the report .

✓

Drafting Officer

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

Director/Head of Service:

The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

Sanakucherd.

Date 26/06/2023