

PART TWO

Confidential facts and advice

Maintenance of High Pressure, Breathable Air & Oxygen Systems

Information may have to be disclosed in the event of a request under the Freedom of Information Act 2000. In the event of a request for confidential facts and advice, please consult the Governance Team for advice.

This information is not for publication because:

Publication of the information included in this report is deferred as its disclosure would be likely to prejudice the commercial interests of the London Fire Commissioner (LFC).

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part Two and/or its appendix is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the “Act”), it is considered that access can be denied on the basis that such information constitutes exempt information.

The content of this report is commercially sensitive and could prejudice the conduct of the LFB in their duty to secure best value. Publication is recommended once the services subject of this report are procured and negotiations have completed with the supplier.

The recommended period for non-publication of Part 2 is until 01 June 2023.

Legal Adviser

I make the above recommendations that this information should be considered confidential at this time.

Name:	Date:
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Hameera Darr	22.9.2022
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Confidential decision and/or advice

1 Introduction and background

- 1.1 That the Deputy Mayor for Fire and Resilience authorises the London Fire Commission to commit revenue expenditure of up to £339,000 and letting of a contract for seven years (5+2 years) commencing 1 April 2023 for the maintenance of high-pressure breathable oxygen and air compressors, high pressure pipework and associated distribution systems at the Operations Support Centre, Park Royal and Barking following a procurement exercise.
- 1.2 The London Fire Commissioner agrees to commit up to £339,000 for a 5+2 year contract for the purpose of the maintenance of high-pressure breathable oxygen and air compressors, high pressure pipework and associated distribution systems at the Operations Support Centre, Park Royal and Barking following a procurement exercise.
- 1.3 The contract will have a total cost of up to £339,000 over a period of seven years, with a five year contract with the option to extend for a period of 2 x 12 months. This will be allocated from the OSC's workshop equipment-repair & maintenance budget F14042EE13.

2 Financial comments

- 2.1 This report seeks approval to procure a new maintenance of high-pressure breathable oxygen and air compressors, high pressure pipework and associated distribution systems at the Operations Support Centre, Park Royal and Barking under delegated authority.
- 2.2 The proposed procurement will run for five years with the option to extend for a further two years under a 1+1 arrangement.
- 2.3 Funding is confirmed within Operational Support Group budget for maintenance service which has an annual budget of £1,184,069.
- 2.4 It is expected that annual inflationary increases will be based around the Retail Price Index. All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process for 2023/24. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve. The Budget Flexibility Reserve has a forecast balance of £17,100,000 as at the end of the 2022/23 financial year.

- 2.5 LFC standard terms and conditions include clauses on indexation and termination that can be utilised in the event that inflationary pressures affect the performance of the contract. If a contract is no longer viable then LFC will seek to terminate it on this basis or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation as such pressures apply across the market so it is unlikely that benefits will be gained from terminating a contract in order to go back out for competition.

Legal comments

- 3.1 The legal comments are contained in both Part 1 and Part 2 of the report.
- 3.2 In the event the information contained in this Part 2 is the subject of a request for information under section 1 of the Freedom of Information Act 2000 (the Act), it is considered that access may be denied on the basis that such information constitutes exempt information under section 43(2) of the Act.
- 3.3 Section 43(2) of the Act provides an exemption from disclosure where the release of such information would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).
- 3.4 Here, it is considered that disclosure by the LFC of the information contained in this part 2 report would be likely to have a detrimental effect on the LFC's commercial position in the procurement of services, and therefore, would impact adversely on obtaining best value.

Confidential appendices and supporting papers

None