

DMPC Decision – PCD 1260

Title: Support and Maintenance for MPS Electronic Security Services (ESS) – Contract Award

Executive Summary:

This paper seeks the approval of contract awards of the supply of support and maintenance of electronic security services such as alarm systems, CCTV, and electronic access systems. The proposed award is at £2,600,000 per annum with a potential term of upto six years. The Metropolitan Police Service will contain the spend against these contracts from within its budget.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approval to award the contract, following a successful procurement, in 2 lots with the third party alarm systems (TPAS) element going to a single bidder for a term of 4 years plus a 1 + 1 year extension options. North Lot annual Value at £1,012,000 or £6,072,000 for the full 6 year term. South Lot and TPAS annual value of £1,584,460 or £9,506,760 for the full 6 year

Deputy Mayor for Policing and Crime

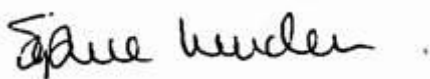
I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Date

02/11/2022



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

1. Introduction and background

- 1.1. The current support and maintenance contract expires on 30 November 2022. MOPAC approved the initiation of procurement in December 2021 - see PCD 1087.

2. Issues for consideration

- 2.1. Electronic Security Systems (ESS) consists of electronic access control, intruder detection systems, personal attack alarms (located in public access rooms, front counters and other vulnerable areas), estate-related closed circuit television surveillance systems and third party alarms outside of MPS property.
- 2.2. This paper seeks approval for the contract award for the support and maintenance for the above functions. The proposed contract award is in alignment with the previous decision in respect of the lotting arrangements.
- 2.3. This contract ensures the MPS staff, data and property are maintained in a secure and compliant environment which is paramount to supporting operational requirements.

3. Financial Comments

- 3.1. The estimated annual contract value of the proposed awards is £2,600,000, over the upto potential six contract years this would be £15,600,000. The MPS has assured that it will manage the spend against this contract from within existing planned and reactive budgets.

4. Legal Comments

- 4.1. The MPS Legal Services assure that the the route to market, tender process and the recommendations in this paper are compliant with Public Contract Regulations.
- 4.2. Paragraph 4.14 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has reserved the right to call in:-
 - Any MPS proposal to award a contract for £500,000 or above.

5. Commercial Issues

- 5.1. At the approval for the initiation of procurement the expected annual contract value was £2m p.a. Based on tender response values and the pricing model used to evaluate the bids the anticipated contract value could be upto £2.6m. This comprises a small fixed fee element to cover planned maintenance and variable fees to cover reactive maintenance and to provide a provision for projects which would be funded from specific capital or revenue budgets.
- 5.2. Of the two successful bidders one confirmed to commit to reinvesting 2.5% of the tender agreement, or towards a UK-based Social Value program in partnership with

the Metropolitan Police, and the second will work with MPS to develop this area through contract governance meetings as part of continuous improvement.

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 there is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

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 there to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Any approved suppliers have been evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC.

8. Background/supporting papers

- Appendix 1 MPS Report - Support and Maintenance for MPS Electronic Security Services (ESS)

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 – YES

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 interim 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

Date 26/10/2022

Manakuchford.

Support and Maintenance for MPS Electronic Security Services (ESS)**MOPAC Investment Advisory & Monitoring meeting – 18th August 2022****Report by the Director of Property Services on behalf of the Chief of Corporate Services****Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC*****EXECUTIVE SUMMARY***

Following procurement for the provision of Support and Maintenance for MPS Electronic Security Services (ESS) approved in DMPC decision note “PDC 1087” dated 20-12-21, this Business Justification Paper (BJP) concerns the approval for the award of the contract to the successful bidders. The earlier paper identified the delivery strategy for the service and lotting options considered. The tender was based on that approved strategy and approved delivery model.

The strategy for the main ESS contract was based on 2 lots being awarded on a North and South split. The smaller element which was originally a separate contract for the maintenance of third party alarms will be awarded as an additional service to the one supplier with the most economically advantageous options for that part. This is detailed further in the commercial case and in accordance with the re-procurement approval.

Approval is sought from Deputy Mayor for Policing and Crime (DMPC) to award the contract now the procurement activity is completed.

Budget for delivery of this contract will be managed from existing Property Services budget lines so no additional funding is being requested.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

- 2. Approval to award the contract, following a successful procurement, in 2 lots with the third party alarm systems (TPAS) element going to a single bidder for a term of 4 years plus a 1 + 1 year extension options. North Lot annual Value at £1,012,000 or £6,072,000 for the full 6 year term. South Lot and TPAS annual value of £1,584,460 or £9,506,760 for the full 6 year**

Time sensitivity

A decision is required from the Deputy Mayor by 01/09/2022. This is to enable notification of the tender results in a timely manner.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**Introduction and background**

- On 3rd August 2020, DMPC decision PCD 796 approved the transfer of the maintenance and repair of Electronic Security Services from Digital Policing to the Property Services Directorate. Since that point Property Services have continued with the original 'inclusive maintenance contract' that transferred whilst procuring a new contract and delivery model that provides more control and flexibility to support the operational needs of the organisation. The re-procurement was as detailed in an earlier paper approved in DMPC decision notice PCD1087.

Service details

- The Electronic Security Systems (ESS) consists of:
 - Electronic access control -the corporate 'EBACS' solution.
 - Intruder detection systems (building and perimeter alarms).
 - Personal attack alarms (located in public access rooms, front counters and other vulnerable areas).
 - Closed Circuit Television surveillance systems (estate systems).
 - Third Party Alarms outside of MPS property.
- This procurement addresses the identified need for:
 - A sustainable long-term 24/7/365 support and maintenance solution for Estate-related Electronic Security Systems (ESS).
 - A replacement for the existing ESS contract on 30th November 2022 via a newly competitively tendered contract that will achieve greater value for money, performance and accountability.
 - The assimilation of TPAS alarm system into one lot of the ESS contract.
 - The provision of reactive work, lifecycle replacement and operationally required minor project via a single supplier providing greater control and adherence to standards.
 - Asset condition data to be captured and fed into longer term forward works planning.
 - Alignment of reporting and management with other property and security related issues via a single helpdesk.
- The procurement excludes major capital projects which are subject to separate governance and is focused on maintenance and lifecycle works.

Issues for consideration

The Deputy Mayor for Policing and Crime (DMPC) to take into consideration:

- The procurement and lotting is fully aligned to the procurement paper approved in PDC 1087.
- There is no impact on existing PSD budget as the contract will be managed within existing budget. The recommended contract value is based on bid price but because of the high level of variable work and lack of historic data is a notional model for the purpose of pricing evaluation. Actual spend is expected to be within current budget, but setting the contract value at bid price allows some additional head room and an ability to deliver works via other budget lines where appropriate.
- The original anticipated value based on the previously all-inclusive Digital Policing contract was £2m per annum.

- Tender response values are higher and detailed in the part 2 business justification paper. The values are higher because the pricing model is a step change from the previous 'all inclusive' contract and therefore the pricing model has included a split between planned activity (that will form a small fixed fee component), reactive maintenance and scope for projects which are variable elements, all of which need to be priced for financial management and costing variable elements but are used for pricing purposes only and are not reflective of budget requirements (detailed in the part 2 financial case).
- The recommendation is to set the contract values at the tendered prices. This will provide scope within contract values for flexibility and delivery of projects via this contract even where separate funding streams are utilised in support of operational need (this is detailed further in the financial case). There is a clear difference between the £2m anticipated value and the £2.6M requested as the contract value in this paper following the procurement. This procurement was a step change from the previous all-inclusive contract model. To enable a fair tender and meaningful evaluation, the pricing model is based on a notional set of pricing criteria and rates covering all possible work activities that might be required from the supplier. In pricing this model more planned tasks and reactive work has been priced than we expect will need to be delivered. While it is not expected that through the normal delivery of the contracted activity this value will be reached, it would be sensible to use the bid price to set contract value for 3 reasons.
 1. There is a logic in setting contract value against bid price even if that is not the anticipated budget or spend expected.
 2. While some headroom and capital expenditure was allowed for in the £2m this would provide more and add to the flexibility in the contract to enable other works via other budgets in support of other parts of the MPS to be delivered. We know that a lot of obsolescence exists, security requirement is also changing regularly and technology adds to the speed of obsolescence. Operational change can also drive work and having space in this contract to support this type of work from other budget lines would help support other parts of the MPS. An example was the roll out of Tasers. This needed to be done quickly but to create Taser stores in buildings upgrades to locking systems, alarms and CCTV were required. This type of work is delivered by these suppliers under this contract but the project would not be in scope or budgeted. With contract headroom this type of small project work could be delivered in support of other parts of the Met quickly. In essence if a project was funded we could give a compliant route to delivery via this maintenance and minor work contract.
 3. While we don't expect to need or spend that value for maintenance there is no negative impact of allowing that additional headroom but having the ability to accommodate change and flex to the need is a positive. A small amount of provision had already been built in but having more scope would prevent the need for either a delay in delivering a funded project for a separate procurement for the same supplier type, or the need to produce a paper at a later stage requesting additional contract value for this contract to accommodate it.

Contributes to the MOPAC Police & Crime Plan 2022-251

¹ <https://www.london.gov.uk/publications/building-safer-london>

This provision ensures the MPS staff data and property are maintained in a secure and compliant environment which is paramount to supporting operational requirements. The provision covers the 32 boroughs of the Greater London area, and a number of other locations outside the geographical area of the MPS. In regard to alarms it also supports policing of third party people and organisations.

Financial, Commercial and Procurement Comments

The Commercial Award

A compliant tender exercise has been completed; an award now needs to be concluded to allow an adequate transitional period to the new service provider. The proposed award is a materialisation the proposed strategy detailed in the Outsourcing BJP presented at the December 2021 IAM.

In total 4 suppliers provided competitive tenders. As outlined in the outsourcing BJP and included in the ITT requirements the contract will be awarded on three lots. To cover the north and south regions and ensure the Third Party Alarm Systems (TPAS) requirement is covered:

The MPS operates complex, highly sensitive and high profile sites within the MOPAC Estate and places a high priority on the protection of its staff, building users, and physical and data assets. These need 24/7/365 protection from a wide range of threat actors. The MPS invests significantly in maintaining and improving a wide variety of protective security measures, including electronic security measures, the subject of this tender

The ESS Contract has 2 service elements. These are;

1. The main ESS element, which is sub-divided into North and South areas
 - Lot A – Electronic Security Services – North Area
 - Lot B – Electronic Security Services – South Area
2. The TPAS element, which is a pan-London service.

Suppliers bid for at least one of the ESS lots **and** the TPAS element. A supplier will only be awarded a maximum of 1 lot (A or B), with the TPAS element being awarded to one of the two successful suppliers of Lot A or Lot B, based on the outcome of a separate cost evaluation. The award on all three lots will be based on the most economically advantageous tender (MEAT).

The MEAT Scores for Lots A & B are detailed below:

Evaluation Summary North				
	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Quality Score	39.98	30.48	42.27	33.46
Pricing Score North	40	24.32	32.68	36.09
Total (MEAT SCORE)	79.98	54.8	74.95	69.55

Evaluation Summary South				
	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Quality Score	39.98	30.48	42.27	33.46
Pricing Score South	40	24.7	32.52	35.78
Total (MEAT SCORE)	79.98	55.18	74.79	69.24

Following the tender exercise Bidder 1 & 3 were the two highest scoring bidders. Lot A will be awarded to Bidder 1 with Lot B being awarded to Bidder 3. As one supplier could not win both lots bidder three will be awarded the South Lot as this offers the MPS the best financial option. A breakdown of the bid finances can be seen in the financial case.

The TPAS lot will be awarded to Bidder 3 (Cost details are identified in the Part 2 document).

Bidder 3 were the overall lowest price on the TPAS lot. As they have been successful in Lot A or B they are eligible to be awarded this additional lot.

The agreements will be awarded on a 4+1+1 as set out in the outsourcing BJP.

Financial Case

The current contract is the extended historic all-inclusive contract. Its scope is restricted to maintenance of existing assets with no allowance for upgrades, lifecycle replacement, operational support and the budget that transferred allowed for no flexibility with any work outside the contract being funded by customers. The fixed fee basis provided no transparency or measurement of the value of work delivered or funding for obsolescence in systems. Having provided the service based on this model for a year, the existing revenue budget (transferred from DP) is considered sufficient to maintain the system. Existing issues will be resolved with better control over the expenditure of that Revenue funding and with the use of Capital funding provided by the PSD forward works budget which is additional to the transferred budget but already within the PSD funding. PSD will therefore manage the contract using only existing budgets.

Details of the values transferred and budget allocations are indicated in the Part 2 document.

In tendering, the pricing model is based on a small fixed 'planned maintenance' element and a variable 'reactive works element'. This differs greatly from the current inclusive contract where the supplier was paid a fixed fee regardless of the extent of reactive works delivered. This model puts the contract in line with all other Facilities Management supply chain contracts. It gives greater control, visibility and flexibility around what work is delivered whilst protecting critical items via a planned element. To enable evaluation notional reactive scenarios were created along with bespoke schedules of rates for pricing purposes. The values in the tender are therefore not indicative of the actual anticipated spend or required budget but the recommendation is to use the values as the basis of the contract value although higher than expected budget. This contract value also provides scope for inflationary increases. Any budget change due to inflation is centrally managed and outside the scope of this paper, but in the current climate having some headroom in contract values to accommodate such increase is important.

Property Services will manage spend against this contract from existing planned and reactive budget lines for Facilities Management. It is expected the current budget will be sufficient but any shortfall will be managed from other Property Services budget lines primarily Forward Works budget for capital spend or the wider Facilities Management budget lines.

Legal Implications

The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

This report confirms the MOPAC's route to market, tender process and recommendations are compliant with the Regulations.

Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the Deputy Mayor for Policing and Crime reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

There are considered to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Inclusion, Diversity and Equality, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

The proposed award includes a contractual arrangement for the winning suppliers to provide the following in order to help the authority deliver on its social value objectives and the objectives of the London Anchor Institutes' Charter. Bidder 1 confirmed a 2.5% contribution to commit to reinvesting 2.5% of the tender agreement, or towards a UK-based Social Value program in partnership with the Metropolitan Police. Bidder 3 did not commit to the programme during the tender exercise but the MPS will work with the supplier to develop this area through contract governance meetings as part of continuous improvement.

Privacy Comments

The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals. There is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

Real Estate Implications

The maintenance of the security systems provided by these contracts are critical to the delivery

of operational policing from an estate point of view ensuring the safety and health of staff and officers but also complying with legislation covering management of evidential property and detainees.

Environmental Implications

During the procurement process a detailed responsible procurement section was included and MEAT score within both SSQ and ITT stages including environmental initiatives and performance of bidding suppliers. It also include data on vehicles used on the contract and provide an action plan to move to meet (if it does not already) the requirements of the current Ultra-low Emission Zone (ULEZ) and establish plans to meet any future emission requirements, this included the provision of zero emission deliveries to MPS sites, in line with the ambitions of the GLA Responsible Procurement Implementation Plan.

Background/supporting papers

There are no supporting papers included in part 1

Report author: David Field – MPS Property Services

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Support and Maintenance for MPS Electronic Security Services (ESS) paper is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure,:
 - Commercial Interest Section 43

The paper will cease to be exempt in Dec 2028