

DMPC Decision – PCD 1326

Title: **Disposal of Property/Assets via Auction**

Executive Summary:

This paper seeks approval for the re-procurement of an auction facility to enable the disposal of non-estate property and other assets that the MPS comes into possession of and where a lawful owner cannot be found. The proposed term of the contract is upto four years. There will be no cost to the MPS as the buyers will pay a premium to cover the auction house costs.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the initiation of procurement activity via a public framework and award an MPS contract for the disposal of various items of property by public auction. This will allow continuity of service once the existing contract expires on 30th June 2023.
2. Approve delegated authority to be given to MPS Director of Commercial Services to award and sign the resulting contract, ensuring continuity of this service beyond the expiry date of 30th June 2023 for a maximum term of four years

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

02/03/2023



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

1. Introduction and background

- 1.1. The existing contract for the provision of the auction service expires on 30 June 2023.

2. Issues for consideration

- 2.1. The Metropolitan Police Service comes into possession of a variety of different items of property and assets, for example, these can be from items handed in to the police, crime related and have not been traced back to a legal owner, or which have been subject to a court seizure order.
- 2.2. Where these items no longer serve a policing purpose, they must be disposed of in a way that complies with various pieces of legislation. This legislation puts an obligation on the MPS, where possible, to dispose of these items in such a way as to raise funds that can be directed to the benefit of Londoners.
- 2.3. Funds generated from the disposal of these items is either allocated to the courts, the MPS or to the Police (Property) Act Fund (PPAF). MOPAC use the PPAF funds to support the delivery of services by charities to support activities that divert young people from crime, support victims of crime and contribute towards the wider objectives of the MOPAC Police & Crime Plan
- 2.4. The disposal of these items by way of auction supports the Mayor's Environment Strategy by providing a route via the the highest level of the recycling hierarchy (reuse) and avoiding for example disposal via landfill.

3. Financial Comments

- 3.1. The cost of running the auctions will be met from the buyers premium applied as part of the auction process and so there is no financial impact on the MPS. The estimated value of this service over a upto 4 year contract could be in excess of £500,000 subject to the level of buyers premia and the value of the items brought forward for auction.

4. Legal Comments

- 4.1. 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.
- 4.2. The MPS assure that the MOPAC's route to market is compliant with the Regulations.
- 4.3. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and

- All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

4.4. Paragraph 7.23 of the Scheme provides that the Director of Commercial Services 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 DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

5. Commercial Issues

5.1. This paper seeks approval for the procurement of a auction service to dispose of items which have come into MPS possession and which need to be disposed of.

5.2. The proposed procurement route is to acquire the service via an existing Crown Commercial Services (CCS) framework. The proposed contract term is for an initial period of three years with one optional 12 month extension.

5.3. The successful bidder will impose a percentage premia to the value of the goods sold that the buyer will pay resulting in nil cost to MOPAC/MPS.

5.4. The proposed use of the CCS framework supports responsible procurement and the London Anchor Institution Charter (LAIC) objectives by supporting the small & medium enterprise (SME) sector as 54% of the framework suppliers are classed as SMEs, and the framework supports Government Buying Standards and sustainable procurement by assisting buyers to reduce their CO2 emissions by using electric vehicles, bikes and cargo bikes. Ten per cent social value weighting will be applied in the evaluation of bidders. As part of the supplier on-boarding the suppliers/ supplier will be required to have produced a Modern Slavery statement as part of the award/competition process or be willing to work towards it.

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 procurement of the auction facility 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 no equality or diversity issues have been identified. 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. Items will auctioned where it has not been possible to identify a lawful owner or is subject to a Court seizure order, and the auctions will be widely advertised and open to the general public enabling a full and fair opportunity for participation for all communities.

8. Background/supporting papers

- Appendix 1 MPS Report - Disposal of Property/Assets via Auction

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

Date 28/02/2023

Manakuchford.

Disposal of Property/Assets via Auction

MOPAC Investment Advisory & Monitoring meeting 11 November 2022

Report by Andrew Pule 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

This paper relates to the re-letting of an existing Public Auctions contract for disposal of seized or found property.

Through its various activities, the MPS comes into possession of a large quantity of items of various values, these items, when a lawful owner cannot be found, are stored at the MPS Storage facility, managed by MO11.

When these items no longer serve a policing purpose, they must be disposed of in a way that complies with various pieces of legislation. This legislation puts an obligation on the MPS, where possible, to dispose of these item in such a way as to raise funds that can be directed to the benefit of Londoners, It should be noted that these funds do not come directly to the MPS but (in the main) go to MOPAC for dispersal through its various charities and activities.

This paper proposes that the route to market will be via the Crown Commercial Services contract - RM 6171, Courier and Specialist Movements Framework as detailed in the Commercial Section of the Business Justification Paper.

Recommendations

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

- 1. Approve the initiation of procurement activity via a public framework and award an MPS contract for the Disposal of various items of property by public auction. This will allow continuity of service once the existing contract expires on 30 June 2023.**
- 2. Approve delegated authority to be given to MPS Director of Commercial Services to award and sign the resulting contract, ensuring continuity of this service beyond the expiry date of 30 June 2023 for a maximum term of four years.**

Time sensitivity

A decision is required from the Deputy Mayor by 6 March 2023. This is because the existing contract is due to expire on the 30 June 2023 and we would like to allow sufficient time for procurement activities to be completed.

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

Introduction and background

1. This paper is seeking approval for MPS Commercial to proceed with procurement activities to replace the existing Public Auction contract that expires on the 30 June 2023.
2. This contract is necessary to provide the MPS with an ethical, sustainable and economic route to dispose of property and assets that come into its possession. Without access to a contract of this nature, the MPS would have to use existing waste disposal streams, leading to an increase in the use of landfill and the loss of an opportunity to generate funds to benefit (via MOPAC) Londoners as a whole.
3. **Historically, the MPS has also entered into a contract to facilitate the realisation of assets seized under the Proceeds of Crime Act 2002 (POCA), although the MPS does not realise any funds as the contract for the sale of goods is between the auction house and the individual the POCA order is made against.**
The current MPS supplier 'Wilsons Auctions Limited' delivers the current auctions contract for items, which require disposal. Lot 1, 2 and 3 are utilised under the current contract:

Lot 1 - Jewellery, fine art, antiques and memorabilia (excluding POCA)

Lot 2 – Lost Property

This is property which has been found in a street or a public place and handed in to police, which remains unclaimed by the owner, loser or finder. This includes but is not limited to bicycles, watches, clothing, and electronic equipment.

Lot 3 - Crime Related Property (excluding POCA)

Property which has come into police possession during the investigation of criminal offences and for which ownership cannot be ascertained, or which has been forfeited by order of a court. It is usually sold under the authority of the Police (Property) Regulations 1997. Other legislation may apply to individual items which will be identified when necessary.

Lot 4 – Crime Related Property plus initial and ongoing valuations – POCA (managed by Central Specialist Crime)

Assets seized or obtained pursuant to Confiscation Orders issued by the Court under the Proceeds of Crime Act (POCA) 2002, Police and Criminal Evidence Act 1984, Drug Trafficking Act 1994 and Criminal Justice Act 1988 (as amended) or such amended legislation as from time to time in force. Items may include miscellaneous vehicles, plant machinery, personal vehicle registration number plates, jewellery and watches, antiques and fine art, electronic equipment, televisions, music systems, Real estate and land. Initial and On-going Valuations may need to be provided prior to the Authority receiving consent for the items to be sold.

4. Proceeds from sales (less fees etc.) are allocated to:

Lot 1 - Police Property Act Fund;

Lot 2 – MPS;

Lot 3 – Police Property Act Fund;

Lot 4 – As nominated by Central Specialist Crime (generally paid to the Courts)

5. In terms of Lot 4, the MPS does not have an obligation to provide this service, however, the Economic Crime Unit, supports having this facility in place. The ability to use an auction house to enable the realisation of POCA funds generates greater returns and facilitates the speedy closure of the orders.

Issues for consideration

6. The Central Criminal Exhibits Service (CCES), Storage Facility, has to store items of property, that are crime related and have not been traced back to a legal owner, until they no longer serve a policing purpose and must be disposed of in accordance with current legislation.
7. Under the Proceeds of Crime Act 2002 (POCA). The MPS have a legal obligation to facilitate the sale of assets seized from suspects. Additionally, the MPS, under the Police (Property) Act 1897 as amended by the Powers of Criminal Courts Act 1973 and the Police (Property) Act 1997 together with the advice contained in Home Office Circular 42/1997 has a requirement for the disposal of various items of property through sale at Public Auctions.
8. **CCES also holds an array of unclaimed property that has been found in the streets by members of the public. As no lawful owner or the finder has claimed the property, the MPS has a duty to dispose of the items in such a way as to benefit the wider London community**

Contributes to the MOPAC Police & Crime Plan 2022-251

9. The MPS disposes of various items of property and surplus assets through sale at Public Auction. This includes lost property, MPS surplus assets, crime related property and seized items. The monies raised through the sale of seized and found property are paid to MOPAC and the Police Property Act Fund (controlled by MOPAC). These funds are available to MOPAC to support activities that divert young people from crime, support victims of crime and contribute towards the wider objectives of the MOPAC Police & Crime Plan. The monies raised through the sale of assets seized under POCA are paid to the Courts and are dealt with in accordance with Proceeds and Crime legislation.

Financial, Commercial and Procurement Comments

10. This is the re-tendering of a current call off contract for a 4 year term. This contract does not require the Authority to make any payments or to set aside any budget nor does the MPS receive any direct financial gain from the sale of goods under this contract. The Met incur administration costs in running the Police Property Act funds and under DMPC 2015 124 are permitted to charge up to £800k pa to the fund in relation to these.
11. The MPS does not spend any money with either of the current auction suppliers. Buyers who attend the auctions pay a commission to the auction companies and the remaining proceeds are then returned to the MPS or the Courts according to the Lots as set out

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

12. The current value of the contract is not defined, but has the potential to exceed £500k depended on the value of the items being auctioned
- 13. The Authority is seeking through a tendering process to award a contract via a public framework with a single suitably capable Supplier or with a number of Suppliers in line with the appropriate lots.**
14. The Commercial Team have explored the use of existing public frameworks in the market. Lot 6 of framework RM6171 – Career and Specialist Movements, under Crown Commercial Services (CCS), has met the requirements for this contract. Lot 6 is a multi-supplier lot with 6 suppliers all obtaining ISO 27001 and Cyber Essentials accreditation. The framework also allows for additional services, when required.
15. This Lot will deliver a broad range of services for the movement and disposal via resale, in relation to the recovery of assets and specialist item, vehicles, property, land, including items under the contract requirement:
- Jewellery, fine art, antiques and memorabilia;
 - Items and vehicles confiscated or seized under a forfeiture order (POCA); and
 - Items and vehicles detained or confiscated under the PACE Act 1984.
 - Items handed in by the public
16. This option provides a streamlined route for all buyers to access a comprehensive range of external suppliers through a further competition process or direct award for maximum speed and convenience. This option also covers a wide range of courier and specialist movements across the public sector in one agreement.
17. This option is beneficial to the MPS as it has a simple call-off contract term subject to MPS discretion. As the MPS can select the CCS schedules in line with contract requirement. This contains simplified, concise terms, conditions which are easier to use and understand.
18. The route to market provided by RM 6171 is compliant with UK procurement regulations. Compliance is also demonstrated to general and MPS environmental and sustainability requirements, as well as social value (see 6.3 Social Value), thus in line with the Mayoral priorities.
19. The Services will be for an initial term of 3 years and a unilateral option for the Authority/MPS to extend for a further period of 12 months at the Authorities discretion, in line with the extension period listed on the public framework.
20. Concerning CCS Framework RM 6171, buyers have the option of using the template cost models that were used to evaluate the framework suppliers when the framework was tendered. If the framework template cost models do not fit with MPS requirements, MPS can utilise the core requirements to build a unique cost model to the MPS's discretion. However, bidding suppliers are not permitted to provide prices that exceed the framework maximum payable prices detailed in the framework pricing matrices. Framework prices are obtained by completing the RM6171 Customer Access Agreement, which is downloadable from the Courier Services framework agreement webpage

21. Throughout the duration of the contract, value for money and service levels shall be a high priority and will continue to be measured via:
 - Close scrutiny of MI Reports ensuring KPI's and SLA's are being met or exceeded.
 - Where auction services are used, the rates charged to the buyers will be monitored to ensure the best value is achieved.
 - Investigations will be made to make efficiency savings to contract procedures e.g. payment, delivery and ordering processes.
22. This work will be owned by the MO11 Supplier Assurance Function which works with suppliers to manage performance and to drive greater value from our contracted services. The contract will be supported by a dedicated Supplier Assurance Manager.
23. The nature of this contract means that no costs are incurred by the MPS; the services provided are funded by the 'Buyers Premium' charges by the auction house (the maximum level of this is set in the contract). As stated above, monies raised (after agreed fees have been deducted) are paid into accounts held by MOPAC. The exception being monies raised through the sale of assets seized under POCA which are paid to the Courts.
24. MPS Commercial are following Government Guidance and applying a minimum of a 10% weighting to social value for all procurements. Our tracking of the 10% will be delivered under the 'Commercial Conscience' initiative and we will track the following:
25. Social value leverages organisational spend to create enduring social, economic and environmental opportunities such as creating a greater diverse workforce, fewer single use plastic in the environment and more cohesive communities. Consideration has been given to the Anchor Institution Charter, in accelerating the delivery of a cleaner, greener London.
26. The 3 key objectives that we feel cover those agreed by the (Public Auctions) board are:
 - Fighting climate change
 - Effective stewardship of the environment
 - Follow the MPS environmental policy ensuring a cleaner greener London.
 - Equal opportunity;
 - Wellbeing; RM6171 supports the SME agenda with 54% of the Framework suppliers being classed as SME's. During the tender process bidders will be asked how they will support the London Anchor institute objectives
27. The Social Value Mandatory eLearning, recently published by The Cabinet Office covers the principles and guidelines around Social Value derived from contract and creating a positive legacy through its performance.
28. **Sustainable Procurement:** The sustainable procurement process ensures goods and services an organisation procures, meets their stated economic objectives whilst reducing the environmental and societal impact for current and future generations.
 - Modern slavery – As part of the supplier on-boarding the suppliers/ supplier will be required to have produced a Modern Slavery statement as part of the award/competition process or be willing to work towards it. Commercial Services will ensure if required to work with the new supplier to create and reflect the Modern Slavery Procurement Policies.

- The MPS recognises that its operations, including disposal of property, have an environmental impact and is committed to minimising the negative impacts and furthering any positive impacts as stipulated in the MPS Environmental Policy (2019). The most significant environmental aspects, in line with the contract requirements, for the MPS include:
 - Preventing, controlling and mitigating pollution;
 - Delivering opportunities for the MPS to positively contribute to the local environment and communities in which it operates;

29. The 10% weighting on Social Value will be applied for this contact in line with the RM 6171 terms and conditions. The procurement for the Disposal of Property/Assets via Auction, under the Courier and Specialist Movements (RM 6171) framework, will adopt the following evaluation weightings:

Criteria	Percentage Weightings (or rank order of importance where applicable) - to be set by the Customer conducting the Further Competition Procedure	Allowable Variance (This may be modified by the Customer within the range below)
Quality to include Social Value*	60%	+ or - 20% (40% to 80%)
Price	40%	+ or - 20% (20% to 60%)

30. The RM 6171 closely adheres to Mayoral Priorities and MPS obligations by:

- Supporting SME Agenda: 54% of the framework suppliers are classed as SMEs, therefore supporting Government agenda whereby £1 in every £3 is spent with SMEs by 2022.
- Social Value: Framework suppliers can tailor their offer to match the buyer's social value priorities and deliver measurable local benefits such as having a regional or local courier provider. Therefore, *positively contributing to the local environment and communities*.
- Environmental and Sustainability: The framework supports Government Buying Standards and sustainable procurement by assisting buyers to reduce their CO2 emissions by using electric vehicles, bikes and cargo bikes. Therefore, *preventing, controlling and mitigating pollution*.

31. CCS have conducted a procurement that follows accepted best practice and follows government policies leading to the award and during the framework agreement term for social value. Where possible, we will look to extend the provisions of the further competitions for MPS specific Social Value provisions.

Legal Comments

32. 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.

33. This report confirms the MOPAC's route to market is compliant with the Regulations.
34. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 - All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).
35. Paragraph 7.23 of the Scheme provides that the Director of Commercial Services 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 DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

36. No equality or diversity issues have been identified; the MPS will only be auctioning property where it has not been possible to identify a lawful owner or is subject to a Court seizure order. The auctions will be widely advertised and open to the general public enabling a full and fair opportunity for participation for all communities. As the MPS does not directly receive any monies from this contract, it has no responsibility for the dispersal of the funds.
37. As a cost effective route for the MPS to fulfil its legal obligations, this contract also raises funds that can be used to support the objectives of the London Anchor Institutions' Charter.

Privacy Comments

38. 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
39. The MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
40. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
41. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
42. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

43. There are no direct impacts on the MPS Estate; however, failure to let an appropriate

auction contract may result in the MPS having to store high value property indefinitely with the associated requirement to expand the exhibits storage capacity.

Environmental Implications

44. By providing a route for the MPS to dispose of property via the highest level of the recycling hierarchy (reuse) this contract directly contributes to delivering the Mayor's London Environment Strategy;

Background/supporting papers:

45. Business Justification Paper Disposal of Property Assets via auction. The relevant information from this document has been included in this paper.
46. This paper is not subject to exemption.