

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD8

Title: Mechanical, electrical, plumbing and building fabric contracts for the London Fire Commissioner

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 Information Governance team for advice.

This information is not for publication until the stated date, because:

Commercially sensitive information is included within the report that would prejudice the procurement process for the Commissioner, the publication of which may inhibit their ability to achieve the best value for money.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: 13 August 2020

Legal recommendation on the grounds of keeping the information confidential:

Part 2, section 43 of the Freedom of Information Act 2000, provides an exemption to the general right of access to recorded information held by the London Fire Commissioner, where such a provision would, or would be likely to, prejudice the commercial interests of the Commissioner. The information contained within this Part 2 of DMFD8 would create such a prejudice as publishing budgetary information before a procurement exercise is concluded would impede efforts to secure value for money. Withholding this information is in the public interest.

Legal Adviser - I make the above recommendations that this information should be considered confidential at this time

Name: TfL Legal

Date: 8 August 2018

Once this form is fully authorised, it should be circulated with Part 1.

Confidential decision and/or advice:

The invitation to tender for MEP services produced five compliant bids for the core lot, four compliant bids for the north lot and six compliant bids for the south lot. One of the suppliers, Interserve, who submitted a bid were disqualified from the process due to commercial qualifications being included and their refusal to remove these. The invitation to tender for Building Fabric services produced five compliant bids. The majority of bidders were Small and Medium Enterprises (SMEs).

The detailed results and weightings are appended to this Part 2 report as the confidential appendices of report LFC-0045.

The cost of the new contracts based on these recommendations can be seen in the table below. This results in additional funding for the Technical and Commercial Services Department being required to award these contracts. In-year impacts will be met from the Commissioner's reserves, with future year impacts provided for within the Brigade's 2019/20 budget process.

| | Annual Cost Planned | Annual Cost Reactive | Total Annual Cost | Total for 5 Year Contract Term |
|-----------------|---------------------------------------|----------------------|---|--------------------------------|
| Building Fabric | Year 1 £597,492 Years 2-5 £509,900 | £500,000 | Year 1 £1,097,492 Years 2 – 5 £1,009,900 | £5,137,092 |

| | | | | |
|-----------|---|------------|---|--------------------|
| MEP Core | Year 1 £337,823 Years 2-5 £337,744 | £1,000,000 | Year 1 £4,031,805 Years 2-5 £3,935,532 | £19,773,933 |
| MEP North | Year 1 £1,547,451 Years 2-5 £1,485,283 | | | |
| MEP South | Year 1 £1,146,531 Years 2-5 £1,112,505 | | | |

The costs for year one are generally higher due to those costs including TUPE and transition costs which are only applicable in the first year during the mobilisation phase of the contracts.

The budgets for the financial year 2018/19 for both MEP and Building Fabric services are shown below along with the required budget as a result of these new contracts being awarded. For year one of the contracts an additional £1.54m is required and for years two–five of the contracts an additional £1.35m is required.

| Budget | 18/19 Budget Allocation | Budget Requirement for Year 1 of Contracts | Budget Requirement for Years 2-5 of Contracts |
|-----------------|-------------------------|--|---|
| Planned MEP | £2,856,000 | £3,031,805 | £2,935,532 |
| Reactive MEP | £360,000 | £1,000,000 | £1,000,000 |
| Planned Fabric | £87,000 | £597,492 | £509,900 |
| Reactive Fabric | £288,000 | £500,000 | £500,000 |
| Total | £3,591,000 | £5,129,297 | £4,945,432 |

The costs for these services were expected to increase as a result of this procurement exercise.