

PART 2 – CONFIDENTIAL FACTS AND ADVICE

DMFD223

Title: Gym Equipment Contract

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This information is not for publication until the stated date, because:

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) and the suppliers of the gym equipment services.

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed:
31 July 2024

Legal adviser recommendation on the grounds for not publishing information at this time:

In the event that 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 may be denied on the basis that such information constitutes exempt information under:

Section 43(2) of the Act. Section 43(2) applies where the disclosure of the information would, or would be likely to, prejudice the commercial interests of any person. To that end, the content of this Part 2 includes information which is exempt information which if disclosed under the Act would, or would be likely to, prejudice the commercial interests of the LFC.

Public Interest Assessment

At present, on balance, it is considered that the public interest is best served if the information is not disclosed at this point. Disclosure by the GLA would be likely to have a detrimental effect on the LFC's commercial interest regarding the expenditure incurred for the purposes of the maintenance and supply of gym equipment procurement.

The eligibility of this exemption should be reassessed in the event of an Freedom of Information request for this information as the level of sensitivity will change over time and different circumstances may have an impact on the arguments in favour of non-disclosure.

For the reasons set out above, it is recommended that the information be withheld at this time.

At present, the recommended period for non-publication of this Part 2 is six months to allow for the completion of the procurement and attendant contract award process.

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

Name: Homera Parekh

Date: 6/12/2023

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

Confidential decision and/or advice:

This report seeks the authority of the Deputy Mayor to for the London Fire Commissioner to commit revenue expenditure of up to £525,000 plus inflation for the maintenance and supply of gym equipment across the LFC estate.

The current budget for these services is £85,000 per annum, which includes an allowance for planned and reactive services.

Current costs have been inflated to reflect inflation increases since the contract was awarded in 2020, due to the existing contract being on a fixed cost basis. It should be noted that market costs for both parts and replacement equipment have increased by around 30% since the original contract was awarded, which is also accounted for in the revised current costs.

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.

Current Annual Cost	Current Annual Cost with Applied Inflation	Year 1	Year 2	Year 3	Year 4	Year 5	Total contract cost
£85,000	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000	£525,000

Financial Comments

This report requests approval to procure a new contract for the supply and maintenance of gym equipment across the LFC's estate. The contract will be procured using the ESPO Framework.

The contract will run for three years from 2024/25, plus the option to extend for a further two years, with a revenue budget commitment of £525,000. The current budget allowance for this service is £436,485 over the five-year period.

The additional contract cost of £17,703 per year, £88,515 over the course of the five-year contract is included in a growth bid as part of the LFC's budget process for financial year 2024-25.

Should it become necessary, it is expected any annual inflationary increases within the procurement period will be based around the Retail Price Index (RPI). It is expected that the contingency would be utilised to account for any inflationary increases.

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.

Confidential appendices and supporting papers

Part 2 of London Fire Commissioner Report LFC-23-110 – Gym Equipment Contract

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