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LONDON FIRE BRIGADE

## PART TWO

### Confidential facts and advice

### 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 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This information is not for publication because: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) and the suppliers of the gym equipment services.

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 under:

Section 43(2) of the Act on the basis that the information in this report includes information which is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including 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 LFC would be likely to have a detrimental effect on the LFC's position and related commercial interest regarding the expenditure incurred for the purposes of the maintenance and supply of gym equipment procurement.

The eligibility of these exemptions should be reassessed in the event of an FOI request for this information as the level of sensitivity will change over time and different circumstances may alter the arguments in favor of non-disclosure.

The recommended period for non-publication of Part 2 is six months to allow for the completion of that procurement and attendant contract award process.

Legal Adviser

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

Name: Thomas Davies	Date: 19/10/2023
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## Confidential decision and/or advice

### For the Deputy Mayor

That the Deputy Mayor for Fire and Resilience authorises 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.

This LFC decision will only be taken after further consultation with the Greater London Authority's finance and legal advisers and Corporate Investment Board.

### For the London Fire Commissioner

The LFC authorises the revenue expenditure of up to £525,000 plus inflation for the maintenance and supply of gym equipment across the LFC estate as set out in Parts One and Two of this report.

The LFC delegates authority to the Assistant Director Procurement & Commercial to undertake any necessary procurement activity and agree, enter into a contract for the maintenance and supply of gym equipment across the LFC estate be entered into in accordance with the contents of Part One and Two of this report.

## Introduction and background

1. The current budget for these services is £85,000 per annum, which includes an allowance for planned and reactive services.
2. 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.
3. 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

## Objectives and expected outcomes

1. This is covered in part 1 of this report.

## Financial comments

4. This report requests approval to procure a new contract for the supply and maintenance of gym equipment across the London Fire Commissioners (LFC's) estate. The contract will be procured using the ESPO Framework.
5. 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.
6. 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 for financial year 2024-25
7. 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.
8. 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.

## Legal comments

None

## Confidential appendices and supporting papers

None