



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

Property Services Department (PSD) – Contract Award

MOPAC Investment Advisory & Monitoring meeting 10th September 2024

Report by Vince Fihosy on behalf of the Chief People and Resources Officer

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

Executive Summary

This Business Justification seeks the following approval:

To re-procure Statutory Fire Risk Assessment Services.

This re-procurement will ensure continuity of service in the delivery of Fire Risk Assessment services across the MOPAC Estate maintaining statutory requirements in compliance with the Regulatory Reform (Fire Safety) Order (RRO) 2005.

PSD have reviewed the current interim call-off arrangement, where Fire Risk Assessments are delivered through the Property Integrator Contract, and are seeking approval from MOPAC to commence re-procurement of Fire Risk Assessments through a discrete contract, delivered by a supplier specialising in statutory Fire Risk Assessments.

Re-procurement will ensure the new contract will be structured in order to respond to future changes that arise through the 'New Met for London' (NMFL) Plan.

Recommendations - IAM is requested to approve the following recommendations:

1. To re-procure the Statutory Fire Risk Assessment Contract with a proposed contract value of £2,420,851 over 5+1+1 years.
2. To award the contract to the successful bidder following the compliant competitive procedure within a 10% tolerance of the values outlined in this paper to be signed off by the MPS Commercial Director under delegated authority.
3. Costs will increase annually in line with the inflation rate in the contract. The requirement for this service is imposed on the MPS through a Statutory Act, and therefore the costs cannot be controlled beyond achieving the best value at the point of letting the contract. Any additional spend beyond the current available budget will require re-prioritisation of the wider PSD budget.

Re-procurement timescales:

The current call-off arrangement providing FRA's through the Property Integrator Contract is due to expire on 31st March 2025.

The proposed value of the new contract includes allowance for inflation and other external factors (this is headroom in contract value and not budget). This has been calculated based on the current Property Integrator Call-Off rates and the frequency of inspections required under risk based analysis. Contingency has been included to allow expansion of services to an enlarged estate aligned to Police recruitment targets and the NMFL Plan.

Approval is sought from IAM to ensure that re-procurement of the Fire Risk Assessment contract can be carried out with sufficient time to fully comply with current Public Contracts Regulations (PCR) 2015.

Strategic Case

1. Background to the Service Requirements.

The scope of requirements for the contract is summarised as follows:

The provision of a risk based fire risk assessment service in full compliance with the requirements of the Regulatory Reform (Fire Safety) Order 2005.

The contract will provide services across all 32 London Boroughs forming the MOPAC estate.

A detailed review of the scope of all service lines has been undertaken to identify any opportunity to insource/self-deliver all or part of the Fire Risk Assessment program. The review has concluded that while a small number of fire risk assessments will be undertaken by the Property Services Compliance Team, (largely associated with sensitive sites and very small properties e.g. Safer Neighborhood bases), the most viable delivery model would be one where the Fire Risk Assessments are undertaken by an external specialist supplier. A further review of the Fire Risk Assessment contract requirements and scope will be undertaken during the preparation of the tender documents to ensure an optimum delivery model offering value for money is put to market.

Economic Case

A review has been undertaken to ascertain whether collaboration would be possible with another public sector organisation or via an existing Framework Agreement.

Framework agreements available for were reviewed:

- ESPO
- Crown Commercial services (CCS)
- NHS Shared Business Services

Technical review of the available frameworks and the hourly pricing structure discounted the use of the frameworks as a viable option.

Collaboration opportunities have been carefully considered, reviewed, and discussed with the:

- GLA Group - No suitable collaborations or framework agreements have been identified within the GLA member organisations that meets the specific operational demands of this contract that supports front line policing. The one available framework that includes Fire Services available through Transport for London is not suitable. The MPS will require significant changes to the framework Terms and Conditions. These include security vetting, system

accreditation and specific control of data provisions. This would necessitate a material change and therefore the MPOAC will not be able to compliantly call from this.

- Blue Light Commercial (BLC) - No suitable collaborations or framework agreements have been identified

Commercial Case

The Service lines will undergo a competitive tender process, and the evaluation criteria will be based on a blend of:

- Technical capability
- Commercial compliance including social value
- Pricing competitiveness

A contract term of 5 years with 2 optional 12-month extensions has been recommended following analysis of the industry standards and in recognition of mobilisation, vetting and information on compliance requirements. The duration of the contract being beyond 3 years is deemed to be a 'Long' contract under PCR 2015. Previous submissions requesting longer durations have not been supported. The proposed contract term is aligned to previously approved 'long' contract durations. A longer and therefore higher value contract may further limit opportunities for SME's to participate.

Legal Implications

MOPAC is a contracting authority as defined in the Public Contract Regulations 2015 (the Regulations). All awards of public contracts for goods and/or services valued at £214,904 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 that MOPAC's route to market is compliant with the Regulations.

The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:

1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
2. 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).

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 DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Financial Case

The provision of Fire Risk Assessment services is funded and managed within the PSD REM Compliance budget, principally under Real Estate Management cost centre, and subjective code EY251.

The annual contract spend varies from year to year depending on a risk assessment and subsequent frequency for FRA's to be undertaken. At Net Present Value, the gap between the existing current available budget £0.875M over the proposed contract duration presents a maximum budget pressure of £1.546M. (£2.421M - £0.875M)

The funding gap will be part mitigated through the annual inflationary increase over the life of the contract and the expected increase in funding to deliver NMFL.

Costs will increase annually in line with the inflation rate in the contract. The MPS allocates additional budget on an annual basis in accordance with contractual inflation rates, so these increases will remain affordable. The requirement for this service is imposed on the MPS through a Statutory Act, and therefore the costs cannot be controlled beyond achieving the best value at the point of letting the contract. Any additional spend beyond the current available budget will require reprioritisation of the wider PSD budget; costs will be monitored and controlled through the monthly budget meeting and financial reporting.

Management Case

This strategy adopts the current baseline Contract suite and therefore all the processes and procedures are in place to manage the service. A decision is required from London's Deputy Mayor for Policing and Crime (DMPC) by 15th October 2024.

Responsibility for implementation: PSD & Commercial Service will prepare all the relevant documentation to progress the re-procurement activities.

How will benefits be envisaged: Results from the market engagement exercise incorporated into the tender documentation and used as an award criterion to deliver value for money. The specification will be updated with current market innovation and any pricing methodology pertinent to any latest industry trends.

Project management arrangements: As the procurement of this service line is being undertaken in a regulated environment strict timelines must be adhered to at all times. This can be supported via the utilisation of the COUPA tender portal which will provide a complete audit trail. Project plans will be created and timescales will be monitored at every milestone, with responsibilities at every stage being assigned to teams/individuals. Whilst security is recorded as a risk, the timetable has been extended to include a lengthy vetting process into Contract mobilisation.

Stakeholder management arrangements: A schedule of Stakeholder engagement will be generated to ensure that all relevant and pertinent considerations have been taken into account. This will be incorporated into the tender documentation prior to presenting the opportunity to the market.

Privacy Comments

1. 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.
2. 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.
3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the contract change meets its compliance requirements.
4. The contract does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered. This is not a new project or programme and purely relates to the contract value of an existing contract.

Background/supporting papers

1. There are no supporting papers.

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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 '**BJP – PSD REM FRA Contract Re-Procurement**', is exempt from publication for the following reasons:

- Commercial Interest Section 43

The paper will cease to be exempt following the successful contract award and mobilisation 1st April 2025. Any request for information under FoIA would need to be assessed on a case-by-case basis, no matter what or when the original decision was made, as the circumstances may have changed e.g. information no longer commercially sensitive.