

DMPC Decision – PCD 1727**Title:** Fleet Supply & Replacement Planning 2025-30**Executive Summary:**

This paper seeks approval to commit funding, as part of the long-term investment strategy, to renew the MPS vehicle fleet over the next 5 years, and to initiate procurement actions with delegate authority to the Commercial Director, for the supply of replacement assets across the fleet via purchase and lease options.

Recommendation:

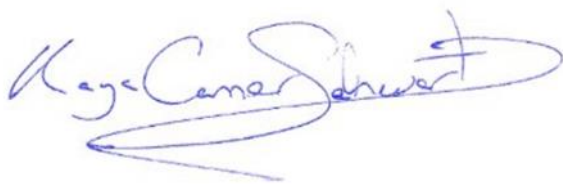
The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. Approve the capital investment up to £181m for vehicles scheduled for replacement up to March 2030, funded from the existing planned Capital Programme.
2. Approve the initiation of procurement action for vehicle purchases, to support the replacement of the MPS fleet up to March 2030.
3. Approve the initiation of procurement for the provision of lease vehicles, the total value of contract is estimated at £5M over a 5-year term.
4. Approve the delegation of authority to award contracts to the Director of Commercial Services, for all associated contracts.
5. Approve the delegation of authority to the MPS director of Commercial Services for remaining tenders under PCD640 contracts (Fleet Supply & Replacement Plan for 2021-25).

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.

A handwritten signature in blue ink, appearing to read "Kaye C. Scherbert". The signature is stylized with a large, sweeping "S" and a crossbar that extends to the right.

Signature

Date 08/01/2025

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

1. Introduction and background

- 1.1. The complex needs of policing require a wide range of vehicle types including armed response vehicles, HGVs, patrol cars, and motorcycles to enable officers and staff to do their jobs and carry the equipment required for operational policing.
- 1.2. The MPS's vehicle fleet is an important physical asset, covering a fleet of approximately 5200 vehicles, averaging over 52 million miles per year, or 150k miles per day.
- 1.3. The challenges and opportunities facing the MPS are ever-changing. London is growing, and changes in crime and non-crime demand mean the context within which fleet vehicles operate must continually evolve.
- 1.4. While meeting operational requirements, the MPS fleet is being operated in an ever-more environmentally conscious way, including The Road to Zero, the Mayor of London's, London Environment Strategy, and the MPS Environment and Sustainability Strategy. Therefore, contracts will be let in the most environmentally-considerate way possible to reduce emissions and damage to the environment.
- 1.5. Successful timely procurement of tenders averts service failure, provides business continuity and ensures compliance with both the Public Contracts Regulation (PCR 2015) and The Procurement Act 2023 to ensure a fit-for-purpose and operationally effective fleet of assets.
- 1.6. The Fleet Supply & Replacement Program (FSRP) is integral to achieving a safe, available and fit-for-purpose fleet, ensuring MPS vehicles support all aspects of day-to-day policing, meet strategic targets, deliver sufficient flexibility to respond to evolving crime and policing needs, and can be relied upon to help protect those living and working in London.
- 1.7. The current MPS vehicle replacement strategy achieves a number of economic benefits; such as reduced maintenance costs, improved fuel efficiency, improved reliability and uptime of the fleet, as well as, assessing the total cost of ownership of the fleet, which enables the most cost-effective approach to decision-making, and improved budget predictability.
- 1.8. A planned replacement strategy allows for the assessment of market shift and the impact of legislative and technological changes within the industry, and where threats are detected, suitable mitigations to be established.
- 1.9. Ownership vs lease analysis is conducted periodically to ensure the current basis for assumptions remains correct. This analysis takes into account factors such as: purchase cost, residual value, excess mileage, unfair wear and tear, invasive installation of police equipment, de-lease return costs and cost of borrowing. Cost comparison analysis shows that, like-for-like over an average 5-year lifecycle, owned vehicles are 25% cheaper than leased.
- 1.10. This ownership vs lease assumption is applicable for the majority of MPS vehicles, although there are occasions when leasing vehicles provides operational benefits e.g. witness protection vehicles, where a need for there not to be any trace back to the MPS means it is necessary to lease to ensure anonymity.
- 1.11. The MPS is currently implementing Telematics equipment into a significant proportion of vehicles, to provide more real-time data on vehicle utilisation. It is expected to enable improved management of the fleet including re-profiling to ensure the

most appropriate mix of duty types are available within the same budgetary envelope. This could result in a reduction of fleet over the next 5 years.

- 1.12. Newer vehicles are typically more fuel-efficient due to advancements in technology and stricter emission standards, and by replacing the fleet at regular intervals, advantage can be taken of these improvements, leading to fuel savings and a reduced environmental impact.
- 1.13. In line with the original commitments set out in the 2018 Mayor's Transport Strategy, the MPS has worked towards what is currently operationally and practicably possible for delivering a zero-emission capable fleet, and to support the Mayor's ambition of an accelerated net zero carbon city by 2030. This includes continuing to explore opportunities for investment in new technology for specialist, zero-emission vehicles, as well as the case for infrastructure investment on the MPS estate.
- 1.14. The MPS fleet decarbonisation journey began in 2018, with the introduction of PHEV for general purpose vehicles. MPS currently have 1297 (MHEV/PHEV) in a variety of response roles and 173 zero emission vehicles on the fleet. Plug-in capable vehicles have largely been introduced into the General-Purpose fleet, where the charging requirement is lower than the rest of the fleet due to lower mileages and speeds, more predictable usage patterns and overnight parking sessions.

2. Issues for consideration

- 2.1. Funding for Fleet Replacement forms part of the long-term capital forecast and the latest estimates contained within this document and are considered affordable. These estimates will be refreshed annually and reported through regular finance updates, and to the Capital Programme in late November 2025.
- 2.2. Funding streams are not committed to spending the total £181m estimate. Rather, each replacement year will provide the opportunity for review and to adapt the replacement programme based on policing objectives, demands and available budget.
- 2.3. The fleet replacement requirements have been captured into this single paper for approval, to enable a more efficient and effective process for vehicle acquisition and to also improve forward-planning of the commercial pipeline.
- 2.4. The transportation industry is undergoing unprecedented change, reshaping the way people move and interact with their surroundings. Vehicle technology is developing at a rapid pace, with the introduction of advanced safety features and more sustainable powertrains, as well as, connected and autonomous vehicles. Whilst the broader impact of these changes on policing tactics remain an open challenge, they have all been considered in the planning of this replacement program.
- 2.5. The Automotive industry is still recovering from the global impact of COVID-19 where vehicle production significantly reduced, while the war in Ukraine is still impacting supply chain and logistics, with increased costs (energy, labour). Although the industry is moving in a positive direction, the continued changes in market conditions, such as a slowdown in demand in some markets for electric vehicles and uncertainty due to imposition of trade tariffs on EV's manufactured in China, all have a drastic impact on market options and the availability of suitable vehicles for policing.
- 2.6. Whilst financial assessments indicate that ownership is the lowest value model, there will be a number of scenarios when lease can offer an advantage. For example, leasing to support delivery of Net Zero Carbon Project for the MPS. Specifically, the MPS Charging Infrastructure Implementation Pilot Project, will undertake short term /

ad-hoc electric vehicle trials / pilots – leasing will reduce the inefficiency and administration cost relating to vehicle purchase and disposal.

- 2.7. Furthermore, Fleet Services would like to review the option of lease over purchase vehicles, where the requirement is limited change to base vehicle and where anonymity is necessary for a driver.

3. Financial Comments

- 3.1. The proposed capital investment plan does not include any accelerated decarbonisation. It outlines investment based on known Air Quality and CO2 reduction compliance, to replace circa 4700 internally and externally owned vehicles up to March 2030.
- 3.2. Planned expenditure over the period is £157m, excluding contingency, at an average of £31.4m per annum. The forecast capital programme includes approximately 15% (£24m) contingency, at an average of £4.8m per annum, with the total estimated spend equating to £181m.
- 3.3. The contingency has been applied to enable management of unforeseen market variations to cost, as well as unforeseen growth in MPS demand.
- 3.4. The Met's vehicle fleet is primarily funded from 3 main streams:
- **Public access and 24/7 Policing** – funded by MPS
 - **Mobility** – funded by Transport for London
 - **Specialist Policing** – funded by Counter Terrorism, Heathrow Airport and London City Airport
- 3.5. The long-term strategy is to continue to own the fleet and to replace the fleet up to March 2030. A number of economic and social factors have been analysed and a total budget of £181m including contingency will be required, to ensure the MPS fleet can maintain its operational effectiveness and work towards achieving long-term Air Quality targets.

4. Legal Comments

- 4.1. 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.
- 4.2. 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).
- 4.3. 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.

5. Commercial Issues

- 5.1. The

- 5.2. All procurements will either adhere to the Public Contracts Regulations 2015 (PCR 2015) or the new Procurement Act 2023 expected to commence from 24th February 2025 (Please note, any new procurement / use of an existing framework published before this date will adhere with the current PCR 2015 regulations).
- 5.3. 4.2 The Procurement Act 2023 will introduce new rules for the purchase of goods, services and works for the Public Sector which means the MPS will have a legal obligation to abide by them – the Cabinet Office have been leading on the rollout of its application and have been releasing guidance regularly. The application of the rules will be relevant to any new procurement / framework published after 24th February 2025.
- 5.4. The route to market options available include: (Each requirement will be assessed individually and then the appropriate route will be selected)

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- Call-off via an existing framework (Crown Commercial Services (CCS), Yorkshire Purchasing Organisation (YPO), BlueLight Commercial, Eastern Shires Purchasing Organisation (ESPO), other local authority). Call-Offs shall be a mixture of mini-competitions (where sufficient competition exists) and direct awards (where a supplier has been identified as the only technically capable or most economically advantageous).
 - MPS lead on joint collaborative procurement with other authorities, either by an existing framework or a competitive procedure.
 - MPS lead own procurement.
 - A negotiated procedure, without competition, in line with PCR 2015 and/or regulation, that supersedes and is in line with appropriate MPS governance applicable at the time.
- 5.5. The procurement requirement set out in this report (Appendix 7.1 - Proposed five years plus contingency spend by operational role), is within the financial and technical scope of the Crown Commercial Services (CCS) framework, RM6244 Purchase of Standard and Specialist
 - 5.6. Vehicles.
 - 5.7. RM6244 framework commenced 29/11/2022 with 71 suppliers across 10 lots and is due to expire 28/11/2026. The MPS will have the option to utilise RM6244 for its Call off requirements up to framework expiry date. The term of any Call off Contract via RM6244 can go beyond the expiry date of the framework by up to 4years-.The MPS will have the option to utilise any alternative future CCS or other framework available.
 - 5.8. The CCS RM6244 framework was awarded under PCR 2015 regulation, therefore the mechanism, rules and regulations that will apply to call off contracts will remain under PCR 2015. This will also relate to any other existing frameworks that the MPS may utilise for tenders within 7.1 Appendix (Proposed five years plus contingency spend by operational role) (YPO, ESPO etc.) A replacement RM6244 framework, should there be one, will encompass the new Procurement Act 2023 rules and regulations.
 - 5.9. The CCS RM6244 framework provides the MPS with a comprehensive solution with access to a wide range of vehicle via suppliers listed (Original Equipment Manufacturers (OEM)) that could meet the MPS asset replacement demands. The MPS will comply with the purchasing procedures set out in the CCS framework.
 - 5.10. All tenders will be structured and designed to offer maximum flexibility, provide operational resilience within the FSRP for both foreseen and unforeseen requirements and ensure the use of capital funding is utilised in the most efficient

way, reducing unproductive contract award value awarded via Call off Contracts. Tender documents for publication will specifically outline the structure of the tender and award.

- 5.11. The MPS reserves the right to transfer contract value to other awarded suppliers where tenders were issued as sub-lots.
- 5.12. The MPS reserves the right to transfer contract value to another awarded contract within the FSRP where the initial sole supplier awarded is unable to supply the tendered vehicle and/or re-allocate unspent contract value to another planned FSRP tender.
- 5.13. Contract variations within the Scheme of Delegation to the Commercial Director will apply to either the overall FSRP budget (£181,047,477) or the umbrella advertised procurement value for sub-lots and sole awards. The MPS shall assess on case by case basis.
- 5.14. The MPS does not provide commitment of spend or volume within its Call Off agreements unless specific vehicle volume is required.
- 5.15. MPS Fleet Services will work with MPS Commercial Services to ensure a robust tracking of spend against awarded contracts.

6. GDPR and Data Privacy

- 6.1. 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.
- 6.2. 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.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the contract change meets its compliance requirements.
- 6.4. Personal data is not required or stored.
- 6.5. 6.14.5 The various FSRP contracts do not use personally identifiable data of members of the public or Met personnel, aside from essential basic contact details necessary to ensure the discharge of the contract, 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. This business case has undergone initial equality screening. Due regard has been taken to the Equality Act's Public Sector Equality Duty, under Section 149 of the Equality Act, 2010.
- 7.3. 6.9.3 Where the MPS intends to utilise the Crown Commercial Services (CCS) national framework for vehicle purchases, CCS are using a national standard to select service

providers who meet equality and diversity criteria, tendered for the Purchase of Standard and Specialist Vehicles Framework Agreement to the UK public sector.

- 7.4. 6.9.4 The procurement process for each requirement will assess the suitability of suppliers for working with the public sector. Real consideration will be taken to assess equality impact caused by each contract, including effective engagement and analysing relevant equality information. As a result, no positive or negative impact has been identified to any individual and/or group, safeguarded by a protected characteristic and to those who are not.

8. Background/supporting papers

None.

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? YES/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	<i>Tick to confirm statement (✓)</i>
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 Omo Okuonghae 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 _____

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Date 06/01/2025