

DMPC Decision – PCD 1844

Title: Direct award of contract to MHR International Limited – People First

Executive Summary:

MOPAC implemented MHR – People First HR System in 2022 when the system supported by the GLA ceased. MOPAC Board agreed a direct award as an options appraisal of TfL system and Metropolitan Police Service (MPS) system after extensive exploration were determined as not affordable or suitable at that time. The contract value was £98,147.

It was agreed that MOPAC should consider alignment to the MPS three-year programme to implement a new Enterprise Resource Platform (ERP) due 2025. However, this MPS programme was paused in 2024. Whilst it has now recommenced, the current expected delivery date is September 2027. In order to undertake a full options appraisal including potential alignment to MPS systems and to ensure MOPAC remains compliant and can undertake core HR processing, storage of employee data, and run an effective recruitment system a further three-year direct award to May 2028 MHR is proposed. This comprises £114,417 for the system and £26,544 for purchase of relevant content for the Learning Management System (LMS) aspect (this is passported through MHR to Go1).

Recommendation:

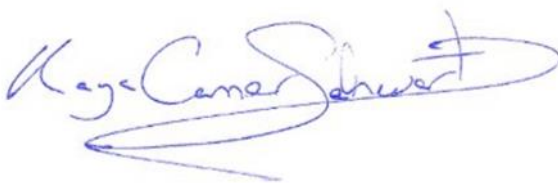
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the award of contract by exemption from competitive tendering to MHR International UK Limited for the continuation of People First HR system for three years, 23 May 2025 – 22 May 2028, at a cost of £140,961 (comprising £114,417 system costs and £26,544 learning content costs).
2. Note that a full options appraisal of HR systems will ensue including consideration of alignment to MPS ERP implementation, and/or the running of a relevant procurement process to ensure implementation by the end of the contract date (May 2028).

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.



Signature

Date 08/05/2025

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

1. Introduction and background

- 1.1. MOPAC implemented MHR – People First HR System in 2022 when the previous HR system supported by the GLA ceased. MOPAC Board agreed a direct award as an options appraisal of the TfL system and the Metropolitan Police Service (MPS) system after extensive exploration were determined as not affordable or suitable at that time. The contract value was £98,147. In addition, Learning Management System (LMS) content was purchased separately year on year totalling £17,388.
- 1.2. In addition, it was agreed that MOPAC should participate and consider alignment to MPS three-year programme to implement a new Enterprise Resource Platform (ERP) due 2025. This MPS programme however was paused in 2024 and whilst now live is delayed to September 2027. In order to undertake a full options appraisal including potential alignment to MPS systems and to ensure MOPAC remains compliant and can undertake core HR processing, storage of employee data and run an effective recruitment system a further three-year direct award to MHR is proposed at total cost of £140,961.36 to May 2028. 2028 MHR is proposed. This comprises £114,417 for the system and £26,544 for purchase of relevant Learning Management System content (this is passported through MHR to Go1).
- 1.3. The total amount for both contracts and all spend is £256,496.36.

2. Issues for consideration

- 2.1. People First is MOPAC's current HR system which contains all data and processes for:
 - All core HR processing
 - Staff data, position management, career history
 - Recruitment and Onboarding (including Applicant Tracking System ATS)
 - Attendance management (Sickness, Annual Leave etc)
 - Learning management system
 - Talent and performance management
 - Capturing diversity data enabling focused work and pay gap reporting.
- 2.2. As set out above due to MPS delay until 2027 the original plan to options appraise during current contract period has not been possible. Instead MOPAC HR has been in contract negotiation with MHR since autumn 2024 in order to secure best cost to continue with the People First system and service until the new options appraisal can be carried out. This has resulted in a hold to 2024 list prices despite the contract due to be enacted in 2025 alongside some free consultancy to support the implementation of an upgraded learning management system within People First.
- 2.3. Any changes to HR systems containing core data raises significant risks in terms of business delivery, data protection rigour, and employee satisfaction with any planned or delivered change requiring sufficient time and appropriately skilled resource. Even if a procurement had commenced in a similar timeframe there was not/is not the

capacity or capability for HR to undertake an implementation of a different system at this time.

- 2.4. It should be noted that the maintenance of employee data and contractual information is a legal requirement as is the production and publication of pay gap data.
- 2.5. At an average of £47k per annum this contract including LMS content represents value for money and is competitive in the market. A comparable HR Information system would be similar or more and separate systems for recruitment and learning would cost that alone. The negotiation with MHR resulted in a c£30,000 decrease from the formal quote provided. In addition, a credit of c£4500 for current LMS content not utilised will be applied once in the new contract.
- 2.6. MOPAC HR are sighted on the new MPS procurement and implementation timetable and approach for their new ERP in 2027 and have secured commitment to be involved as a customer as well as in our oversight role (the latter already in place). HR will undertake an options appraisal of this potential solution alongside other GLA group options. If none of these are considered suitable a full procurement exercise will ensue in the spring of 2027 to ensure implementation of preferred provider and system by May 2028.

3. Financial Comments

- 3.1. The total budget requirement for this system and content totals £140, 961.36 **£114,417.36**. The cost will be funded from the HR & OD budget, Supplies and Services (subjective EX652) across the three-year term as follows:

	People First cost	LMS content cost	Total
2025/26	£28,709 + £13,792 (one-off set up) = £42,501	£6267.30 + £3,981.60 (one-off set up) = £10,248.90	£52,749.90
2026/27	£33,515	£7520.80	£41,035.80
2027/28	£35,191	£7520.80	£42,711.80
2028/29	£3,210	£1,253.50	£4,463.50
Total	£114,417	£ 26,544	£140,961

- 3.2. The original contract value (2022 – 2025) was £98,147. With the award of this successive contract the total value over the six years to MHR is £256,496.36.

4. Legal Comments

- 4.1. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all contract exemptions for £100,000 or above.

- 4.2. Whilst specific legal advice has not been taken it should be noted that maintaining employee data and contractual information is a legal requirement for UK employers including MOPAC. This is due to various laws and regulations, including the Data Protection Act (DPA) and the General Data Protection Regulation (GDPR), which stipulate how personal data must be stored, processed, and secured. The People First system meets this requirement.

5. Commercial Issues

- 5.1. This Decision seeks approval from the DMPC to award a contract via exemption from competitive tendering to MHR International UK Limited for the continuation of People First HR system for three years, 23 May 2025 – 22 May 2028, at a cost of £140,961.
- 5.2. This requirement is classified as a services contract, falling below the threshold values set out in Schedule 1 of the Procurement Act 2023. Following approval, a Below-Threshold Contract Details Notice will be published on Find A Tender Service.
- 5.3. The actions proposed can be taken in compliance with procurement legislation and MOPAC's Contract Regulations.

6. GDPR and Data Privacy

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. Specifically, MHR International and the People First System in relation to GDPR matters have been discussed with the Data Protection Officer. The DPO has confirmed their assurance that MHR have the appropriate technical and organisational measures in place to process and protect the data, alongside supporting the development of a Data Protection Impact Assessment (DPIA) to ensure continued adherence to the safe, relevant and secure storage and use of employee data.

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. The People First System enables the collation of protected characteristics data and enables MOPAC to understand its workforce composition and take focussed action to

both reflect the demographics of London and ensure its staff thrive in an inclusive environment. In addition, the capturing of this information enables MOPAC to fulfil its legal obligation to produce and publish pay gap reports.

8. Background/supporting papers

- Appendix 1: CAJT
Award of contract via exemption from competitive tendering (not for publication)
- Appendix 2: DPIA

<p>Public access to information</p> <p>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.</p> <p>To minimise risks compromising the implementation of the decision the publication should be deferred until 23 May 25, i.e. after contract start date.</p>
<p>Part 1 Deferral:</p> <p>Is the publication of Part 1 of this approval to be deferred? YES</p> <p>If yes, for what reason: commercial negotiation.</p> <p>Until what date: 23 May 25</p>
<p>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.</p> <p>Is there a Part 2 form – NO</p>

ORIGINATING OFFICER DECLARATION		<i>Tick to confirm statement (✓)</i>
Financial Advice: The Finance Business Partner has been consulted on this proposal.		✓
Legal Advice: Legal advice is not required.		✓
Commercial Issues The Contracts and Procurement Management Team has been consulted on this proposal and the CAJT process to direct award has been endorsed by MOPAC's Commercial Assurance Group.		✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.		✓
Public Health Approach Due diligence has been given to determine whether the programme sits within the Violence Reduction Unit's public approach to reducing violence. This has been reviewed and supported by a senior manager within the VRU.		N/A
Commercial Issues The Contract Management Team has been consulted on the commercial issues within this report. The proposal is in keeping with the GLA Group Responsible Procurement Policy.		✓
GDPR/Data Privacy GDPR compliance issues are covered in the body of the report and Data Protection Officer has been consulted on the GDPR issues within this report and is satisfied with the data processor approach, policies and relevant contractual terms. A DPIA has been completed.		✓
Drafting Officer Asha Kalyan has drafted this report in accordance with MOPAC procedures.		✓

Director:

The Chief People Officer 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 have 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**Date** 06/05/2025