

## REQUEST FOR DMPC DECISION – PCD 254

**Title:** Vehicle Replacement Programme 2018-2021

### Executive Summary:

The MPS is seeking approval to initiate two procurement actions as part of their annual vehicle replacement programme. This will involve the disposal and replacement of cars, vans, minibuses, motorcycles and large goods vehicles, along with Marine Vessels and items of plant and equipment.

### Recommendation:

The DMPC is asked to

1. Approve the initiation of two procurement action to tender for the renewal of the MPS road and marine fleet over the period 2018/19 to 2020/21.
2. Approve the purchase of 2,765 vehicles up to March 2021 at a cost of £76.16m funded from the existing approved capital programme.

### 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** *Sybil Under*

**Date** 12/9/17

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. To enable the MPS to provide a safe fleet, ensure value for money, minimise maintenance spend and maximise operational vehicle availability. The MPS has an annual programme to replace vehicles that have met the economic and operational replacement parameters.
- 1.2. The fleet profile and distribution across operational business groups supports the Police and Crime plan and enables the MPS to have a mobile workforce, which is capable of;
  - Responding to incidents
  - Protecting victims and vulnerable people
  - Transporting officers and equipment across London and the UK
- 1.3. The MPS will look to develop targets to achieve a completely zero emission fleet by 2050. In preparation for this, the MPS will work with the Greater London Authority to achieve compliance with the Ultra-Low Emission Zone and to set targets for the fleet for 2025 and 2030. These are expected to include that the MPS will only procure ultra-low emission vehicles in certain categories from 2025 onwards and work towards being fossil fuel free at point of use from 2030.

#### **2. Issues for consideration**

- 2.1. See the Part 2 for details.

#### **3. Financial Comments**

- 3.1. There are three main funding streams for the vehicle replacement programme:
  - Public access and 24/7 Policing – funded by the MPS
  - Mobility – funded by Transport for London
  - Specialist Policing – funded by Counter Terrorism Policing Grant, Heathrow Airport and London City Airport
- 3.2. The MPS has an approved capital programme over 2018/19 to 2020/21 of £76.16m. The funds will be used to purchase vehicles and convert them to meet the MPS's operational requirements. The total includes an amount for ultra-low emission vehicles.
- 3.3. The MPS has included a contingency of £1.50m to cover the cost of unforeseen write offs to the fleet over the next three years.
- 3.4. Further details are contained in the Part 2.

#### **4. Legal Comments**

- 4.1. The preferred route to market for the road vehicles is via the Crown Commercial Services framework agreement, which is a compliant route to market. .
- 4.2. Due to the specialist nature of the marine vehicles, the MPS will undertake a full procurement process in accordance with the Public Contracts Regulations 2015. A technical assessment will be undertaken to analyse the operational river policing requirements to ensure any future vessels meet the MPS's long term aspirations for policing the river and environmental responsibilities.

## **5. Equality Comments**

5.1. There are no direct equality or diversity implications arising from this report

## **6. Background/supporting papers**

6.1. Briefing note.

**Public access to information**

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred ? NO

**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 – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

**ORIGINATING OFFICER DECLARATION:**

<b>Head of Unit:</b> The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Financial Advice:</b> The Chief Financial Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> No Equality and Diversity issues identified.	✓

**OFFICER APPROVAL****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

R. Lawrence

Date

5/9/17

**METROPOLITAN POLICE SERVICE  
VEHICLE REPLACEMENT PROGRAMME 2018/2021**

**Investment and Advisory Board**

**17<sup>th</sup> August 2017**

**Report by T/AC Fiona Taylor, Professionalism Directorate on behalf of the  
Commissioner**

**EXECUTIVE SUMMARY**

To seek approval to proceed with the MPS vehicle replacement programme and replace 2,765 vehicles including conversion at a cost of £76.16M, funded from the existing approved capital programme.

To facilitate the programme, approval is sought to initiate procurement action for the proposed fleet tenders. The tender volumes and values do not commit the MPS to procure a guaranteed volume of vehicles and offers sufficient flexibility to meet changes in operational and financial demands.

**Time Sensitivity**

A decision is required by 1<sup>st</sup> September 2017 to allow sufficient time to complete the required commercial activity and award contracts to facilitate the timely replacement of the fleet.

**A. RECOMMENDATIONS - That the DMPC**

1. Approval to initiate procurement action for the proposed fleet tenders to support the renewal of the fleet up to March 2021 (Part 2 Appendix 1)
2. Approve the purchase of 2,765 vehicles up to March 2021 at a cost of £76.16M (Part 2 Table 3), funded from the existing approved capital programme

**B. SUPPORTING INFORMATION**

**1. Fleet Services**

- 1.1. The core service requirement of Fleet Services is to deliver the right vehicles and equipment at the right time, in the right place, and in the most cost effective way.
- 1.2. This report details the recommendations for the annual vehicle replacement programme for FY's 2018/19, 2019/20 and 2020/21 and covers disposal and replacement activity for all cars, vans, minibuses, motorcycles and large goods vehicles, along with Marine Vessels and items of plant and equipment.
- 1.3. To provide a safe fleet, ensure value for money, minimise maintenance spend and maximise operational vehicle availability, Fleet Services has an annual programme to replace vehicles that have met the economic and operational replacement parameters.

**2. MOPAC Police and Crime Plan 2017-2021**

- 2.1. The MPS operates a fleet of cars, vans, minibuses, motorcycles, large goods vehicles, marine vessels, along with items of plant and equipment. The fleet is supported by 2,067 pedal cycles, which are predominantly allocated to Territorial Policing.

- 2.2. The fleet profile and distribution across operational business groups supports the Police and Crime plan and enables the MPS to have a mobile workforce, which is capable of;
- a) Responding to incidents
  - b) Protecting victims and vulnerable people
  - c) Transporting officers and equipment across London and the UK
- 2.3. In order to ensure a better police service for London the MPS is committed to;
- a) Delivering policing where and when Londoners need it, in their communities, on the move, online at night and work
  - b) Increase protection for victims and vulnerable people
  - c) Ensure the MPS meets its national and international strategic policing requirements
  - d) Keeping children and young people safe
  - e) Tackling violence against women and girls
  - f) Standing together against hatred, intolerance and extremism

### 3. **Air Quality Strategy**

- 3.1. Fleet Services are soon to publish an Air Quality Strategy, which will cover the period between 2017-2020, this will support the Mayor's commitment to improve air quality in London and compels the MPS to deploy over 550 ultra-low emission vehicles across the fleet by 2020. It is recognised that due to the varied and fast pace nature of policing, there is no single technology type that will meet all our requirements, as a result we have developed a mosaic approach and all fuel types and propulsion methods will be considered.
- 3.2. We continue to look beyond the period set out in this strategy to develop future aspirations and targets to achieve a completely zero emission fleet by 2050. In preparation for this, we will work with the Greater London Authority to achieve compliance with the Ultra-Low Emission Zone and to set targets for the fleet for 2025 and 2030. These are expected to include that we will only procure ultra-low emission vehicles in certain categories from 2025 onwards and work towards being fossil fuel free at point of use from 2030.
- 3.3. The introduction of the 550 ultra-low emission vehicles will be completed in three phases and the first will target the Mayor's seven Low Emission Neighbourhoods so that the MPS will contribute to tackling local air quality issues.
- 3.4. Fleet Environmental Objectives 2017-2020;
- a) Reduce harmful pollutants produced by our vehicles whilst maintaining operational effectiveness
  - b) Commitment to reducing the diesel fleet by 60% by 2020
  - c) Achieve a minimum of 11% of the total MPS vehicle fleet as Ultra-Low Emission Vehicles
  - d) Introduce at least 60 Hydrogen vehicles
  - e) Explore the viability of Compressed Natural Gas and Liquid Natural Gas technology
  - f) Explore the viability of Liquid Petroleum Gas technology
  - g) Install 300 chargers across the estate to support electric/ hybrid vehicle operations
  - h) Collaborate with other Emergency Services to share re-fuelling infrastructure

- i) Ensure compliance with Ultra-Low Emission Zones across the UK
- j) Utilise telematics to ensure users are operating our assets in an efficient manner
- k) Expand the use of Car-Pooling and Sharing
- l) Utilise industry vehicle emission databases and benchmarks to inform procurement decisions and develop emissions reporting
- m) Continue to actively explore the alternatively fuelled vehicle market and seek new partnerships with manufacturers in order to trial new technology

#### **4. One Met Fleet Strategy**

- 4.1. The One Met Fleet Strategy was published in 2014 and set out a four-year plan for the direction of travel for the fleet. It established a number of challenges for Fleet Services related to improving;
- a) Cost management
  - b) Demand management
  - c) Environmental impact
  - d) Safety
  - e) Technology
- 4.2. Over the past three years, the fleet has changed significantly with standardisation, use of technology and fleet reductions.

#### **5. Confirmation of Operational Demand**

- 5.1. Fleet Services continue to work collaboratively with NPCC Operational leads to deliver strategic objectives to;
- a) Better align fleet resources to core policing services
  - b) Improve utilisation and resilience and
  - c) Provide better value for money
- 5.2. The following fleet boards govern the operation demand requirements for the MPS fleet and Fleet Services provide bespoke fleet analysis to support the changing landscape of operational policing;
- a) Strategic Fleet Board, chaired by T/Assistant Commissioner Taylor
  - b) Territorial Policing Fleet Board, chaired by Commander Jerome
  - c) Specialist Crime and Operations Fleet Board, chaired by Commander Twist
  - d) Counter Terrorism Fleet Board, chaired by Paul Carlino
- 5.3. Each fleet board determines;
- a) Operational requirements
  - b) Fleet profile to respond to emerging policing demands, supported by target operating models
  - c) Review and challenge of underutilised vehicles
  - d) Redeployment of vehicles to meet demands
- 5.4. Fleet Services continue to engage with corporate change projects and ensure the fleet supports the One Met Model and other change initiatives. The annual replacement

programme is a dynamic and flexible plan that can accommodate adjustments should operational requirements change significantly.

- 5.5. Fleet Services have been providing support and guidance during the development of the In-Vehicle Mobile Application Project and will be managing the installation of the solution to 1,300 new and in-service front line Response vehicles. Installation will commence in September 2017 and conclude by March 2018. New functionality will provide automated navigation to accepted incidents, real time traffic flow and displays BOCU boundaries and points of interest. The system start up and response to user input is significantly faster than MDT and the solution has been designed to reduce the impact on the vehicles, negating the need to leave vehicle engines running purely to retain power to the device.
- 5.6. Fleet Services manages the process of individual vehicle replacements by confirming the requirements prior to purchasing to ensure strategic objectives are achieved and savings are driven through volume tenders.
- 5.7. Fleet Services continue to work closely with the One Met Model to support the change initiatives below and to ensure that the future target-operating model for the MPS is correctly supported and resourced with the right vehicles fitted with the right equipment;
  - a) Programme 3 Strengthen local policing
  - b) Programme 4 Transforming investigations and prosecutions
  - c) Programme 5 Strengthen our armed policing capability

## **6. Vehicle Procurement**

- 6.1. Fleet Services procures the majority of vehicles through the Vehicle Purchase framework RM1070 that was procured by the Crown Commercial Services on behalf of the Cabinet Office in December 2014 and is valid until December 2018. The MOPAC were identified as an eligible user of the framework by reference to it in the OJEU notice 2015/S 008-009193. The requirement set out in this report is within the financial and technical scope of the framework. The MOPAC will comply with the purchasing procedures set out in the framework.
- 6.2. The framework agreement comprises of a series of lots for cars, vans, motorcycles and large goods vehicles. Three particular lots are specific for emergency services. This framework provides the MPS with a comprehensive solution with access to the majority of vehicle manufacturers that could meet the organisational vehicle demands.
- 6.3. The Crown Commercial Services framework allows for the purchase of vehicles directly from the manufacturer, which delivers significant savings over retail prices.
- 6.4. Once a technical specification is compiled, a mini competition is established to compete the requirement against available manufacturers to determine the most appropriate vehicle that meets the operational requirements and delivers best value.
- 6.5. The tenders are structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet reductions and any transition arrangements to a new commercial supplier.
- 6.6. In order to fulfil purchasing volumes the fleet has been categorised into a number of tender lots. The proposed tenders and approval levels are detailed at Appendix 1.
- 6.7. On analysis of all purchases required up to March 2020, a number of existing tenders are available to meet some of the demand. For the remaining purchases, new tenders are required to fulfil the operational demand.



- 6.8. The tender volumes include a contingency allocation to enable unforeseen write offs and changes in fleet profile to be accommodated. The contingency volumes represent a higher volume limit and do not indicate guaranteed volumes.
- 6.9. This approach is in line with the current Air Quality and One Met Fleet strategies, which supports the Policing and Crime Plan and is sufficiently flexible to adapt to any changes in the strategy. As the request is for initiation only the Deputy Mayor of Policing and Crime has the authority to call the award of any contracts to Investment Advisory Board in the future.
- 6.10. Commercial production and overseas shipping normally result in lead times between 12 to 26 weeks depending on the manufacturer. Vehicle conversions and registration is generally between 6 to 12 weeks, which is dependent on the scale of modifications and Police equipment fitted.

## **7. Marine Procurement**

- 7.1. Three tenders relate to the purchase of replacement marine vessels, due to the specialist nature of these assets the MPS will undertake a full procurement process in accordance with the Public Contracts Regulations 2015 (the Regulations). A technical assessment will be undertaken to analyse the operational river policing requirements to ensure any future vessels meet our long-term aspirations for policing the river and environmental responsibilities.
- 7.2. The manufacture of marine vessels are expected to result in significant lead times which are expected to range from 9 months from point of order for a Response vessel to 12 months for a Command vessel. Due to the specialist nature there will also be limitations with the concurrent number of vessels that can be manufactured at the same time.
- 7.3. The marine tenders will have a longer duration, which will allow for market certainty and allow for a contingency should the operational requirements change over the forthcoming years. Staged payments will also be incorporated and are expected at placement of order, hull completion and finalisation of sea trials.
- 7.4. Potential collaboration with the London Fire Brigade was explored earlier this year, as they will also be seeking to purchase a number of vessels over the next five years. A number of technical variances exist between our two operational requirements, which would not allow for collaborative purchases on this occasion. The main variation in technical requirements were as follows;
  - a) Hull design and materials
  - b) Propulsion design
  - c) Manoeuvrability
  - d) Response capability
- 7.5. Differences with all of the above makes it highly unlikely that the same builder would be able to diversify from successfully building one type of vessel to another completely different concept.

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## **Recommendation**

1. Approval to initiate procurement action for the proposed fleet tenders to support the renewal of the fleet up to March 2021 (Part 2 Appendix 1)
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## **8. Current Fleet Profile and Replacement programme**

- 8.1. Part 2 Table 1 details the MPS fleet allocation by business group, replacement year and funding stream.

- 8.2. A range of parameters are used to calculate fleet replacements and these include targets for both mileage and age, maintenance costs, installed equipment and environmental standards.
- 8.3. Two important aspects of legislation are soon to be implemented which will affect the cycle of fleet replacements, the first is the Ultra-Low Emission Zone and the second is implementation of a Direct Vision Standard, which supports the Mayor's commitment to reduce unnecessary road deaths
- 8.4. This standard will apply to large goods vehicles weighing over 12 tonne and will be implemented in 2020. The intention of the scheme is to apply a star rating to vehicles and those that do not meet the minimum standards will not be allowed to travel within London.

## **9. Financial Implications / Value for Money**

- 9.1. In line with the information presented in Part 2 Table 1, replacement vehicles are funded from three main funding streams;
  - a) Public access and 24/7 Policing – funded by MPS
  - b) Mobility – funded by Transport for London
  - c) Specialist Policing – funded by Counter Terrorism, Heathrow Airport and London City Airport
- 9.2. All vehicles within Specialist Operations vehicles and those within the MPS designated as CT, are all funded through a third party funding stream (i.e. CT Policing Grant, Heathrow Airport or London City Airport operators). The CT Capital Grant fund is part of the in-year National CT capital grant allocated by the Home Office as profiled in the Capital Plan. The SO Aviation Policing vehicle replacement programme for Heathrow and London City Airports vehicles are funded from respective specific reserves held by the MPS.
- 9.3. The current approved capital programme for the next three is £76.16M and includes the purchase and conversion costs associated with the replacement fleet. Part 2 Table 3 details the capital budget by portfolio which is required to replace the 2,765 vehicles identified within Part 2 Table 1;
- 9.4. Within the MPS capital financial requirement is a contingency of £1.50M to cover unforeseen write offs to the fleet over the next three years.

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### **Recommendation**

2. Approve the purchase of 2,765 vehicles up to March 2021 at a cost of £76.16M (Part 2 Table 3), funded from the existing approved capital programme
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## **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

### **1. Equality and Diversity Impact**

- 1.1. Equalities considerations have been taken into account particularly concerning the vehicle manufacturer's cabin space design, which includes seat and seat belt adjustments and steering column adjustments. In relation to motorcycles, this also includes weight and ease of manoeuvrability. These considerations are further enhanced through being able to request detailed purchase specifications.

- 1.2. Crown Commercial Services, using a national standard to select service providers who meet equality and diversity criteria, tendered the Vehicle Purchase agreement for the supply of vehicle and associated services to the UK public sector.
- 1.3. Fleet Services acknowledges its responsibilities towards its staff and the members of London's diverse communities and will engage with, and value the contributions of, communities and our partners and continue to nurture positive relationships of constructive support.

## **2. Legal Implications**

- 2.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £164,176 or above, all contracting authorities must do so in accordance with the Regulations.
- 2.2. This report confirms a number of requirements which exceed the above threshold. Consequently, the Regulations will apply to those requirements. This report identifies the Crown Commercial Services (CCS) framework agreement as its preferred procurement route. A compliantly procured framework agreement is a compliant route to market on the basis the framework is still in force, the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. Paragraph 6.1 of this report confirms the above are satisfied.
- 2.3. For those requirements below £164,176 in value, the MOPAC is required to comply with the general EC Treaty principles of transparency, non-discrimination, proportionality and equal treatment of suppliers as well as comply with MOPAC governance. Written quotes should be obtained in accordance with the provisions of the MOPAC Contract Regulations or, alternatively, procurements can be undertaken through a compliantly procured contract such as the CCS framework agreement described in this report.
- 2.4. Paragraph 7.1 of this report confirms that a number of marine vehicle procurements shall be undertaken in accordance with the Regulations.
- 2.5. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above.
- 2.6. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent to award all contracts with the exception of those called in through the agreed call in procedure. Paragraph 4.14 provides that the DMPC reserves the right to call in all contract awards of £500,000 or above.

## **3. Risk (including Health and Safety) Implications**

### **3.1. Health and Safety**

- 3.2. Fleet Services will continue to work with the MPS Safety and Health Risk Management Team [SHRMT] (and other agencies as appropriate) to ensure that all significant H&S risks have been quantified, and that suitable and sufficient controls are in place aimed at mitigating the risk to the MPS as follows:
  - a) Compliance with health and safety at work statutory provisions including codes of practice
  - b) MOPAC/MPS Safety Management System and
  - c) Service delivery that may impact officer, staff or public safety

### 3.3. Consultation Undertaken

- 3.4. In developing this report discussions regarding vehicle replacements continues on a wide range of levels and key support is gained from across the organisation, as per the consultation grid below;

Key Stakeholders	Supportive / Supportive with concerns / Not Supportive / Not affected
MPS Strategic Fleet Board	Supportive
Director Operational Support Services	Supportive
Director Centrally Delivered Support Services	Supportive
Finance	Supportive
Procurement	Supportive
Property Services Environmental	Supportive
Greater London Authority Air Quality/Hydrogen	Supportive

### 4. Risks

- 4.1. Fleet Services optimise the economical and operational replacement parameters applied to the fleet. Whole scale delays in the optimum replacement of vehicles has adverse implications on the following operational and financial aspects of providing vehicles;
- a) Reduction of key operational vehicles for example Incident Response Vehicles, Armed Response, Station vans and Protected Carriers
  - b) Reductions in vehicle availability through increased repairs
  - c) Risk of vehicles failing or breaking down during operational duties
  - d) Increase in maintenance revenue costs due to the ageing fleet
  - e) Risk of not achieving the financial commitment to the approved capital plan
  - f) Reduction in income through the future residual value of the fleet
  - g) Risk of not meeting fleet environmental targets through not replacing high CO2 vehicles with more fuel-efficient replacements.
  - h) Risk of not meeting the targets for the Ultra-Low Emission Zone in 2019

### 5. Real Estate and Environmental Implications

- 5.1. The Fleet Services Air Quality Strategy 2017-2020 is aligned to the MPS corporate strategy "Environmental & Sustainability Management Framework 2016-2020" and specifically objective 3 "Reduce Air Quality emissions associated with the estate and the transport fleet". The framework be re-launched shortly as the "Environmental and Sustainability Strategy 2017-2021", although the objectives to reduce air quality emissions will remain unchanged.
- 5.2. Mayors Climate Change Mitigation and Energy Strategy to address the target to reduce carbon emissions by 60% by 2025 compared to 2005/06 emission levels.
- 5.3. Fleet Services will ensure any charging infrastructure to support the ULEV planning supports the strategic direction of the Estate Strategy.

- 5.4. Where vehicle performance is not critical to the operational role a maximum CO2 limit is applied within the vehicle selection criteria. All proposed tender lots carry a score for vehicle CO2 and lower emitting vehicles will score higher.
- 5.5. The vehicle procurement described at section 6.1 is supportive of the Clean and Energy Efficient Vehicles Directive 2009-33-EC and flexibility for sustainable vehicle procurement measures
- 5.6. Table 4 below identifies the environmental impacts associated with this report;

Table 4

Environmental Impact	Higher	Lower	No impact	Mitigation/ management of any higher impact
Level of energy use and associated carbon dioxide emissions		↓		
Level of water consumption			=	
Level of waste generation/waste requiring disposal		↓		
Level of travel and transport and associated emissions		↓		
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	↑			The increase in raw material use and finite resources will be increased by the purchase of new vehicles. Where possible the use of recycled/recyclable materials and parts should be encouraged although this will be limited due to the specific requirements of the contract. The maintenance of new vehicles should encourage the reuse and recycling of parts where possible. The reuse and recycling of vehicle components assists to offset the impact on the purchase of new vehicles.

**Report author:** Jiggs Bharij, Head of Fleet Services

**Background papers:**

None