

PART TWO

Confidential facts and advice

Scientific Services Procurement

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This information is not for publication because:

The report contains information which is commercially sensitive.

Legal recommendation on the grounds of keeping the information confidential:

In the event the information contained in this Part 2 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 to protect the commercial interests of the London Fire Commissioner by keeping information about its budget confidential until any procurement exercise has completed. The recommended period for non-publication of Part 2 is up to 01 April 2025, when the procurement process is to be completed.

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 scientific services contract.

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

The recommended period for non-publication of Part 2 is up to 01 April 2025, when the procurement process is to be completed.

The recommended period for non-publication of Part 2 is 01 April 2025.

Legal Adviser

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

Name: Nimi Amaso	Date: 17 January 2025
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Confidential decision and/or advice

Introduction and background

This report seeks the approval of the Deputy Mayor for Planning, Regeneration and the Fire Service for the London Fire Commissioner (LFC) to commit revenue expenditure of £8.32m (the amount required once efficiencies as detailed below have been achieved) for the provision of Scientific Services for a period of five years.

Objectives and expected outcomes

- 1.1 In order to explore the possibility of generating savings, the Invitation to Tender (ITT) was split into 2 lots. Lot 1 requested pricing with a 24/7 blue light service and Lot 2 requested price for standard hours blue light service. Since the initial tender process, additional meetings have been held with the single bidder to probe budget allocation and identify further cost efficiencies.
- 1.2 The ITT deadline was the 10 January 2025, and LFC received two bids from one supplier - Bureau Veritas (BV); who are currently the incumbent. The 24/7 blue light service was originally costed by BV at £8.5m, and the standard hours were costed at £8.32m over a five-year contract. The difference in prices between the two initial lots received is £36,000.00 per year. Please refer to Appendix A for a price breakdown which details efficiencies achieved as outlined below.
- 1.3 Due to the reasons explained in Part One, this report seeks the approval to award the full contract for Lot 1 to Bureau Veritas for a period of five years.

Tender analysis and identified cost efficiencies

- 1.4 There are several reasons for the cost increase since the previous five-year contract with BV was signed. Due to global uncertainties and recent significant cost increases (e.g. the Cost-of-Living crisis in the UK), a future cost prediction was included in the plan to address these uncertainties and meet expectations from corporate management within BV.

- 1.5 The new contract now includes all services previously considered "extra charges" under the current agreement. During the previous contract term, BV performed substantial work outside the paid provisions, particularly in critical areas impacting firefighter safety and operations, which was not charged. For example, during the introduction of the MSA breathing apparatus set, BV committed significant resources to resolve emerging challenges, often on short notice, providing expert input and independent scientific opinions. The costs for these services were conservatively estimated and have since been incorporated into the all-inclusive specification for the new contract, thus safeguarding the Brigade against unforeseen additional charges in the future.
- 1.6 Due to local economic pressures, BV have established a specialised facility in London to fully service the contract with LFB. While this facility is costly to maintain, it benefits from a fixed rent until 2027. However, BV anticipate that their landlord will exercise a rental 'break clause' in 2027, leading to a significant increase in rent after five years of unchanged rates, which BV have accounted for in their projections.
- 1.7 When reviewing the recent tender from BV, several areas have been identified in order to make saving across the five-year contract. Identified areas of savings include the transferal of Fire Investigation samples from commercial off-site storage to a secure, accessible LFB property which would result in an immediate saving of £122,000 over the contract term. It is anticipated that this change will not involve any significant cost to LFB due to the pre-existence of sufficient space and facility to do so once a planned rationalisation exercise has been completed in collaboration with BV. Eliminating the administration costs and maintenance associated with off-site storage and driving provisions will enable further administrative efficiencies. Details and amounts involved are yet to be confirmed therefore cannot be included at present.
- 1.8 Under an all-inclusive contract, as described above, the costs for consumables associated with the maintenance of instruments currently held by LFB are now incorporated. This results in an effective annual saving of approximately £15,000 per annum over what was previously as pass through cost and in addition to the management fee as previously contracted. This has been achieved by a point of clarification in the specification to confirm approach to consumables based on a static assumption of volume on behalf of LFB. (£75,000 over the contract term).
- 1.9 The annual cost of providing introductory training to the Fire Investigation Team is £12,000. With the inclusion of Fire Investigation training in the new contract, this represents a value enhancement of £60,000 over the duration of the contract, rather than a direct cost saving.
- 1.10 The utilisation of modern technologies in order to assist in the delivery of training to main stake holders has been explored and found not to be suitable due to the complexities of subjects being delivered and the need for hands on demonstrations of varying pieces of equipment. BV have confirmed this would not yield significant savings.
- 1.11 Further savings are being explored. Having LFB provide Blue Light Driving training and refreshers would result savings of approximately £5,000 per year (£25,000 over the contract); however, this would potentially result in a minor increase to the LFB's training budget and is yet to be fully scrutinised and is mentioned here for completeness of approach.
- 1.12 In total, these adjustments which have been verified and agreed to date result in a reduction of BV's Lot 1 bid price by £36,000 per annum, equating to a £180,000 decrease over the five-year term of the contract. This is reflected in a total anticipated annual spend of £1,664,000 in comparison to the originally bid price of £1,700,000.
- 1.13 It should be noted when accounting for the savings detailed within paragraph 1.8 this equates to a real-time saving of £255,000 across the five-year contract.

Future saving potential

- 1.14 The LFB has a standard termination for convenience clause in this proposed contract which allows us to terminate with giving a minimum of 6 months' notice. There is also a standard change process included which will allow for revisions of the service provided.
- 1.15 Operational Resilience and Control will continue to seek opportunities for additional cost savings throughout the life span of this contract. Workstreams will predominantly focus on functions within the contract which could be brought 'in house'. Appropriate governance will be adhered to, and paragraph 1.14 will be implemented where opportunities are identified.

Financial comments

- 1.16 The report seeks approval to enter into a five-year contract from April 2025 in respect of scientific services, at a total value of £8.32m.
- 1.17 The current annual budget held for the scientific services contract is £1,124,400, rising to £1,142,400 for 2025/26 incorporating an inflationary uplift. However, the forecast for the 2024/25 financial year under the existing contract is £1,554,300 an overspend of £429,900. This overspend is largely driven by a previously agreed saving of £400,000 that was applied to the 2024/25 budget and is yet undelivered.
- 1.18 The £400,000 saving was identified as part of budget planning for the 2024/25 financial year. The saving was taken through the various stages of governance as part of budget consultation and scrutiny before being formally submitted as a listed saving in the appendix to the budget report approved for 2024/25 in March 2024 (LFC-24-2027).
- 1.19 Approval of the new contract price as set out in the report will incur an annual cost of £1,664,000, which is above the position included in the November Budget Submission to the Mayor. This represents an annual budget pressure of £557,600 for the 2025/26 financial year onwards.
- 1.20 The 2025/26 Budget submission included a projected net saving as part of a review of existing contractual spend. The additional pressure of £557,600 is being considered as part of that review in order to deliver sufficient savings to also meet this additional pressure from 2025/26.

Confidential appendices and supporting papers

Appendix A – Price Breakdown

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Section in Specification	Annual Management	Weighting (%)	Initial Bid Price (£) received	Revised Price (£) per Annum
5.1	Advice on radiation protection	10%	159,375.00	159,375.00
5.2	Testing of new or current Personal Protection Equipment (PPE), Respiratory Protective Equipment (RPE) and safety critical operational equipment.		95,625.00	95,625.00
5.3	Maintenance of the Commissioner's equipment		127,500.00	124,500.00
5.4	Environment		15,937.50	15,937.50
5.5	Decontamination		31,875.00	28,875.00
5.6	Hazardous Materials and Environmental Protection		47,812.50	45,812.50
5.7	Petroleum advice		10,937.50	10,937.50
5.8	General Advice		20,937.50	19,937.50
Total			10%	510,000.00

Section in Specification	Blue Light Attendance: 24/7	Weighting (%)	Initial Price (£)	Price (£):
6.3	Operational Incidents	10%	356,168.74	351,168.74
6.4	Vehicles	2%	44,578.15	44,578.15
6.5	Accident Investigation – operational and non-operational equipment	4%	178,084.37	178,084.37
6.6	Fire Investigation	4%	356,168.74	334,168.74
Total		20%	935,000.00	908,000.00

Section in Specification	Consultancy Service	Weighting (%)	Initial Price (£)	Price (£)
7.1	Liaison	10%	42,500.00	42,500.00
7.2	Representation		42,500.00	42,500.00
7.3	Attendance at Court or Inquiries		31,875.00	31,875.00
7.4	Testing of New or Current, Clothing or Operational Equipment		42,500.00	42,500.00
7.5	Telecommunication mast surveys		10,625.00	10,625.00
7.6	Familiarisation and Maintenance of Skills Advice		85,000.00	85,000.00
Total			10%	255,000.00