

**DMPC Decision – PCD 1202**

**Title: Laundry and Cell Blanket Services Contract Uplift**

**Executive Summary:**

This paper seeks approval for an uplift in the contract value of £1,496,067 for the provision of the laundry and cell blanket services contract. The uplift is compliant with Public Contract Regulations and will be funded from within existing MPS budgets.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

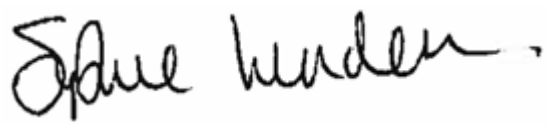
1. Approve the uplift in the value of the Laundry and Cell Blanket Services contract with Marshall Laundry Services Ltd by £1,496,067 which is 35% of the original contract value approved by MOPAC.

**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**

**01/06/2022**

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

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

- 1.1. MOPAC approved the contract award for the supply of the laundry and cell blanket services in 2018 for an initial 5 year term, with the option to extend by two 1 year periods.
- 1.2. This paper seeks approval for a contract value uplift to enable the extension periods to be awarded.

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

- 2.1. This paper seeks approval to realign the contract's initially under-estimated annual spend to the current rate of annual spend. The new value of the contract for the 5+1+1 year term will be £5,728,851 against the originally approved value of £4,232,783 for the 5+1+1 Year term. The intention is to exercise the full optional extension of 1+1 years for this contract under delegated authority.
- 2.2. The reason for the need to approve a contract value uplift now is due to spend on reactive activities being in excess of the expected volumes at contract award. The reasons for the additional activity are improvements in stock control and speed of delivery reducing some of the planned delivery in favour of reactive ordering, a greater focus on detainee welfare where additional blankets are provided on request as well as other laundry additions for drying following showering, and additional blankets disposed of and new ones required in the early stages of the Covid-19 pandemic.

### **3. Financial Comments**

- 3.1. The estimated contract value uplift required to the end of the planned seven year term is £1,496,067. The MPS assure that this will be met from within existing budgets.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms both the value of the original contract and the proposed modification exceeds this threshold.
- 4.2. The MPS assure that the proposed contract value uplift is within the Public Contracts Regulations 2015.
- 4.3. 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 unforeseen variations and extensions to contracts with an original value of £500,000 or

above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months.

## **5. Commercial Issues**

- 5.1. The contract for the laundry and cell blanket service was awarded for a up to 7 year term at a value of £4,232,784. The MPS has delegated authority to award the two 1 year extensions which it plans to do.
- 5.2. Due to additional activity the contract value needs to be uplifted by £1,496,067, 35% of the original contract value. The award of the extension will be to a performing supplier and based on the 2018 prices bid (plus inflation). The extensions will avoid the costs involved in a re-procurement and avoid exposure to potential market increases.
- 5.3. The MPS assure that while this is not a new procurement within the existing contract the supplier will be asked to confirm how they will contribute and commit to the delivery of the key principles of the London Anchor Institutions' Charter.

## **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. The MPS assure that there is no use of personal information in regard to staff or public within this contract, and so there are no GDPR issues.

## **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 MPS assure that as this paper relates to an extension period to existing contract and a request to agree a financial contract value uplift there is no equality implication in regard to this paper.

## **8. Background/supporting papers**

- Appendix 1 MPS Report - Laundry and Cell Blanket Services Purchase Order (PO) Uplift

**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? NO

If yes, for what reason:

Until what date: n/a

**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

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**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**

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The interim 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



Date 30/05/2022



MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## Laundry and Cell Blanket Services Purchase Order (PO) Uplift

### MOPAC Investment Advisory & Monitoring meeting 9<sup>th</sup> May 2022

#### Report by the Director of Property Services on behalf of the Chief of Corporate Services

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

##### *EXECUTIVE SUMMARY*

The current contract for Laundry and Cell Blanket Services with Marshalls Ltd ends on 29th April 2023. DMPC decision “PCD303” included approval for 2 one-year optional extensions of the term; both years of which will be exercised. Annual spending has been higher than initially forecasted (due to factors beyond the Authority’s control). This paper seeks approval to re-profile annual spending to take account of the increase which requires an uplift to the value of the contract enabling the 2x1 year contract extensions to be executed.

The contract was awarded as 1 Lot by the Mayor’s Office for Policing and Crime (MOPAC), commencing on 30th April 2018. The total value of the five-year initial term is £3,023,417.08. There are two individual option years giving a total 7-year contract value of £4,232,783.91. The contract has been called-off from a £8,000,000.00 framework agreement open to all GLA members.

Marshall Laundry Services Ltd have been in contract for a period of 3 years and 8 months of the initial 5 year contract term. The base term end date is 29th April 2023.

#### **Recommendations**

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

1. **Approve** the uplift in the value of the Laundry and Cell Blanket Services contract with Marshall Laundry Services Ltd by £1,496,067 which is 35% of the original contract value approved by MOPAC. This is to realign the contract’s initially under-estimated annual spend to the current rate of annual spend. The new value of the Contract for the 5+1+1 Year term will be £5,728,851 against the originally approved value of £4,232,783 for the 5+1+1 Year term. The intention is to exercise the full optional extension of 1+1 years for this contract under delegated authority.

#### **Time sensitivity**

A decision is required from the Deputy Mayor by 24/05/2022. This is to allow MOPAC to review and approve the PO uplift so the extension years (year 6 & 7) can

be exercised with a contract value sufficient to meet the demand on this service.

### **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

#### **Introduction and background**

2. Following a competitive tender process completed in 2018 by KBR on behalf of the Authority, the Authority entered into contract with Marshall Laundry Services Ltd on 30th April 2018 for the provision of Laundry and Cell Blanket Services.
3. The contract was awarded as 1 Lot by the Mayor's Office for Policing and Crime (MOPAC), commencing on 30th April 2018. The total value of the five-year initial term is £3,023,417.08. There are two individual option years giving a total 7-year contract value of £4,232,783.91. The contract has been called-off from a £8,000,000.00 framework agreement open to all GLA members.
4. Marshall Laundry Services Ltd have been in contract for a period of 3 years and 8 months of the initial 5 year contract term. The base term end date is 29th April 2023 leaving a period of circa 16 months remaining as at December 2021 (this date is used to align with the last full report on which figures were based at commencement of the paper and to align with financial data within the associated papers). There are 2 x 1-year unilateral optional extension periods available under the existing contract with notice to be provided for any potential extension to the supplier no later than 28th Jan 2023 (3 months).

#### **Issues for consideration**

5. The Deputy Mayor for Policing and Crime (DMPC) to take into consideration:
6. DMPC decision PCD303, dated 05 February 2018, for the award of this included approval for 2 one-year optional extensions of the term; both years of which will be exercised under delegated Authority by the MPS Commercial Team.
7. Due to the actual annual spending exceeding that of originally forecasted this paper seeks approval for the increase in the value of the contract. The contract has seen a 14% decrease in demand for planned work and 194% increase in demand for reactive works.
8. The requested uplift in value is in full compliance with the Public Contracts Regulations 2015 (PCR 2015) under provisions of Regulation 72.

The key reasons for overspend on reactive services is;

- The supply/exchange additional cell blankets. This is wholly driven by demand from Met Detention and is largely funded against the Met Detention cost centre. (A1B1650). Work is taking place with Met Detention to understand this increase more fully but a combination of factors have played a part including, improvements in stock control and speed of delivery reducing some of the planned delivery in favour of reactive ordering; a greater focus on detainee welfare where additional blankets are provided on request as well as other laundry additions for drying following showering. Additionally a number of blankets were disposed of as a result of the Covid

pandemic, particularly in the early period. This was due to a concern by detention officers that any contaminated blankets needed disposal and that they could not be reused if simply laundered.

- To the end of December 2021 £1,065,739 in reactive costs have been assigned to MET Detention's cost centre A1B1650. This represents 94% of the total reactive spend.

### **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>1</sup>**

9. This is for the provision of a full (reactive and planned) laundry service. The reactive and planned service shall be provided on a 24/7/365 basis across the MPS estate, the estate covers the 32 boroughs of the Greater London area, and a number of other locations to support policing operations.

### **Financial, Commercial and Procurement Comments**

10. The proposed uplift required to purchase order (PO) Value for full term of contact (5 + 1 + 1) is £1,496,067
11. The increase in the value of contract for the entire Term (5+2 years) represents an uplift of 35% of the initial value of the contract.
12. The request for an uplift is against the approved contract value and no additional funding will be required by MOPAC. The spend is managed within MPS existing budgets.
13. The uplift is compliant with regulation 72(1)(b) as ) re-procurement would cause significant inconvenience or substantial duplication of costs for the contracting authority. The extension of this service line avoids significant duplication of costs by not having to retender. The extension will allow the authority to create a procurement strategy for future contracts that is developed to deliver the best possible service and value for money. Furthermore, the authority will achieve cost certainty as the costs are fixed (subject to AWE inflation) as well as mitigating risk of new entrant to estate and poor performance.
14. While this is not a new procurement and specific terms around this will not be made through governance meetings within the existing contract the supplier will be asked to confirm how they will contribute and commit to the delivery of the key principles of the London Anchor Institutions' Charter in the following areas:
  - Continue to deliver local employment and their innovation in doing so;
  - have inclusion and diversity values that are reflected within their workforce;
  - work towards achieving 80% recycling;
  - have apprenticeship schemes in place; and
  - bring innovations into reducing their carbon footprint whilst working towards carbon net-zero

### **Legal Comments**

15. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All

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<sup>1</sup> <https://www.london.gov.uk/publications/building-safer-london>

awards of, and modifications to, public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the recommendations exceed this threshold.

16. Regulation 72 provides a limited number of circumstances when a contract shall be modified compliantly.
17. Regulation 72(1)(a) provides a modification is permitted:

*where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—*

- (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and*
- (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement;*

18. The report confirms that two one year extensions of the contract term were included in the initial procurement documents. On that basis, the extension is within the scope of regulation 72(1)(a).
19. It is arguable that the wording in regulation 71(1)(a) of “*irrespective of their monetary value*” would allow the one year extension. On balance, DLS considers that argument to carry a degree of legal risk in light of the fact that demand under the contract has increased significantly due to unforeseen demand far above and beyond the original contract’s stated value. Should regulation 71(1)(a) not apply regulation 72(1)(b) provides a modification is permitted:

*for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—*

- (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or*
  - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,*
- provided that any increase in price does not exceed 50% of the value of the original contract;

20. An increase of 35% is within the limit of 50% in regulation 72(1)(b). This report also confirms the impacts of changing contractor and the technical challenges that would bring. On that basis, regulation 72(1)(b) would apply.
21. Regulation 72(3) requires contracting authorities that have modified a contract in the case described 72(1)(b) shall send a notice to that effect, in accordance with regulation 51, for publication.



22. Paragraph 4.13 of the MOPAC Scheme of Delegation provides that the Deputy Mayor of Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and / or is for a period of more than 12 months.

### **Equality Comments**

23. As this is notification of the use of an extension period to existing contracts and a request to agree a financial contract value uplift on one there is no equality implication in regard to this paper.

### **Privacy Comments**

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. There is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

### **Real Estate Implications**

24. None

### **Environmental Implications**

25. As this is not a new contract and no additional terms can be applied to the extension, through the contract management governance, the Supplier(s) will be asked to provide data on vehicles used on the contract and provide an action plan to move to meet (if it does not already) the requirements of the current Ultra-low Emission Zone (ULEZ) and establish plans to meet any future emission requirements, this could include the provision of zero emission deliveries to MPS sites, in line with the ambitions of the GLA Responsible Procurement Implementation Plan.

### **Background/supporting papers**

26. There are no supporting papers included in part 1

Report author: Keeley Richfield (FM integrator) – MPS Procurement Team

### **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 Laundry and Cell Blanket Services Purchase Order (PO) Uplift paper is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure,:

- Commercial Interest Section 43

The paper will cease to be exempt in April 2025