

## REQUEST FOR DMPC DECISION – DMPCD 2015 - 48

**Title: Facilities Management Supply Chain Contracts**

### Executive Summary:

This paper requests approval in relation to the MPS facilities management function to award 6 single supplier framework agreements and 6 call off contracts from these frameworks. The frameworks are available to MOPAC/MPS and all GLA member bodies. The value of the frameworks over a 4 year period is estimated at £13.9m. Each of the call off contracts for MOPAC/MPS only are for a period of 3 years with an option to extend by up to one year. The value for MOPAC/MPS is £4.3m. MPS has provided assurance that savings will derive from the award of these frameworks/contracts.

### Recommendation

The DMPC is asked to approve the:


1. Award of 6 single supplier framework agreements to the suppliers listed at paragraph 2.2
2. Award of 6 MOPAC/MPS call off contracts as set out in paragraph 2.2

### 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 for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

**Signature**



**Date**

16/4/2015

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

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

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

- 1.1 DMPC approved the award of the Property Services Facilities Management Integrator contract to KBR in September 2013 (DMPCD 2013 133).
- 1.2 Between February and August 2014 KBR have managed a series of OJEU procurement procedures. Each of these proposed frameworks is compliantly accessible for MOPAC and all GLA member bodies. The MPS are now seeking approval to award 6 framework agreements and 6 call-off contracts from the framework agreements as detailed below.

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

- 2.1 There was limited interest in each of the tenders resulting in 2 contracts being a single tender process and 4 contracts awarded to the incumbent suppliers. This resulted in the proposed awards being called-in by MOPAC for further scrutiny.
- 2.2 Following this scrutiny, the assurance that savings would derive from the award of the frameworks/contracts, and confirmation that value for money had been achieved, set out below is the proposed award of frameworks and the MOPAC/MPS call off values.

##### Framework and Call Off Contract Values

|                         | <b>Framework Agreement Name</b>    | <b>Recommended Supplier</b>         | <b>Framework Value<br/>£m</b> | <b>Four Year Call Off Contract Value (3+1)<br/>£</b> |
|-------------------------|------------------------------------|-------------------------------------|-------------------------------|--|
| 1                       | Mail Screening                     | Swiss Post Solutions Ltd            | £3.2m                         | £800,000   |
| 2                       | Firing Ranges and Firing Equipment | Maintenance Associated Services Ltd | £2.8m                         | £874,000   |
| 3                       | Fuel Metering & Fuel Pumps         | Adler and Allan Ltd                 | £2.1m                         | £710,000   |
| 4                       | Portable Accommodation and Toilets | Newship Ltd T/A Qdos Event Hire     | £2.64m                        | £800,000   |
| 5                       | Traffic Barriers                   | FM Conway Ltd                       | £1.6m                         | £600,000   |
| 6                       | Gym Equipment                      | Sportsafe UK                        | £1.6m                         | £525,000   |
| <b>Totals per annum</b> |                                    |                                     | <b>£13.9m</b>                 | <b>£4,309,000</b>                                    |

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

- 3.1 The cost of the proposed call off contracts will be funded from within existing budgets.

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

- 4.1 The recommendation can be lawfully approved in accordance with MOPAC Contract Regulations and EU/UK Procurement law.
- 4.2 In accordance with the MOPAC Scheme of Delegation and Consent (4.8), the DMPC must approve all requests to go out to tender for contracts that exceed £500,000.

## **5. Equality Comments**

- 5.1 Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract.
- 5.2 Suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.

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

- 6.1 MPS Briefing Papers

**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.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – No

If yes, for what reason:

**ORIGINATING OFFICER DECLARATION:**

|   | <i>Tick to confirm statement (✓)</i> |
|---|--------------------------------------|
| <b>Head of Unit:</b><br>Camilla Black has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities. | ✓                                    |
| <b>Legal Advice:</b><br>The MPS legal team has been consulted on the proposal.  | ✓                                    |
| <b>Financial Advice:</b><br>The Head of Strategic Finance and Resource Management has been consulted on this proposal.                              | ✓                                    |
| <b>Equalities Advice:</b><br>Equality and diversity issues are covered in the body of the report.   | ✓                                    |

**OFFICER APPROVAL****Chief Operating 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 16/04/2015

# MAYOR OF LONDON

## OFFICE FOR POLICING AND CRIME

### PROPERTY SERVICES FACILITIES MANAGEMENT (FM) INTEGRATOR SUPPLY CHAIN CONTRACTS

#### Report by Director of Property Services on behalf of the Commissioner

##### EXECUTIVE SUMMARY

In March 2013, MOPAC approved the award of a collaborative Framework Agreement and call off Contract to Kellogg, Brown & Root (KBR) Limited to deliver Facilities Management (FM) Integrator Services.

KBR have since managed a series of OJEU procurement procedures to appoint a Supply Chain. Between February and August 2014, framework agreements and call off contracts were awarded for Waste Services, Soft Services, Building Engineering Services, Building Fabric Maintenance, Special Event Services, Furniture Services, Crime Scene Cleaning and Crowd Control Barriers.

This covering report summarises, and the appendices fully detail, a further tranche of procurement led by KBR to be managed as part of their Supply Chain and seeks authority to award a suite of framework agreements to provide FM and various Operational Support Group (OSG) Services for a maximum period of four years.

The framework values are to a value of:

- Mail Screening (£3.2m)
- Firing Ranges and Firing Equipment (£2.8m)
- Fuel Metering and Pumps (£2.1m)
- Portable Accommodation and Toilets (£2.64m)
- Traffic Barriers (£1.6m)
- Gym Equipment (£1.6m)

Each of the above framework agreements are compliantly accessible to MOPAC and all GLA members.

This report also seeks authority for the MOPAC/MPS to call off from each of the above framework agreements for a period of three years with an option to extend by up to one year. The total value of all MOPAC/MPS call off contracts, for a maximum duration of four years, is £4,309,000 (including an optional one year extension period), based upon the MOPAC/MPS's requirements and portfolio from 30 April 2015. Total savings equate to an estimated £23k per annum, based on current requirements and portfolio.

All contracts will be directly contracted to the MOPAC with KBR undertaking day to day management of the second tier supplier chain.

**A. RECOMMENDATIONS - That the DMPC**

1. Approves the award of six single Framework Agreements to the suppliers listed below for the delivery of FM and Operational Support Group Events Services to a value of £14m. All Frameworks Agreements are compliantly accessible to all Greater London Authority (GLA) members as listed in the body of this report and appendices.
2. Approves the award of six MOPAC/MPS call off contracts from the FM Framework Agreements at a total value of £4,309,000 over four years (including optional extension periods of up to one year), based on the MOPAC/MPS's current requirements and portfolio. The contract figures below include an allowance for reactive services based on historical data and represent contract value limits for procurement purposes.

|                         | Framework Agreement Name           | Recommended Supplier                | Appendix No. | Four Year Contract Value (3+1)*<br>£ | Approximate annual saving |
|-------------------------|------------------------------------|-------------------------------------|--------------|--------------------------------------|---------------------------|
| 1                       | Mail Screening                     | Swiss Post Solutions Ltd            | 1            | £800,000                             | (£17,018)                 |
| 2                       | Firing Ranges and Firing Equipment | Maintenance Associated Services Ltd | 2            | £874,000                             | £14,757                   |
| 3                       | Fuel Metering & Fuel Pumps         | Adler and Allan Ltd                 | 3            | £710,000                             | £2,388                    |
| 4                       | Portable Accommodation and Toilets | Newship Ltd T/A Qdos Event Hire     | 4            | £800,000                             | £22,523                   |
| 5                       | Traffic Barriers                   | FM Conway Ltd                       | 5            | £600,000                             | £0                        |
| 6                       | Gym Equipment                      | Sportsafe UK                        | 6            | £525,000                             | £571                      |
| <b>Totals per annum</b> |                                    |                                     |              | <b>£4,309,000</b>                    | <b>£23,221</b>            |

\* These figures include transition costs, fixed planned services and an allowance for reactive spend across the MPS

4. Note that under the MOPAC Scheme of Delegation, MOPAC delegate authority to approve the award of the framework to the Director of Strategic Procurement (unless MOPAC elect to call in the recommendation to award contract), prior to submission to the Chief Executive to execute the agreement under the Common Seal of MOPAC.

**B. SUPPORTING INFORMATION**

1. Note that some of these contracts are specialist in their operational nature with a limited supply base in the market. Notwithstanding that, savings have been achieved and approximately £100,000 will be realised across the six contracts in the next four years.
2. As part of their annual review, KBR are refreshing their sourcing strategy for the delivery of services under the integrator model. Over the next 6-18 months, it is expected that the overall supply chain

## **Appendix 1**

will be reviewed to ensure performance levels are consistency being met and continued benefits are being delivered. Where performance levels are not being met and/or service and financial benefits are not being delivered, options may be put forward to alter the overall packaging and procurement of services.

