

REQUEST FOR DMPC DECISION – PCD 156

Title: The Supply of Flags and Flagpole Maintenance

Executive Summary:

This paper seeks approval to award a contract to Specialised Canvas Services Ltd for the supply of flag and flagpole maintenance services. The maximum contract value will be £785,852 over the five year contract. The MPS is not required to spend up to the maximum contract value and the costs incurred will be determined by the actual use. The contract is for a period of three years plus two one year optional extension periods.

Recommendation:

The DMPC is asked to

1. Approve the contract award to Specialist Canvas Services Ltd to provide the supply of flag and flagpole maintenance services for a maximum contract value of £785,852. The contract is for a period of three years plus two one year optional extension periods. The contract is due to commence on the 30th April 2017.

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

Sophie Linden

Date

14/3/17

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

Decision required – supporting report

1. Introduction and background

- 1.1 The MPS approved the award of a collaborative framework and call-off contract with Kellogg, Brown and Root Ltd (KBR), in March 2013. KBR delivers the Facilities Management (FM) Integrator Services as part of the Integrated Model for FM services for both MOPAC and the MPS.
- 1.2 As part of the FM Services – Integrator Sourcing Strategy – 2017/18, KBR reviewed the performance of each of the current contracts to establish which should be considered for extension for a further year and which should be retendered.
- 1.3 The MPS has endeavoured to ensure collaborative working with the GLA and other Functional Bodies and extensive consultation has taken place. LFEPA has awarded a contract through the MPS FM Integrator Framework Agreement in 2015. Transport for London has chosen to pursue a separate FM procurement strategy.

2. Issues for consideration

- 2.1. Due to the confidential nature of the proposal the detail is held in Part 2

3. Financial Comments

- 3.1. The funding of £785,852 is contained within the Property Services budget. This is the maximum over 5 year; and savings are expected.
- 3.2. The MPS's Integrator has identified savings of 9.40% on the current contract based on a three year contract term. Specialist Canvas Services Ltd, has suggested an uplift for a longer contract term, and as such this did not demonstrate value for money. The Integrator has therefore recommended a term of three years plus two one year optional extension periods.
- 3.3. Further details are discussed in the Part 2.

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 Consent and Delegation approval is required by the Deputy Mayor for Policing and Crime for all MPS requests to go out to tender for contracts of £500,000 or above, and to approve contract exemptions (such as direct awards).

5. Equality Comments

- 5.1. The sourcing strategy builds on, and brings opportunity to attract local and SME providers into the MPS's supply chain. All contracts will meet the requirements of the Equalities Act 2010.

6. Background/supporting papers

- 6.1. None.

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

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:

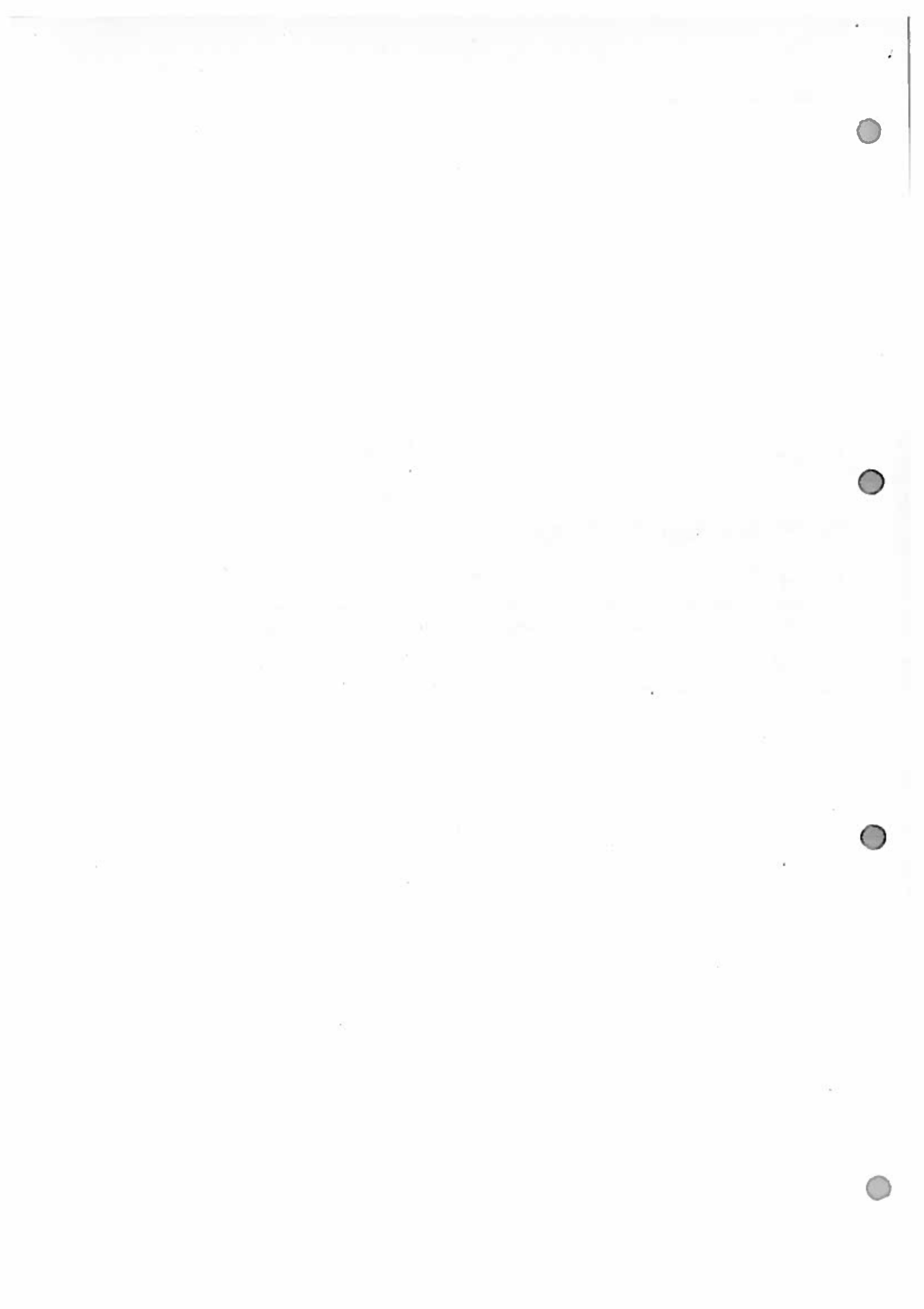
Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: No Equalities 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 *14/3/17*



**Facilities Management Services – Property Services FM Integrator Supply Chain
Contracts - Tranche 1**

Investment Advisory Board

Report by KBR on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

MOPAC approved the "Facilities Management Services - Integrator Sourcing Strategy - 2017/18" on the 21st January 2016.

The Integrator has since re-tendered The Supply of Flag and Flagpole Maintenance Services using the restricted OJEU process under the Public Contract Regulations 2015 (PCR 2015).

This report details the results of this tender and seeks the approval from MPS Procurement Board and MOPAC for the award of a MOPAC contract for a period of three years with two one year optional extension periods; at a total contract value of £785,852 which includes contract cover.

The intended date for award of the contract is the 8th March 2017, with FM Services commencing on the 30th April 2017.

A. RECOMMENDATIONS - That

1. **The award of a three year contract with two one year optional extension periods for The Supply of Flag and Flagpole Maintenance Services for a maximum value of £785,852. The revenue funding to support these contracts is held within the existing Property Services revenue budget.**

B. SUPPORTING INFORMATION

Background

1. 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 in support of the MOPAC/MPS Integrated Model for Facilities Management (FM). The Integrator manages the procurement on behalf of the Authority.
2. Between February 2014 and August 2015, MOPAC approved the award of 30 second tier call off contracts for a wide range of Facilities Management (FM) and Operational Support Group (OSG) services procured by the Integrator on behalf of MOPAC.
3. On the 21 January 2016, MOPAC approved the "Facilities Management Services - Integrator Sourcing Strategy - 2017/18". In developing this sourcing strategy, the Integrator worked with Property Services and Commercial Services to review the performance of each of the

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current contracts to establish which could be considered for extension for one further year and which should be re-tendered.

4. The Integrator initiated procurement action on behalf of MOPAC in readiness of those second tier supply chain contracts, which will expire in 2017 and 2018. The Integrator has since commenced a series of restricted OJEU tenders.
5. This service was advertised in OJEU as a contract rather than a Framework Agreement as no other Authorities expressed an interest in utilising the services. This approach is consistent with the original FM strategy that focused on collaboration across the Greater London Authority (GLA). Since implementation of the FM Integrator Model, extensive consultation has taken place across the GLA resulting in LFEPA awarding a contract from the MOPAC FM Integrator Framework Agreement in 2015. Transport for London opted to pursue a separate FM procurement strategy.
6. This paper recommends the award of a MOPAC contract with services commencing 30 April 2017.

Procurement

7. In June 2015, the Integrator in collaboration with the Property Services Department undertook an objective review of the performance of the current FM supply chain. Objective qualitative and quantitative criteria were used to score the commercial and performance of each FM tier two suppliers (further details can be found in the sourcing strategy paper 21 January 2016).

Market engagement

8. The Integrator issued the Prior Information Notice (PIN - 9YVD0EJHF78) on 1st September 2015 and issued the OJEU notices on the 20th June 2016 for the Supply of Flag and Flagpole Maintenance Services.

Sourcing Strategy

9. The sourcing strategy was approved by MOPAC on 21 January 2016. The strategy identified the potential that a longer contract period may provide better value for money. Tenderers were asked to submit prices for a three and a five year base contract, with two one year optional extension periods, totalling five and seven years respectively.

Tender evaluation criteria

10. A total of three bidders returned compliant ITTs for The Supply of Flag and Flagpole Maintenance Services and these were evaluated as below:

Table 1 - ITT evaluation criteria

Criteria	Title	Weighting
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A	Technical Information	40%
B	Commercial Information	10%
C	Pricing Information	50%

11. One bidder provided a late tender response without sufficient mitigation; therefore the response was not evaluated.

Technical

12. Bidders were asked to provide a technical response containing a statement of compliance with the schedule of requirements, an outline description of their solution in meeting the requirements set out in the specification, a method statement and detailed resourcing information.
13. Bids were required to include their approach to meeting MPS Information Security Requirements, performance management, gain share proposals, mobilisation, service development, exit planning and Corporate Social Responsibility.

Commercial

14. The first was a series of commercial questions that the suppliers were to respond to, specifically to demonstrate their ability to drive continuous improvement across their own business and their supply chain.

Pricing

15. The Financial Model evaluated bids calculated against planned (regular, repeatable) works, reactive works and one off mobilisation cost. Estimated volumes were used in preparation of reactive services, with a clear statement that no volume commitments were offered and that these volumes were to be used for evaluation purposes only.
16. The ITT evaluation model was formulated using a standard methodology that uses the lowest price to benchmark the other bids.
17. The Integrator's procurement team was not permitted to take part in the technical evaluations.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. The sourcing strategy builds on, and brings opportunity to attract Local and SME providers into the Authority's supply chain. All contracts will meet the requirements of the Equalities Act 2010.

Financial Implications / Value for Money

2. With the continued pressure to achieve best value for money from the supply chain, those contracts recommended for approval fulfil this requirement.
3. The Integrator has analysed the current contract rates and the rates from the successful bidders using a like-for-like comparison of the planned and reactive fee elements; and taking into account any expected economic adjustments, have been able to demonstrate value for money under the contracts proposed for award. Based on this exercise, the Integrator has been able to demonstrate a 9.4% saving for the total of the first three contract years and excludes optional extension years. As the supplier proposed an uplift for a longer contract term, value for money could not be demonstrated; therefore the recommendation is to award a three year contract with two one year optional extension periods.
4. The revenue funding to support these contracts are held within the existing Property Services revenue budget.

Legal Implications

5. The Integrator does not believe that the MPS Department of Legal Services needs to be consulted in the award of this contract due the lack of contention from a legal standing.

Consultation undertaken

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Design Authority	Supportive
Your Finance Business Partner	Supportive
Strategic Secretariat	Supportive
Portfolio Transformation Office for Benefits	Supportive
Strategic Diversity & Inclusion	Supportive
Business Change	Supportive
Property Services / Environmental Management	Supportive
Director of Strategic Procurement	Supportive
Director of Commercial and Finance	Supportive

Risk (including Health and Safety) Implications

Risk	Mitigation
Preferred bidders withdraw prior to formal appointment	The second place bidder is technically and commercially capable. The tenders are valid for a period of six months, and the option to extend for one further year under the incumbent contracts requires three months' notice prior to contract expiry.
Supply chain not implemented by existing contract end 30 th April 2017	Potential risk recognised by the Service Delivery team. Every effort will be made to ensure efficient mobilisation of services.
Risk of challenge	Compliant OJEU process included rigorous evaluation followed by

Not Protectively Marked

	moderation. Therefore, the risk of challenge is unlikely. Evidence of scoring and moderation is documented and readily available to provide reasoning for the chosen supplier being selected.
Overspend due to increased volume of works	A 25% contingency has been added to the contract value to account for increased volume of work. Spend and usage volumes will be monitored and reported by the Integrator as part of their service.
Security Clearances	Both the recommended bidder and second place both currently provide FM Services to the MPS and therefore already possess security clearance.

Real Estate and Environmental Implications

6. There are no additional environmental risks arising from this most recent tender. The ITT submissions included the evaluation of the associated method statements and have been reviewed by the relevant subject matter experts and deemed compliant.
7. The Integrator has worked closely with the Authority's Environment and Sustainability Team to ensure that a supply chain is procured which has an environmental capability relating to service delivery aligned to Authority's sustainability programmes.
8. The Integrator and the Authority have developed a set of contractual provisions for suppliers working with the Authority, including a set of robust requirements relating to sustainability embedded in the contracts. In addition, the Integrator has developed a Contract Health, Safety and Environment plan which sets out how the Integrator contract will be delivered in a way which meets the Authority's sustainability standards and environmental compliance, and where applicable, industry best practice.

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Background papers:

