

## DMPC Decision – PCD 1013

**Title: Property Services Next Generation Integrator Final Business Case**

### Executive Summary:

This paper seeks approval for the award of a four year framework for the services of a property services integrator at a value of £400m, and for the award of a call-off contract for the Metropolitan Police Service (MPS) to a maximum of £70m over a ten year period. The integrator model will provide for the contract management of a selection of property functions – now including Real Estate Development and Asset Management Areas (Construction, Estates & Carbon Management supply chains) - as well as the previous Facilities Management services – and a number of optional services. The framework has been created to enable GLA and its functional bodies and other police forces to access these services.

### Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

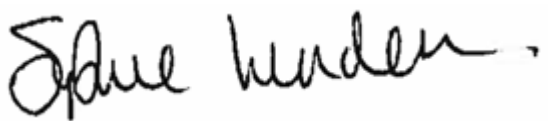
1. Approve the award of a Framework for a Property Services Integrator to the value of £400m over 4 years, in line with the OBC approved in July 2020; and
2. Approve the award of a call-off from the Property Services Integrator Framework to a maximum value of £70m over 10 years, in line with the OBC approved in July 2020 (including mobilisation costs of £3,400,000). The Initial contract term will be for 7 years. Any further contract extensions will require additional approval from 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

2/8/2021

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

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

- 1.1. The existing integrator contract expires on 30 April 2022. In line with the approved Outline Business Case (OBC) PCD760 a re-procurement has taken place and this paper seeks approval for the award of a replacement framework and call- off contract.

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

- 2.1. The Property Services Directorate (PSD) provide services that support all MPS staff and officers to add operational value, do their jobs more efficiently and deliver MPS objectives. The real estate assets owned by MOPAC and managed by PSD currently extend to (circa) 160 operational properties which provide the facilities required to support operational policing in the 32 London Boroughs.
- 2.2. The integrator model proposed under this iteration has been developed to incorporate a wider selection of property functions – now including Real Estate Development and Asset Management Areas (Construction, Estates & Carbon Management supply chains) - as well as the previous Facilities Management services – and a number of optional services.
- 2.3. TUPE Regulations 2006 – will apply to this procurement through reverse TUPE from 3rd party suppliers to the MPS for the audit, compliance and procurement functions being brought back in-house and TUPE between 3rd party suppliers.

### **3. Financial Comments**

- 3.1. The estimated value of the framework is £400m to allow for a range of other GLA bodies, other police forces and central government departments to access the services. The value of the MPS call-off contract over a maximum of 10 years is £70m. The call-off contract value will be met from within existing MPS resources.
- 3.2. The one-off and mobilisation costs (£4.1m) are proposed to be met from existing budget provision (£1m) of the use of a transfer from ear-marked reserves.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £181,302 or above will be procured in accordance with the Regulations. The MPS assure that the route to market is compliant with the Public Contract Regulations.
- 4.2. Paragraph 4.8 the Scheme provides that the DMPC has the approval to authorise transfers to and from reserves.

- 4.3. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.
- 4.4. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure.

## **5. Commercial Issues**

- 5.1. The services to be provided by the integrator include contract, performance and relationship management and contract administration of the supply chain; An intelligent contact centre/help desk; Computer-aided facility management (CAFM) and Building Management Systems (BMS) services; Business continuity and disaster recovery services; Best value and benchmarking services; Management information and reporting services. The audit/compliance and procurement functions have been brought back in-house
- 5.2. The procurement used the Competitive Procedure with Negotiation in accordance with the Public Contract Regulations 2015 resulting in the proposed award of a single supplier Framework and Call-off contract facility. Responsible Procurement requirements were incorporated in the procurement.
- 5.3. The £400m framework value is to allow for other organisations as well as MPS to access the framework – other bodies include the GLA and its functional bodies, the Offices of the Police and Crime Commissioners (OPCCs) and central government departments

## **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 has assured that the programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## **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 has assured that real consideration has been taken to assess equality impact caused by the proposed business change, including effective engagement and analysing relevant equality information. As a result no negative impact has been

identified to any individual and/or group safeguarded by a protected characteristic and those who are not.

**8. Background/supporting papers**

- Appendix 1 MPS Paper - PSD Next Gen Final Business Case

**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 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 27/07/2021**



## PSD Next Gen Final Business Case

### MOPAC Investment Advisory & Monitoring meeting 9<sup>th</sup> July 2021

#### Report by Vince Fihosy 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**

A decision is needed from for the approval to award the new Property Services Integrator Framework and Call-off contract, to ensure sufficient time for mobilisation and transition of the services prior to the expiry of the current Integrator contract in April 2022. The OBC for the new Property Services Integrator Framework and Call-off contract was approved in July 2020.

The Framework expands the scope of services available from the Integrator and the Call-off will bring back in-house assurance, compliance, procurement and audit functions. The 4-year value of the framework to be procured for MOPAC, the wider GLA family, other police forces and contracting authorities is estimated to be up to £400m and the MOPAC call-off contract is estimated to be circa £70m over a ten-year period.

The PSD Property Services Integrator will improve value for money and help to build and capitalise on the benefits delivered by the Estate Strategy, it fits and complements the MPS's strategic direction and will serve to further improve the current Integrator model that has operated successfully since 2014.

#### **Recommendations**

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

1. **Approve the award of a Framework for a Property Services Integrator to the value of £400m over 4 years, in line with the OBC approved in July 2020; and**
2. **Approve the award of a call-off from the Property Services Integrator Framework to a maximum value of £70m over 10 years, in line with the OBC approved in July 2020 (including mobilisation costs of £3.4m). The Initial contract term will be for 7 years. Any further contract extensions will require additional approval from MOPAC.**

#### **Time sensitivity**

A decision is required from the Deputy Mayor by 26<sup>th</sup> July 2021. This is because the existing Integrator contract expires in April 2022 and the mobilisation and transition to the new Property Services Integrator will require nine months. If the new Property Services Integrator services do not commence in April 2022, the FBC benefits will be deferred and an extension will be required for the current Integrator contract that may incur additional costs.

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

### **Introduction and background**

1. The MPS Property Services Directorate (PSD) provide services that support all MPS staff and officers to add operational value, do their jobs more efficiently and deliver MPS objectives. This is supported by an extensive supply chain to deliver works and services overseen by a PSD Intelligent Client Function.
2. Between 2012 and 2014, the PSD developed and implemented a revised operating model for the delivery of Facilities Management Services that moved away from two Total Facilities Management contracts with a separate Helpdesk and Information Centre (MPIC), to the current Integrator model. The current model comprises a lean Intelligent Client Function with works and services provided through strategic providers of FM integration, Estates Professional Services and Projects Consultants and a Supply Chain for Hard and Soft FM services. The Supply Chain for Hard and Soft FM services is managed by the FM Integrator.
3. In June 2019, after MOPAC approval of the Strategic Outline Case, PSD commenced a strategic analysis to evaluate the complete operating model across facilities management, construction, estate management, utilities, health and safety functions including the retained Intelligent Client Function, the Integrator and the wider PSD Supply Chain.
4. In July 2020 the Outline Business Case (OBC) presented the output of the strategic analysis with the recommended option to build on the success of the current Integrator model by widening the scope of the Integrator services beyond FM Supply Chain integration to include the Real Estate Development and Asset Management Areas. The approved OBC was for the procurement of a Property Services Integrator framework and call-off contract with a single supplier using the Competitive Procedure with Negotiation.
5. The Property Services Integrator will deliver property related services to meet business needs of PSD and help to build and capitalise on the benefits delivered by the Estate Strategy. The Property Services Integrator will integrate the Supply Chain for all PSD requirements in comparison with the current FM Integrator model whereby the Integrator integrates the FM Supply Chain only. In addition, the PSD Intelligent Client Function will be enhanced through the procurement of the Supply Chain, Audit and Compliance being brought in-house in alignment with Mayoral objectives for greater 'in-sourcing' of out-sourced services.

### **Case for change**

6. The case for implementation of the Property Services Integrator is the need for service improvements to meet operational needs and to respond flexibly, effectively and efficiently to the changing nature of the MPS estate as the Estate Strategy is delivered.
7. The implementation of the Property Services Integrator will be a key enabler for improving the quality, timeliness and value for money of services delivered by an enhanced ICF, the Property Services Integrator and the Supply Chain and will therefore be a significant contributor to the delivery of the Estate Strategy and addresses the need for the development and implementation of processes and procedures and the management of the necessary supply chain in order to:
  - operate a resilient, safe, statutorily compliant MPS Estate;
  - deliver a flexible, efficient, responsive and cost-effective service;

- meet operational needs;
- deliver value for money; and
- provide the data and information to support informed decision making in the delivery of the Property Services Integrator Services, the Supply Chain Services and the Estate Strategy.

#### Issues for consideration

8. TUPE Regulations 2006 – will apply to this procurement through Reverse TUPE from 3<sup>rd</sup> party suppliers to the Met and TUPE between 3<sup>rd</sup> party suppliers. The estimated costings are the maximum Framework level costings and include inflation. Programme costs have remained within the agreed budget.

#### Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>

9. The PSD provide services that support all MPS staff and officers to add operational value, do their jobs more efficiently and deliver MPS objectives. The real estate assets owned by MOPAC and managed by PSD currently extend to (circa) 160 operational properties which provide the facilities required to support operational policing in the 32 London Boroughs.

#### Financial, Commercial and Procurement Comments

10. The recommendation for the award of a single supplier Framework and Call-off Contract for a Property Services Integrator following a procurement using the Competitive Procedure with Negotiation in accordance with the Public Contract Regulations 2015. The Framework will be open to the wider GLA family, other police forces and other relevant contracting authorities with an estimated value of up to £400m over 4 years. Responsible Procurement requirements were incorporated in the procurement.
11. The Framework Agreement and the template Call-off Contracts (using the Cabinet Office Model Services Contract as a basis) were drafted by external legal support (TLT LLP). TLT also advised throughout the evaluation of bids and the Negotiation Phase of the procurement.
12. Subsequent to the award of the Framework Agreement a Call-off Contract for MOPAC will be negotiated with the successful provider to the value of £70m over 10 years, in line with the OBC approved in July 2020. The Initial contract term will be for 7 years. Any further contract extensions will require additional MOPAC approval.
13. Additional services (optional) have been included as part of the negotiation of the Framework as follows:
  - Strategic Property Services – Strategic support to Property Services supporting the Estate Strategy and future operating solutions/models;
  - IT Solution – Enhanced customer experience, BIM to meet future legislative requirements, Computer Aided Drawing Software, Graphic Information System, Corporate Room Bookings and Space utilisation. A secure cloud-based Common Data Environment for all property related asset and management information including Building Information Modelling in support of the Met's aspiration to become a *Digitally Driven Organisation*;
  - Financial management – additional transactional and reporting services across PSD (including Real Estate Development, Utilities and Estate Management; and
  - Enhanced BMS Solution – Supporting Net Zero future initiative and enhanced provisions/requirements

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)



14. Further information is contained in the restricted section of the report.

### **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 awards of public contracts for goods and/or services valued at £189,330 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
16. External legal providers, TLT LLP supported on the procurement process and document drafting with oversight from DLS. This report confirms the process was compliant with the Regulations.
16. Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

### **Equality Comments**

20. 'Due regard' has been taken to the Equality Act's Public Sector Equality Duty under Sec 149 of the Equality Act 2010. 'Real Consideration' has been taken to assess equality impact caused by the proposed business change, including effective engagement and analysing relevant equality information. As a result no negative impact has been identified to any individual and/or group safeguarded by a protected characteristic and those who are not.
21. During the progression of this programme further reviews will be conducted and, if necessary, process monitoring completed. If, as a result of the progression of this programme, Equality impact is identified, a full Equality Impact Assessment will be initiated via the completion of a Form 6119A.

### **Privacy Comments**

22. 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.
23. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
24. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
25. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

### **Real Estate Implications**

26. This information is contained in the restricted section of the report.

### **Environmental Implications**

27. The Programme will seek to reduce the level of energy use and associated carbon dioxide emissions and the level of water consumption in line with Mayoral and Government Targets.

### **Background/supporting papers**

28. The Final Business Case is included in Part 2.

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### **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 PSD Next Gen Outline Business Case 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 section under the FOIA that would exempt this information from disclosure is Commercial Interest Section 43.

The paper will cease to be exempt at the completion of the contract.