

## DMPC Decision – PCD 640

Title: Fleet Supply and Replacement Planning 2021 to 2025

## Executive Summary:

This paper is to secure funding as part of the long-term investment strategy and approval for the initiation of procurement action for the supply of replacement vehicles across the MPS fleet from 2021 to 2025.

## Recommendation:

The Deputy Mayor for Policing and Crime is recommended:

1. To approve the capital investment of £97m to replace 3,358 vehicles up to March 2025, funded from existing approved capital programme. This will be subject to the normal business and strategic finance review cycle.
2. To approve the overarching long-term approach to meet MPS air quality commitments up to 2025, subject to a more detailed paper being brought forward on charging infrastructure.
3. To approve the option to apply contract extension variations of up to 50% on 10 existing fleet contracts; and
4. To approve the initiation of procurement action for the proposed tenders to support the renewal of the MPS fleet up to March 2025, subject to robust assessment of appropriate tender route.

## 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

26/11/2019

## PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR

### 1. Introduction and background

- 1.1 The supply and renewal of the fleet plays an integral part in supporting all aspects of policing and enables the Metropolitan Police Services (MPS) to meet its strategic targets and ensures it remains a mobile organisation capable of responding reactively and proactively to crime and policing matters and protecting those living and working in London.
- 1.2 The MPS has set out objectives in its strategy document, the **Mets Direction: Our Strategy 2018-25**, contained in this document is the asset management objective based on the ISO 55001/ ISO 55002 asset management standard and the Fleet Services aspire to work towards accreditation to support the following key objectives:
  - a) Deliver a fit-for-purpose, available and flexible fleet for all officers and staff
  - b) Manage the fleet effectively and efficiently using data-driven decision-making; and
  - c) Support users and staff working on the fleet through any operational/strategic changes.
- 1.3 As part of the Greater London Authority (GLA), the MPS has a number of strategic air quality targets to meet by October 2023 and further to 2025. The timely replacement of the MPS fleet is key in meeting these and other objectives in relation to:
  - a) Fleet safety
  - b) Quality and availability of assets and equipment
  - c) Value for money, and
  - d) Technology and innovation.
- 1.4 With the recent HM Government announcement to increase officer and support staff numbers within the MPS, it is considered that the fleet will need to increase substantially over the next three years.

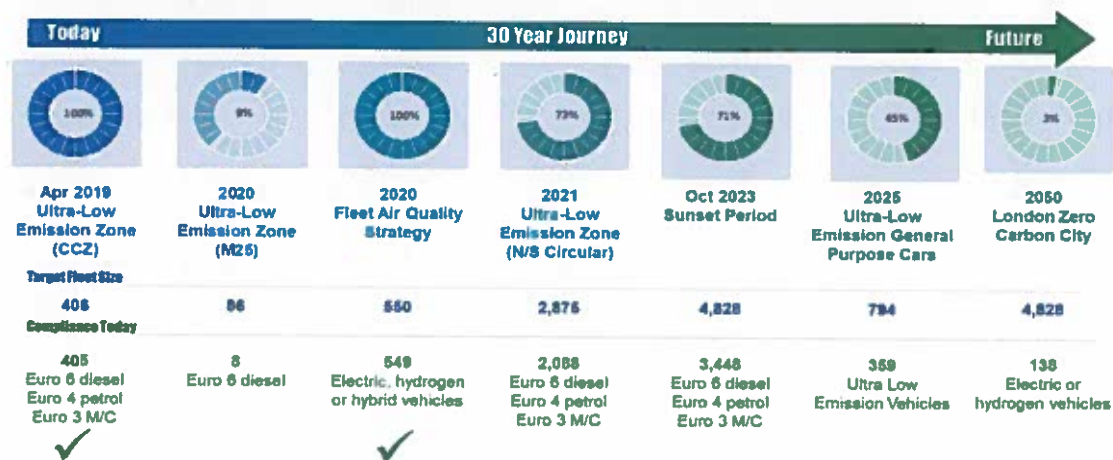
### 2. Issues for Consideration

- 2.1 The funding for fleet replacements forms part of the long-term capital forecast and the latest budget estimates of £97m to replace 3,358 vehicles up to March 2025 is considered affordable. These estimates will be refreshed and included in the finance updates to the Capital Programme in November 2019.
- 2.2 The strategic asset management plan needs to be sufficiently agile to meet ever changing policing demands, such as recent proposed increases to officer and staff numbers, while also being robust enough to deliver an environmentally-friendly fleet ahead of central and local government targets.
- 2.3 The delivery and operation of the fleet are critical to the achievement of the **Met Direction: Our Strategy 2018-2025 objectives**.
- 2.4 Due to the extensive timescale to secure new purchase contracts and uncertainty regarding the operational roles for any fleet increases, up to 10 variation extensions will need to be increased by up to 50% within the next 12 months.
- 2.5 Ownership vs lease analysis is conducted periodically by MPS to ensure that the basis for their assumptions favouring ownership over leasing remain correct. Cost comparison analysis shows that when comparing

like for like vehicles for an average 5-year lifecycle results in owned vehicles being 25% cheaper than leasing.

- 2.6 The Ultra-Low Emission Zone ("ULEZ") came into force on 8th April 2019 and the MPS operates a compliant fleet within the zone with the exception of a number of protection vehicles which are covered by a Memorandum of Understanding ("MOU") between the Mayor's Office for Policing and Crime ("MOPAC") and Transport for London ("TfL"). This MOU also covers Emergency Response and Specialist Vehicles based outside the zone and the MPS has committed to replacing all non-compliant assets by October 2023.
- 2.7 The delivery of the strategic asset plan will ensure compliance with future air quality targets as it will look beyond 2025 to set out its 5-year strategy to work towards the Mayors intention to purchase zero emission vehicles from 2030. In preparation for this, Fleet Services has worked with the GLA to achieve compliance with the ULEZ and to set the following targets for the fleet for 2025:
- 2.8 All 800 general purpose cars being zero emission capable by 2025;
- All new car and van purchases being zero emission capable from 2025;
  - All heavy vehicles (greater than 3.5 tonnes) being fossil fuel-free from 2030; and All new car and
  - purchases to be zero emission from 2030.
- 2.9 As illustrated in Figure 1. Fleet Services' Air Quality Strategy is a phased approach to the introduction of compliance without comprising operational needs.

Figure 1 current progress towards a Zero Emission Fleet



- 2.10 The MPS Safety and Health Risk Management Team will work with other agencies including MOPAC to ensure all significant health and safety risks have been quantified, and that suitable and sufficient controls are in place aimed at mitigating the risk as follows:
- Compliance with health and safety at work statutory provisions, including codes of practice;
  - Investigate options for Safety Management Systems and new vehicle technologies such as Intelligent Speed Assistance and Automatic Emergency Braking;
  - Service delivery that may impact officer, staff or public safety; and
  - Working towards adoption of the Vision Zero for road danger in London.

- 2.11 The sustainability objectives of the MPS are detailed in the MPS Environment & Sustainability Strategy 2019-2021 and include reference to reducing impacts associated with air quality and climate change in order to meet statutory and GLA targets. The MPS Air Quality Strategy is aligned to these objectives and provides further detail in regard to environmental performance aspirations for fleet vehicle emissions and fuel use.
- 2.12 Buy using the fleet replacement cycle to meet the objectives of the MPS Air quality Strategy (including the transition to ultra-low emission vehicles (ULEV) and compliance with current and future ultra-low emission zones), the fleet supply and replacement plan will deliver continuous improvement in environmental performance and maintain the trajectory required to meet medium and longer term mayoral targets.

### 3. Financial Comments

- 3.1 The MPS vehicle fleet is funded from three main streams: a) public access and 24/7 policing - funded by MPS, b) Mobility – funded by Transport for London (TFL) and, c) specialist policing – funded by Counter Terrorism, Heathrow Airport and London City.
- 3.2 A number of economic and social factors have been analysed and a budget of £97m will be required to ensure that the fleet will be compliant with the long-term Air Quality targets.
- 3.3 £97m is the current approved capital programme for the next 5 years, which includes the purchase and conversion costs associated with the replacement fleet of 3,358 vehicles.
- 3.4 Within the MPS capital financial requirement is an annual contingency of £0.50m to cover unforeseen write-offs to the fleet.

### 4. Legal Comments

- 4.1 The report identifies various tender routes to market to be used, where appropriate, such as National collaboration, mini tender or direct award. **The CCS framework agreement for Vehicle Purchase for the Blue Light Sector RM6060 is identified as the preferred framework to enable these routes.** A compliantly procured framework agreement is a compliant route to market on the basis that the framework is still in force, MOPAC is identified as an eligible user of the framework.
- 4.2 The CCS framework provides the MPS with a comprehensive solution with access to the majority of vehicle manufactures that could meet the Met's assets replacement demands. MOPAC will comply with the purchasing procedures set out in the CCS framework.
- 4.3 MOPAC is the contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations), when awarding contracts for goods and services valued at £181,302 or above.
- 4.4 For requirements below £181,302 in value, MOPAC is required to comply with the general EC Treaty principles of transparency, non-discrimination, proportionality and equal treatment of suppliers as well as comply with MOPAC governance.
- 4.5 This report also identifies ten existing contracts which are proposed to be varied by increasing their respective original values by more than 50% in order to allow for unforeseen and significant additional demand (Regulation 72(1)(C) as detailed in paragraph 4.17.4 of the part 2 document).
- 4.6 Paragraph 7.23 of the MOPAC Scheme of Delegation and Consent also provides that the Director of Strategic Procurement has consent to award all contracts with the exception of those called in through the agreed call off procedure.

- 4.7 Paragraph 7.24 of the MOPAC Scheme of Delegation and Consent provides that the Director of Strategic Procurement has consent to approve all unforeseen variations and extensions except those with an original value of £500,000 or above that the Deputy Mayor for Policing and Crime is required to approve in line with the Scheme of consent.
- 4.8 Paragraph 4.13 of the Scheme provides that the DMPC has delegated authority to approve all unforeseen variations or 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.
- 4.9 Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go to tender for contracts of £500,000 or above.
- 4.10 Paragraph 4.14 provides that the DMPC reserves the right to call in all contract awards of £500,000 or above.

## **5. GDPR and Data Privacy**

- 5.1 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.
- 5.2 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.
- 5.3 The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 5.4 The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## **6. Equality Comments**

- 6.1 The equality and diversity impact have been considered with no issues identified or foreseen. All select service providers will be evaluated for acceptable equality and diversity statements, as well as their ability to comply with the Equality Act 2010.
- 6.2 Equality considerations have been taken to account, particularly concerning the vehicle manufacture's cabin space design, which includes seat and seat belt adjustments and steering column adjustments. These considerations are further enhanced through being able to request detailed purchase specifications.
- 6.3 Fleet Services acknowledges its responsibilities towards its staff and the members of London's diverse communities and will engage with, and value the contributions of communities and its partners and continue to nurture positive relationships of constructive support.

## **7. Background/supporting papers**

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

Originating Officer Declaration	Tick to confirm statement (✓)
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Legal Advice:</b> Legal information is contained within this report.	✓
<b>Equalities Advice:</b> Equality and diversity are contained within this report.	✓
<b>GDPR and Data Privacy</b> <ul style="list-style-type: none"><li>GDPR compliance issues are covered in the body of the report and the GDPR Data Protection Officer has been consulted on the GDPR issues within this report.</li><li>A DPIA is not required.</li></ul>	✓
<b>Head of Unit:</b> The CFO has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

**Interim 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

21/11/2019