

REQUEST FOR DMPC DECISION – PCD 317

Title: Contract Award for Disposal of Various Items of Property/Surplus Assets by Public Auction

Executive Summary:

The Metropolitan Police Service (MPS), has a requirement for the disposal of various items of property and surplus assets through sale at Public Auctions.

The MPS Corporate Real Estate programme involves the decommissioning of buildings resulting in various assets being surplus to requirements. These assets (excluding buildings and ICT containing MPS data) are to be split into lots and sold at auction.

The Criminal Exhibits Services (CES) team receive and store a wide variety of items that can be obtained as a direct result of criminal investigations including items seized under the Proceeds of Crime Act (POCA), property found in the street or surplus equipment and office machinery in need of disposal. These items are subsequently split into lots and sold at auction.

The proposed new contract will be for an initial term of 24 months with the option to extend for further periods up to a maximum of 24 months. This will generate a possible income in the region of £1,608,000 for lots 1-3 based on previous auctions. SC07 facilitate the sale of items seized under POCA (Lot 4) and the funds raised are set aside for the relevant court. The estimated POCA value is approximately £1,244,000, therefore giving a potential revenue of £2,852,000 for all lots.

Recommendation:

The DMPC is asked to approve:

1. Award of contract to Wilson Auctions Ltd and John Pye & Sons Ltd. for a call off contract for 2 years plus the option to extend up to a further 2 years. This is an income only contract and will generate a value of around £2,852,000 over four years for the MPS.

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

29/01/18

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

Decision required – supporting report

1. Introduction and background

- 1.1. The Metropolitan Police Service (MPS), has a requirement for the disposal of various items of property and surplus assets through sale at Public Auctions.
- 1.2. The contract will consist of four lots:
 - Lot 1 – Jewellery, fine art, antiques and memorabilia (excluding POCA)
 - Lot 2 – Property found in the street and MOPAC/MPS surplus assets
 - Lot 3 – Crime related property (excluding POCA)
 - Lot 4 – Crime related property and initial and on-going valuations (Proceeds of Crime Act)

2. Issues for consideration

- 2.1. The Criminal Exhibits Office at Mandela Way has to store an array of unclaimed property that has been found in the streets by members of the public and taken to local police stations. Items of property that are crime related and have not been traced back to the legal owner are also returned to Mandela Way for subsequent disposal.
- 2.2. With the current decommissioning of MPS buildings surplus assets are returned to property services for subsequent sale by auction

3. Financial Comments

- 3.1. The contracts will be for an initial 2 years plus the option to extend up to a further 2 years at an estimated revenue of up to £2,852,000 for the four year period.
- 3.2. All figures are estimates, as sales can fluctuate as they are dependent on the volumes of property found or seized over the year; as this is a framework contract there is no guarantee on volumes or revenue.

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 public contracts for goods and services valued at £164,176 or above must be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds the above threshold. This report confirms that the Regulations were followed for this contract award.
- 4.2. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime has delegated authority to approve all requests to go out to tender for contracts valued at £500,000 or above.
- 4.3. Assets seized or obtained are pursuant to Confiscation Orders issued by the Court under the Proceeds of Crime Act (POCA) 2002, Police and Criminal Evidence Act 1984.
- 4.4. Crime related property (excluding POCA) is usually sold under the authority of the Police (Property) Regulations 1997. Other legislation may apply to individual items which will be identified when necessary.

5. Equality Comments

- 5.1. This contract incorporates the sale of MPS surplus assets and memorabilia, in line with the MPS Asset Disposal Strategy and Guidance, published in 2016. The inclusion of these assets in the contract will ensure that the MPS is adopting a responsible approach to resource management and supporting the circular economy in London. Previously some of these items would have been disposed of in skips during building closures (and ultimately ending up in landfill). This new approach ensures best value is obtained for MPS useable assets but also reduces the amount of waste sent to landfill.
- 5.2. The contract includes the requirement for the suppliers to deliver their services in accordance with the MPS Environment Policy and the Mayor of London's Responsible Procurement Policy.

6. Background/supporting papers

- 6.1. Report

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.

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 rational for non-publication.

Is there a **part 2** form – No

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: There are no legal issues arising from this proposal	✓
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: There are no Equality and Diversity issues arising from this proposal.	✓

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

26/01/18



Business Justification - Award

Contract Award for Disposal of Various Items of Property/Surplus Assets by Public Auction, Investment Advisory Board, 24th January 2018

Freedom of Information Act Publication Scheme

Protective Marking	Part 1 – Not Protectively Marked Official - Public
Publication Scheme Y/N	N
Title	Disposal of Assets by Public Auction
Version	1.0
Summary	
(B)OCU or Unit, Directorate	LDSS
Author	Colin Griffin/Andy Walker/Louise Burden
Review Date	
Date issued	

1 Decisions Required

This Business Justification concerns the contract award for the Disposal of Various Items of Property/Surplus Assets by Public Auction.

The Board is requested to approve the following recommendations:

- That contracts are awarded to Wilson Auctions Ltd and John Pye & Sons Ltd. for a call off contract for 2 years plus the option to extend up to a further 2 years. This is an income only contract and will generate a value of around £2,852,000 over four years for the MPS.
- The contract will include the disposal of property found in the street or crime related property that has not been able to be returned to its lawful owner.
- The contract will be divided into four lots as this will ensure that the MPS will benefit from the most cost effective means of generating income to the MPS (see strategic and economic case below for further details).

The key issues the Board need to take account of are:

The Criminal Exhibits Office at Mandela Way has to store an array of unclaimed property that has been found in the streets by members of the public and taken to local police stations

Items of property that are crime related and have not been traced back to the legal owner are also returned to Mandela Way for subsequent disposal

With the current decommissioning of MPS buildings surplus assets are returned to property services for subsequent sale by auction

The MPS has an obligation under the Proceeds of Crime Act (POCA) to facilitate the sale of assets seized from suspects

TIME SENSITIVITY

A decision is required at January's IAB to allow sufficient time to implement the contract to ensure legal compliance and secure commercial discounts.

2 Strategic Case

The Metropolitan Police Service (MPS), has a requirement for the disposal of various items of property and surplus assets through sale at Public Auctions.

The MPS Corporate Real Estate programme involves the decommissioning of buildings resulting in various assets being surplus to requirements. These assets (excluding buildings and ICT containing MPS data) are to be split into lots and sold at auction

The Criminal Exhibits Services (CES) team receive and store a wide variety of items that can be obtained as a direct result of criminal investigations including items seized under the Proceeds of Crime Act (POCA), property found in the street or surplus equipment and office machinery in need of disposal. These items are subsequently split into lots and sold at auction

The proposed new contract will be for an initial term of 24 months with the option to extend for further periods up to a maximum of 24 months. This will generate a possible income in the region of £1,608,000 for lots 1-3 based on previous auctions. SCO7 facilitate the sale of items seized under POCA (Lot 4) and the funds raised are set aside for the relevant court. The estimated POCA value is approximately £1,244,000, therefore giving a potential revenue of £2,852,000 for all lots.

3 Economic Case

Splitting the contract between the 2 suppliers gives best value for money with the opportunity for the generation of more income over the 4 lots.

The inclusion of MPS owned assets and memorabilia generated from building decommissioning will generate funds for the MPS and avoid waste disposal costs.