

## REQUEST FOR DMPC DECISION – PCD 45

**Title: Initiate Procurements for Estate Management Services and Building Works**

### Executive Summary:

This paper is seeking approval to initiate procurement for frameworks for the supply of professional estate management services (rating, valuations, town planning, etc.) and minor and intermediate level building works upto a value of £5m. The estimated framework values are £11.3m for the 5 year estate management functions and between £150m-£250m for the 4 year building works arrangement.

### Recommendation:

That the DMPC approves the request to initiate procurement for

1. Three estate management functions – general estate management, valuations and auctions – at a combined value of £11.3m over 5 years
2. Minor and intermediate building works framework over a 4 year period at an estimated value of between £150m-£250m to be made available to other public bodies including the GLA and other police forces. The MPS estimated value of works is £153m.

### 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**

*Eydie Under*

**Date**

*18/08/2016*

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

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

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

- 1.1. MOPAC currently operate a series of call off contracts for the supply of professional estate management services including rating, valuations, auctions, town planning, disposal, acquisitions and landlord/tenant services. All elements expire in March 2017 with potential to extend except for the rating element which cannot be extended.
- 1.2. A existing framework is in place for the supply of minor and intermediate value building works. The framework is split between 'general building works' and 'mechanical and electrical'. The framework was extended for its 4<sup>th</sup> year and now expires in August 2017.

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

##### **Estate Management**

- 2.1. With the expiry of the rating element of the current arrangement the opportunity has been taken to restructure the framework across 3 lots - general estate management, valuations and auctions. This revised arrangement will support the new Property Services operating model.

##### **Minor and Intermediate Works**

- 2.2. This framework will allow for an increased value for contract call off, increasing from the current maximum of £2m to £5m. Learning from the existing arrangement the new framework will be structured to have 2 lots – based on values upto £500k and those between £500k and £5m – in order to increase competition, widen the range of bidders and to provide suppliers more suited to the specific projects.

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

- 3.1. The estate management framework is estimated to cost £11.3m over the 5 year term. These costs will be contained within the MPS existing resources.
- 3.2. The building works framework will not commit MOPAC to any expenditure. Any proposed expenditure will be subject to individual business cases and the appropriate governance process.

#### **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 (4.13), the DMPC must approve all requests to go out to tender for contracts that exceed £500,000.

#### **5. Equality Comments**

- 5.1. There are no equality or diversity implications arising from this procurement process.

## 6. Background/supporting papers

### 6.1. MPS Paper

**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:

**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>Head of Unit:</b> The SFRM team has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓

**OFFICER APPROVAL****(Acting) 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

12/08/2016

## **INVESTMENT ADVISORY BOARD**

### **Initiate procurement for Minor and Intermediate Works Contract**

#### **SUMMARY**

The Metropolitan Police Service (MPS) are managing a significant capital investment in the estate as part of the Estates Transformation Programme and in line with the developing Estates Strategy 2020. In support of the programme the MPS are seeking approval to initiate a tender process to put in place a new framework for minor and intermediate works, replacing an existing intermediate works framework which comes to an end in August 2017.

The proposed new framework will provide for a multi-supplier mechanism to undertake construction, refurbishment and remedial works up to a maximum individual call off value of £5,000,000 and will be made available to other public bodies such as the GLA and other police forces.

Once the contract is in place individual requests to call off from the framework will need to be made in accordance with MOPAC's governance arrangements including the scheme of delegation.

#### **A. RECOMMENDATIONS – That the Deputy Mayor for Policing and Crime:**

1. Approve the commencement of a restricted OJEU procurement process of a new multi supplier framework for the delivery of both minor and intermediate size construction works. The framework will be for a period of 3 years with the potential to extend for a further year.

#### **B. SUPPORTING INFORMATION**

1. The MPS are managing a significant capital investment in the estate as part of the Estates Transformation Programme and in line with the developing Estates Strategy 2020. The support of compliant procurement routes is essential to help deliver this programme.
2. Currently the majority of construction works required by the MPS are appointed using the Intermediate Works Framework. This Framework was approved by MOPAC following a compliant OJEU procurement exercise and awarded for an initial three-year term, expiring by the end of August 2016 with an option to extend by up to one year.
3. There is now a need to replace this framework to minimise risk to future planned and potential Estate Strategy projects and programmes of work and allow the time to plan and implement a new framework arrangement and ways of working.
4. The Minor & Intermediate Works Framework is intended to deliver works up to a £5M value including internal refurbishment and fit out, new construction, decoration, mechanical and electrical installation repair and replacements, repairs replacement and installation of internal and external fabric, demolition and asbestos removal. Further detail is provided in Part 2 Appendix A.

5. The framework will be for 3 years with the option to extend for a further year, and will be made available to other public bodies such as the GLA and other police forces.
6. Once the contract is in place individual requests to call off from the framework will need to be made in accordance with MOPAC's governance arrangements including the scheme of delegation.

## **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

### **Equality and Diversity Impact**

1. There are considered to be no negative equality or diversity implications arising from this procurement process. The approved companies will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

### **Financial Implications**

2. This framework will not commit MOPAC to any expenditure. Proposed expenditure will be subject to individual business cases with approval sought in line with the approved governance process. Further detail is provided in Part 2 Appendix A.

### **Legal Implications**

3. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2006 (the Regulations). When awarding a public contract for goods and services valued at £172,514 or above all contracting authorities must do so in accordance with the Regulations.
4. Under paragraph 5.12 of the MOPAC Scheme of 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.

**Report author: Jim Meadows – Procurement Services**

## **INVESTMENT ADVISORY BOARD**

### **Initiate procurement for Estate Management Professional Services Contract**

#### **SUMMARY**

The Metropolitan Police Service are seeking approval to initiate a tender process to put in place a new contract for estates management services. This is to replace existing contract arrangements which come to an end in March 2017. Estate Management services include Business Rates, Town Planning, Landlord and Tenant services, Disposals and Acquisitions, Auctions and valuations for all commercial and residential properties owned by the Mayor's Office for Policing And Crime (MOPAC) and managed and occupied by the Metropolitan Police Service (MPS).

#### **A. RECOMMENDATIONS – That the Deputy Mayor for Policing and Crime:**

1. Approves the commencement of an OJEU procurement process for the procurement of three estate management contracts as set out below. Each contract will be for a period of 3 years with the potential to extend for a further 2 years in 12 month tranches:

- (a) General Estate Management Services, namely Rating, Town Planning, Landlord and Tenant, Building Surveying, Acquisition and Disposal
- (b) Valuations in support of the delivery of the management of the estate;
- (c) Auctions in support of the disposal of surplus residential assets on the estate.

#### **B. SUPPORTING INFORMATION**

- 1. The real estate assets owned by the Mayor's Office for Policing And Crime (MOPAC) and managed by the MPS Property Services Department (PSD) provide the facilities required to support operational policing in the 32 London Boroughs.
- 2. As part of the One Met Model 2020, significant changes are being made to the estate. This will see focussed investment across London in those sites key to future operational needs and will enable further assets to be released for disposal. Future contractual proposals will ensure that estate management services can support current and future operational needs.
- 3. Professional advisers are essential in the management of the estate. Monitoring and challenging business rate assessments and liabilities, ensuring the MPS's position is protected on matters of town planning, best value is achieved on acquisitions and disposals and complying with landlord and tenant requirements, together with maintaining accurate valuations of the estate supports the commercial standing of the MPS and minimises costs incurred on real estate assets.
- 4. MOPAC/MPS are obliged to comply with various financial, legal and contractual obligations in regard to their real estate investments. These include responsibilities under Landlord and Tenant Law, Town Planning, Rating Law, Health and Safety Law

in regard to land/buildings and to comply with CIPFA and RICS regulations in regard to value and the use of land and buildings.

5. The Estates Transformation Programme which will deliver the developing Estate Strategy 2016 – 2020 and meet the business requirements identified through the One Met Model portfolio will require suitable town planning expertise to be in place to ensure that necessary consents can be obtained in a timely fashion.
6. As set out in full in Part 2 Appendix A the Metropolitan Police Service wish to initiate a tender process to put in place a new contract for estates management services which will replace existing contract arrangements which come to an end in March 2017.

## **C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS**

### **Equality and Diversity Impact**

1. There are considered to be no negative equality or diversity implications arising from this procurement process. The approved companies will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

### **Financial Implications**

2. Costs can be met from existing budgets. Further detail is provided in Part 2 Appendix A

### **Legal Implications**

3. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2006 (the Regulations). When awarding a public contract for goods and services valued at £172,514 or above all contracting authorities must do so in accordance with the Regulations.
4. Under paragraph 5.12 of the MOPAC Scheme of 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.

**Report author:** Andrew Denniss – Property Services