

**REQUEST FOR DMPC DECISION – PCD 406****Title: Fleet Support Tenders****Executive Summary:**

The Metropolitan Police Service (MPS) are seeking approval to initiate two procurement actions via framework agreements, one extension and one direct award contained within this report to support the operational fleet.

Fleet Services have a requirement for the Provision of Agency Fuel Cards and Associated Services (including a request for a direct award under the existing terms and conditions (SS2/13/22) with the current provider) the Provision of Vehicle Data Recorder (Telematics) System and the Provision of Vehicle Workshop Tools, Consumables & Cleaning Materials (extension) under agreement SS3/14/186.

- The combined value of all procurement actions is £50.7M (including spend for the extension & direct award).
- The contracts (Agency Fuel Card and Vehicle Data Recorder (Telematics)) systems are expected to be awarded for a duration of up to 48 months.
- The extension for the provision of Vehicle Workshop Tools, Consumables & Cleaning Materials (SS3/14/186) is to be extended up to a period of 12 months. This will enable the MPS to explore a collaboration opportunity with other authorities including blue light services.
- The Provision of Agency Fuel Cards (SS2/13/22) direct award is for a period of up to 6 months.

The procurement actions will not commit the MPS to any guaranteed volume or expenditure; this will provide flexibility to meet changes in operational and financial demands.

**Recommendation:**

The DMPC is asked to approve:

1. Approve the procurement initiation for the Provision of Agency Fuel Cards and Associated Services, the estimated contract value is £40.0M over a 4-year term commencing 1 July 2019.
2. Approve a direct award for six months to 30 June 2019 for the Provision of Agency Fuel Cards (SS2/13/22) with the current supplier Allstar Business Solutions Ltd. The existing agreement is due expire 31st December 2018.
3. Approve the procurement initiation for the Provision of Vehicle Data Recorder (Telematics) System; the estimated contract value is £4.9M over a 4-year term commencing May 2018.
4. Approve a 12-month extension to 31 July 2019 for the Provision of Vehicle Workshop Tools, Consumables and Cleaning Materials (SS3/14/186) with the current supplier Andrew Page Ltd, £244k. The current contract is due to expire 31st July 2018. This will enable the MPS to explore a collaboration opportunity with other authorities including blue light services.

**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**

*Spive Under*

**Date**

*11/06/18*

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

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

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

- 1.1. The core service requirement of Fleet Services is to deliver the right vehicles and equipment at the right time, in the right place, and in the most cost-effective way.
- 1.2. These contracts will continue to provide a safe fleet, ensure value for money, minimise maintenance spend and maximise operational vehicle availability.
- 1.3. This report complements the Annual Vehicle Replacement Programme, which covers disposal and replacement activity for all cars, vans, minibuses, motorcycles and large goods vehicles, along with Marine Vessels and items of plant and equipment.

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

- 2.1. The MPS require a multi supplier solution for the provision of a range of fuel cards and associated services providing regional, nationwide and European coverage, to assist in managing and controlling costs, providing an easy method of payment for fuel and detailed management information to aid efficient fleet management.
- 2.2. CCS awarded the new framework for Fuel Cards (RM6000) in March 2018, the relevant documentation to support new tender activity will be made available by 13th May 2018 (estimated timeframe).
- 2.3. The MPS requires a Vehicle Data Recorder system that will allow for real time asset tracking and will enable detailed information to be gathered on asset utilisation, driver behaviour and operational status. This will enable a clearer picture of fleet utilisation, and could lead to fleet reductions if vehicles aren't being used effectively.
- 2.4. The replacement of vehicle and vessel parts is essential for Retained Fleet Services to deliver the required levels of vehicle availability and ensure that vehicles stay in service for as long as planned for. As well as ensuring the fleet remains safe and legal to operate, parts are replaced at scheduled intervals, when worn or damaged. The reuse of MPS vehicle parts for Retained Fleet Services is to be captured and reported on an annual basis.
- 2.5. This has become necessary, as a collaboration opportunity has arisen between the MPS and other Authorities including the London Ambulance Service and London Fire Brigade. The National Association of Police Fleet Managers have also confirmed interest in a National Framework for Fleet Maintenance Workshop Supplies led by the MPS. These Authorities have confirmed interest and are currently going through their own governance process to seek approval to initiate procurement activity.

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

- 3.1. Agency fuel is funded by respective business groups. The expected annual revenue spend for agency fuel, including a contingency for global fuel price fluctuations, is £10M per annum and £40M over the duration of the contract.
- 3.2. Vehicle data recorders including installation costs will cost £4.9M.

- 3.3. The cost of the proposed extension for the provision of Vehicle Workshop Tools, Consumables & Cleaning Materials is £244,000 for a 12-month period from 1 August 2018 to 31 July 2019 and will result in the total contract value increasing to £916,876.
- 3.4. The cost of the proposed direct award for the Provision of Agency Fuel Cards is up to £5.6m for a period up to 6 months from 1 January 2019 to 30 June 2019 and will result in the total contract value increasing to £53.6M.

#### **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). Public contracts for goods and services valued at £184,302 or above must be procured in accordance with MOPAC governance and the regulations. This report confirms the value of proposed contract exceeds this threshold and, accordingly, the regulations are engaged.
- 4.2. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained from the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above. This paragraph further stipulates, the DMPC must approve all ...variations and extension of contract with an original value of £500k or above, or where the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months. This report fulfils the reporting requirement.

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

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

#### **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 – Yes

**ORIGINATING OFFICER DECLARATION:**

<b>Head of Unit:</b> 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.	✓
<b>Legal Advice:</b> There are no legal issues arising from this proposal.	✓
<b>Financial Advice:</b> The Chief Financial Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> Equality and Diversity issues arising from this proposal are addressed in Part 2	✓

**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

06/06/18



**FLEET SUPPORT TENDERS 2018****Investment Advisory Board 24th May 2018**

**Report by Assistant Commissioner Helen Ball, Professional Standards  
Directorate on behalf of the Deputy Commissioner**

**Part 1 – This section of the report will be published by MOPAC. It is  
classified as OFFICIAL – PUBLIC**

**EXECUTIVE SUMMARY**

The Metropolitan Police Service (MPS) are seeking approval to initiate two procurement actions via framework agreements, one extension and one direct award contained within this report to support the operational fleet.

Fleet Services have a requirement for the Provision of Agency Fuel Cards and Associated Services (including a request for a direct award under the existing terms and conditions (SS2/13/22) with the current provider) the Provision of Vehicle Data Recorder (Telematics) System and the Provision of Vehicle Workshop Tools, Consumables & Cleaning Materials (extension) under agreement SS3/14/186.

- The combined value of all procurement actions is £50.7M (including spend for the extension & direct award).
- The contracts (Agency Fuel Card and Vehicle Data Recorder (Telematics)) systems are expected to be awarded for a duration of up to 48 months.
- The extension for the provision of Vehicle Workshop Tools, Consumables & Cleaning Materials (SS3/14/186) is to be extended up to a period of 12 months.
- The Provision of Agency Fuel Cards (SS2/13/22) direct award is for a period of up to 6 months.

The procurement actions will not commit the MPS to any guaranteed volume or expenditure; this will provide flexibility to meet changes in operational and financial demands.

**Recommendations:**

the Deputy Mayor for Policing and Crime, via the Investment Advisory Board (IAB), is asked to:

1. **Approve the procurement initiation for the Provision of Agency Fuel Cards and Associated Services, the estimated contract value is £40.0M**

over a 4-year term commencing 1 July 2019.

2. Approve a direct award for six months to 30 June 2019 for the Provision of Agency Fuel Cards (SS2/13/22) with the current supplier Allstar Business Solutions Ltd. The existing agreement is due expire 31<sup>st</sup> December 2018.
3. Approve the procurement initiation for the Provision of Vehicle Data Recorder (Telematics) System; the estimated contract value is £4.9M over a 4-year term commencing May 2018.
4. Approve a 12 month extension to 31 July 2019 for the Provision of Vehicle Workshop Tools, Consumables and Cleaning Materials (SS3/14/186) with the current supplier Andrew Page Ltd, £244k. The current contract is due to expire 31<sup>st</sup> July 2018.

### **Time sensitivity**

A decision is required from the Deputy Mayor for Policing and Crime by Friday 17th July 2018. This is to allow sufficient time to complete the required commercial activity and award contracts to support the fleet.

### **Introduction and background**

1. The core service requirement of Fleet Services is to deliver the right vehicles and equipment at the right time, in the right place, and in the most cost effective way.
2. These contracts are vital to continue to provide a safe fleet, ensure value for money, minimise maintenance spend and maximise operational vehicle availability.
3. This report compliments the Annual Vehicle Replacement Programme, which covers disposal and replacement activity for all cars, vans, minibuses, motorcycles and large goods vehicles, along with Marine Vessels and items of plant and equipment.

### **Issues for consideration**

4. Access to agency fuel sites is an essential requirement for MPS in order to meet its operational capability. Therefore, if a solution for the supply is not implemented following the current arrangements, the MPS operational effectiveness and ability to police London would be compromised.
5. The new Crown Commercial Services (CCS) Agency Fuel Cards Framework tender documentation to support procurement activity will not be available until May 2018.

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

6. The MPS operates a fleet of cars, vans, minibuses, motorcycles, large goods vehicles, marine vessels, along with items of plant and equipment. The fleet is supported by a fleet of pedal cycles, which are predominantly allocated to

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



#### **Territorial Policing.**

7. The fleet profile and distribution across operational business groups supports the Police and Crime plan and enables the MPS to have a mobile workforce, which is capable of;
  - a) Responding to incidents
  - b) Protecting victims and vulnerable people
  - c) Transporting officers and equipment across London and the UK
8. In order to ensure a better police service for London the MPS is committed to;
  - a) Delivering policing where and when Londoners need it, in their communities, on the move, online at night and work
  - b) Increase protection for victims and vulnerable people
  - c) Ensure the MPS meets its national and international strategic policing requirements
  - d) Keeping children and young people safe
  - e) Tackling violence against women and girls
  - f) Standing together against hatred, intolerance and extremism

#### **Air Quality Strategy**

9. Fleet Services are soon to publish an Air Quality Strategy, which will cover the period between 2017-2020, this will support the Mayor's commitment to improve air quality in London and compels the MPS to deploy over 550 ultra-low emission vehicles across the fleet by 2020, and aligns to the London Environment strategy and the MPS Environment Policy. It is recognised that due to the varied and fast pace nature of policing, there is no single technology type that will meet all our requirements, as a result we have developed a mosaic approach and all fuel types and propulsion methods will be considered.
10. We continue to look beyond the period set out in this strategy to develop future aspirations and targets to achieve a completely zero emission fleet by 2050. In preparation for this, we will work with the Greater London Authority to achieve compliance with the Ultra-Low Emission Zone and to set targets for the fleet for 2025 and 2030. These are expected to include that we will only procure ultra-low emission vehicles in certain categories from 2025 onwards and work towards being fossil fuel free at point of use from 2030.
11. The introduction of the 550 ultra-low emission vehicles will be completed in three phases and the first will target the Mayor's seven Low Emission Neighbourhoods so that the MPS will contribute to tackling local air quality issues.
12. Fleet Environmental Objectives 2017-2020;
  - a) Reduce harmful pollutants produced by our vehicles whilst maintaining operational effectiveness
  - b) Commitment to reducing the diesel fleet by 60% by 2020
  - c) Achieve a minimum of 11% of the total MPS vehicle fleet as Ultra-Low

#### Emission Vehicles

- d) Introduce at least 60 Hydrogen vehicles
- e) Explore the viability of Compressed Natural Gas and Liquid Natural Gas technology
- f) Explore the viability of Liquid Petroleum Gas technology
- g) Install 300 chargers across the estate to support electric/ hybrid vehicle operations
- h) Collaborate with other Emergency Services to share re-fuelling infrastructure
- i) Ensure compliance with Ultra-Low Emission Zones across the UK
- j) Utilise telematics to ensure users are operating our assets in an efficient manner
- k) Expand the use of Car-Pooling and Sharing
- l) Utilise industry vehicle emission databases and benchmarks to inform procurement decisions and develop emissions reporting
- m) Continue to actively explore the alternatively fuelled vehicle market and seek new partnerships with manufacturers in order to trial new technology

#### Agency Fuel Cards and Associated Services

- 13. The MPS require a multi supplier solution for the provision of a range of fuel cards and associated services providing regional, nationwide and European coverage. To assist in managing and controlling costs, providing an easy method of payment for fuel and detailed management information to aid efficient fleet management.
- 14. The existing contract with Allstar Business Solutions Ltd (SS2/13/22) is due to expire in 31<sup>st</sup> December 2018. This was previously awarded against the Crown Commercial Services (CCS) framework for Fuel Cards and Associated Services RM1027.
- 15. This framework expires in May 2018 and Fleet Services have engaged with CCS to ensure the future framework will continue to meet the requirements of the MPS. A new framework is expected to be in place by 13<sup>th</sup> May 2018 and during the tender process it will be confirmed that MOPAC will continue to be an eligible user.
- 16. The future service requirements will include access to the following goods and services;
  - Petrol
  - Diesel
  - Hydrogen Gas
  - Liquid Pressurised Gas
  - Compressed Natural Gas and Liquefied Natural Gas
  - Electric charge points
  - A card management service and management information

17. Fleet Services are working with industry fuel partners to evaluate the potential use of Gas to Liquid (GTL) to replace diesel fuel usage, which will include Marine Fuel and Heating Oil. GTL potentially can offer significant reductions in atmospheric pollutants especially oxides of nitrogen and particulate matter. Fleet Services will be evaluating this new fuel technology in the near future along with understanding potential costs implications, and if feasible, Fleet Services will include this in the new technical specification.
18. Cost savings are expected to be achieved for purchase of fuel via the fuel cards provision, as price of fuel is discounted via this route compared to direct purchase from forecourts. The saving is dependent on the new CCS framework pricing model.
19. Any volume based savings will be considered with Commercial Services, Fleet Services are exploring the opportunity to collaborate with other Police Forces, Fire and Rescue and the Ambulance Services. The estimated future volumes will be based on historical data and in line with the strategic direction of future fuel consumption.
20. The tender specification will support the commitments made within the Air Quality Strategy and the MPS Environment and Sustainability Strategy 2017-2021 (draft) to reduce the reliance on diesel fuel and to commence the journey to create a zero emission fleet. To support this Fleet Services have engaged with the GLA and leading suppliers to improve the access to zero emission fuels within the new framework.
21. CCS awarded the new framework for Fuel Cards (RM6000) in March 2018, the relevant documentation to support new tender activity will be made available by 13th May 2018 (estimated timeframe).
22. Previously CCS under the previous Fuel Cards framework (RM1027) the CCS ran a further competition on behalf of Police & Fire Services, the majority of forces took up the option to be included in this process. CCS have offered to undertake a similar process once again, running a collaborative further competition for Police, Fire and Ambulance to ensure continuity once the existing agreements expire.
23. The National Association of Police Fleet Managers (NAPFM) are supporting the CCS with this further competition to ensure that it captures Police Fleet requirements, and are working with Fire and Ambulance colleagues to ensure wider Bluelight requirements are also captured. Surrey & Sussex Police Procurement are supporting NAPFM with this process.
24. The delay in the availability of CCS documentation, which will affect the collaborative scoping of requirements and consequently affect contract commencement for 1st December 2018. Therefore, Fleet Services request approval to direct award to the current supplier for the Provision of Agency Fuel Cards, under the existing terms and conditions. This agreement is estimated to commence from 1st January 2019 and may be required up to 30th June 2019, this request will increase the original contract award value (£48m) up to 1.1% (£5.6m). This action will ensure compliant spend for MPS requirement whilst procurement activity is undertaken and new contract is implemented. This direct award will only be applied if it becomes clear that the new call-off agreement will not commence in time to replace the existing agreement. Furthermore, the MPS will only apply

the period up to 6 months that is necessary to ensure contract implementation.

25. Fleet and Commercial Services will request AllStar Business Solutions Ltd to maintain current pricing model which avoid significant impact on spend.
26. The MPS plans to continuing the procurement process for Agency Fuel Cards and Associated Services, which is a compliant route to market that, meets the needs of MOPAC and the MPS. There are no other national frameworks available to police forces to use for such requirements.

### **Vehicle Data Recorder (Telematics) System**

27. The MPS requires a Vehicle Data Recorder system that will allow for real time asset tracking and will enable detailed information to be gathered on asset utilisation, driver behaviour and operational status. This will enable a clearer picture of fleet utilisation, and could lead to fleet reductions if vehicles aren't being used effectively.
28. Through the introduction of this system we expect to make additional savings on the operating costs for the fleet through reduction in unnecessary journeys, reduced idling time, and improved environmental driving statistics as a result of feedback on harsh breaking, cornering, speeding etc.
29. Additional efficiency savings will be achieved in the following areas;
  - Reduction in fuel usage and unnecessary journeys
  - Drive down external service, repair and maintenance costs through enhanced usage data
  - Reduction in collision repairs and a continued ability to defend the Commissioner against allegations of poor driver behaviour
  - Enhanced fleet optimisation and utilisation
  - Driving a change in culture across the organisation and sharing and pooling of assets
30. A driver identification system will provided the identity of who has driven the vehicle at any point in time. This will provide a more accurate audit trail and allow for reduced non-cashable benefits through reduce administration time.
31. The Police and Crime Commissioner for South Yorkshire has commenced the procurement process to tender for a framework to procure a vehicle data recorder (telematics) system. It is expected that the purchase of a system will provide Framework Participants with both operational improvements and cashable benefits and have the capability of achieving the business requirements detailed within the scope of the framework.
32. Fleet Services have been collaborating with South Yorkshire Police and will ensure that that the tender specification will meet the requirements of the MPS.
33. The Framework (1609-2017) led by South Yorkshire Police has been confirmed to be available to all Police Forces in the United Kingdom including MOPAC so the will be an eligible user of this framework. The framework is expected to commence in May 2018 and will expire in April 2022.

34. Once a valid framework is in place we will undertake a call off contract for our requirements.

### **Vehicle Workshop Tools, Consumables & Cleaning Material Contract Extension**

35. The replacement of vehicle and vessel parts is essential for Retained Fleet Services to deliver the required levels of vehicle availability and ensure that vehicles stay in service for as long as planned for. As well as ensuring the fleet remains safe and legal to operate, parts are replaced at scheduled intervals, when worn or damaged. The reuse of MPS vehicle parts for Retained Fleet Services is to be captured and reported on an annual basis.
36. The replacement of workshop tools and equipment is essential for continued efficient operation of the three maintenance workshops that manage repairs to the Retained Fleet.
37. The supply of consumables (e.g. screen wash) is for the wider MPS to enable local officers and staff to procure items for daily use when using the fleet.
38. The current contract for the Provision of Vehicle Workshop Tools, Consumables & Cleaning Materials (SS3/14/186) with the current supplier Andrew Page Ltd, this is due to expire 31st July 2018.
39. The request is for a 12 month extension to commence from 1st August 2018 to 31st July 2019 and increase the original contract award value (£672,876) by 36% (£244k), to a total contract value of £916,876.
40. This has become necessary, as a collaboration opportunity has arisen between the MPS and other Authorities including the London Ambulance Service and London Fire Brigade. The National Association of Police Fleet Managers have also confirmed interest in a National Framework for Fleet Maintenance Workshop Supplies led by the MPS. These Authorities have confirmed interest and are currently going through their own governance process to seek approval to initiate procurement activity.
41. In light of the wider interest in a National Framework in order to fully consider and scope the requirement additional time is now necessary to prepare for a National Framework procurement exercise led by the MPS. (Please note DMPC have approved the procurement initiation for re-tendering this requirement in October 2017 (PCD – 272)).
42. The national framework offers the potential to achieve savings through economies of scale.
43. Fleet and Commercial Services will request Andrew Page Ltd to maintain current pricing which avoid significant impact on spend.
44. The MPS plans to continuing with the procurement process for Fleet Maintenance Workshop Supplies, which is a compliant route to market that, meets the needs of MOPAC and the MPS. There are no other national frameworks available to police forces to use for such requirements.

## Procurement Comments

45. Fleet Services have a requirement to re-tender the provision of Agency Fuel Cards and Associated Services. The total estimated spend for this requirement is £40m over a 4-year term.
46. This will be a call off via further competition; the collaboration opportunity will be explored to ensure it meets the MPS requirements. The new CCS framework tender document will not be available until May 2018 and we are the early stages of collaboration with the GLA and other Police forces, which will affect upon timescales. Therefore, a request to direct award to the current provider of services (Allstar Business Solutions Ltd) for up to 6 months from 1st January 2019 until 30th June 2019 and increase the original contract award value (£48m) by up to 1.1% (£5.6m) to a total contract value of £53.6M. To ensure compliant spend for MPS requirement whilst procurement activity is undertaken and new contract can be successfully implemented. This direct award will only be applied if it becomes clear that the new call-off agreement will not commence in time to replace the existing agreement. Furthermore, the MPS will only apply the period up to 6 months that is necessary to ensure contract implementation.
47. Fleet Services have a requirement for the Provision of Vehicle Data Recorder (Telematics) System. The total estimated spend for this requirement is £4.9m over a 4-year term.
48. South Yorkshire Police are currently leading a National Framework for this requirement. Once the framework is available for use in May 2018, Commercial Services can progress the opportunity of a Call Off with Fleet Services.
49. Fleet Services have a requirement to maintain existing supply of goods from Andrew Page Ltd for the Provision of Vehicle Workshop Tools, Consumables & Cleaning Material Contract. The current contract is due to expire in July 2018.
50. This is an extension to allow for collaboration opportunity for the re-tender of these goods. Originally, the MPS intended to go out to market for its own requirements. However, recent interest from other Authorities will mean the Framework will be a National Framework so that other forces, London Fire Brigade and London Ambulance Service can Call Off from it.
51. The MPS has the opportunity to benefit from volume-based savings during the tender process if collaboration is agreed.
52. MOPAC are signatories to the GLA Responsible Procurement Policy expects our supply chain to adhere to the requirements and we ensure that all suppliers have demonstrated this in their method statements at tender stage. The encompasses six themes:
  - Enhancing social value
  - Encouraging equality and diversity
  - Embedding fair employment practices
  - Enabling skills, training and employment opportunities
  - Promoting ethical sourcing practices
  - Improving environmental sustainability - This includes a requirement to have

in place a waste management policy, carbon reduction objectives and a commitment to reducing water consumption through their operations.

### **Financial Comments**

53. Agency fuel is funded by respective business groups.
54. The expected annual revenue spend for agency fuel is £10M per annum and £40M over the duration of the contract. This includes a 9% contingency to allow for global fuel price fluctuations.
55. As the fleet progresses to hybrid vehicles it is anticipated that the estimated spend of £10M on fuel via Agency Fuel Cards will see reduction in spend over the contract life.
56. Vehicle data recorders including installation costs, £4.9M fund will be approved.
57. Annual data airtime costs of approximated £600k p.a., which is included within the overall contract value of £4.9M.
58. The use of vehicle data recorders should facilitate future reductions in fuel, maintenance and collision costs, as the system provides data to enable detailed analysis of usage and driving patterns, thereby assisting in identifying improvements to the management of the Fleet. Full details will be known once the call off contract activity is undertaken and the relevant system capability is analysed.
59. The cost of the proposed extension for the provision of Vehicle Workshop Tools, Consumables & Cleaning Materials is £244,000 for a 12 month period from 1 August 2018 to 31 July 2019 and will result in the total contract value increasing to £916,876.
60. The cost of the proposed direct award for the Provision of Agency Fuel Cards is up to £5.6m for a period up to 6 months from 1 January 2019 to 30 June 2019 and will result in the total contract value increasing to £53.6M.

### **Legal Comments**

61. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £181,302 or above, all contracting authorities must do so in accordance with the Regulations.
62. This report confirms the two tenders detailed exceed the above threshold. Consequently, the Regulations will apply to this requirement. This report identifies the Crown Commercial Services (CCS) framework agreement as its preferred procurement route for the Provision of Agency Fuel Cards and a South Yorkshire Police led Framework for the Provision of Vehicle Data Recorder System. A compliantly procured framework agreement is a compliant route to market on the basis the framework is still in force, the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. Commercial Services have confirmed the above within the body of the

report.

63. The proposal to modify the existing contracts with the incumbent supplier were not envisaged at the outset of the original award of contract. Commercial Services have confirmed within the body of the report only a minimum term will be let to ensure a compliant route to market is found.
64. 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 out to tender for contracts of £500,000 or above. This paragraph further stipulates, the DMPC must approve all variations and extension of contract with an original value of £500k or above, or where the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months. This report fulfils the reporting requirement.

### **Equality and Diversity Implications**

65. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Commercial Services have a contract management toolkit that contains a section on Responsible Procurement, which encourages contract managers to work with their suppliers, signposting them to support services. Additionally, suppliers may be asked to sign up to the Diversity Works for London Programme, which assesses suppliers against the Equality and Diversity framework.
66. Crown Commercial Services, using a national standard to select service providers who meet equality and diversity criteria, tendered the Vehicle Purchase agreement for the supply of vehicle and associated services to the UK public sector.
67. 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 our partners and continue to nurture positive relationships of constructive support.

### **Real Estate Implications**

68. No real estate implications are anticipated with this contract award.

### **Environmental Implications and Compliance with Ultra Low Emission Zone**

69. There are environmental implications associated with the use of fuel oil across the MPS fleet. Fleet Services will continue to monitor usage and support carbon reduction initiatives (such as replacing vehicles with reduced CO<sub>2</sub>g/km and air quality emissions per vehicle) in line with the Mayoral commitment and MPS Environment and Sustainability Strategy (draft) objectives to reduce CO<sub>2</sub>g/km and air quality emissions.
70. In addition, Fleet Services will soon publish the Fleet Services Air Quality Strategy 2017/2020, which supports the move away from diesel fuel vehicles and towards a hybrid, and electric vehicle fleet. Over the next four years, Fleet Services expects



a significant shift toward petrol or hybrid fuel vehicles and access to this agency fuel contract will support this initiative.

71. The MPS will continue to adhere to the EU Waste Hierarchy in delivering fleet maintenance, whereby waste minimisation and reuse are preferred to recycling. In line with the Mayor's London Environment Strategy and the MPS Environment and Sustainability Strategy, we will support the transition to a Circular Economy in London.
72. Where feasible, the MPS will identify components that are suitable for reuse within the MPS fleet (where safe to do so and in line with the MPS fleet maintenance standard) in order that we can demonstrate best value, whilst minimising wastage and maximising resource use, prior to recycling or disposal. Where we do have to dispose of items, energy recovery is preferred to landfill (the MPS is committed to recycling 50% of our waste by 2020 and diverting 100% of our waste from landfill by 2025).
73. There will be a range of materials generated through maintenance operations, some of which are hazardous items and should be disposed of in line with relevant legislation. Component disposal will be subject to all applicable waste management legislation, including the following:
  - The Waste (Household Waste Duty of Care) (England and Wales) Regulations 2005
  - Waste (England and Wales) Regulations 2011.
  - The Hazardous Waste (England and Wales) (Amendment) Regulations 2016
  - The Waste Electrical and Electronic Equipment (Amendment) Regulations 2015
  - The Waste Batteries and Accumulators (Amendment) Regulations 2015
  - Environmental Permitting Regulations 2016
  - The List of Wastes (England) (Amendment) Regulations 2005
74. Fleet services and property services will work together to ensure suitable waste collection and disposal procedures are in place at all fleet maintenance workshops. As the waste producer, the MPS will be required to ensure that all relevant paperwork, including waste transfer notes (non-hazardous waste) and waste consignment notes (hazardous waste) are completed and retained, as required by law. The MPS will ensure that only approved, licensed waste management contractors are used to handle all wastes generated by fleet maintenance activities.

### **Information Handling**

75. Fleet services will liaise with the Information and Insight team regarding its requirements to ensure that procurement activity incorporates the manner in which the MPS information is valued, managed and is safeguarded in line with new General Data Protection Regulations and Government Security Classification policy.

**Background/supporting papers**

None

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