

REQUEST FOR DMPC DECISION –PCD 119**Title: Extension of contract for the Media Planning and Buying Collaborative Framework****Executive Summary:**

This paper requests a zero value six month extension of the Media Buying services contract with Mediacom Ltd. The extension will be from 1st January to 30th June 2017. This contract provides the ability to purchase advertising space for publicity, recruitment and corporate advertising campaigns.

Recommendation:

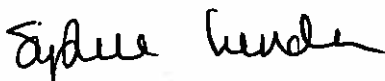
The DMPC is asked to

1. Approve the extension of the Media Buying services contract by a period of six months from January 1st 2017 to June 30th 2017. The extension will be at zero value.

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**

9/1/17

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

Decision required – supporting report

1. Introduction and background

- 1.1. In June 2011, the MPS let a Media Buying service contract to Mediacom Ltd for four years. The contract is due to expire at the end of December 2016 and is inclusive of previous extensions. The contract extension will allow the MPS sufficient time to conclude a replacement contract process. The route to deliver this new contract includes the GLA Framework for Media Services or via an appropriate Crown Commercial Services (CCS) Framework.

2. Issues for consideration

- 2.1. The MPS's BeSafe campaign is currently being delivered by Mediacom Ltd. To change providers mid-stream could have an adverse impact on the campaign, which is due to deliver key elements over Christmas and the New Year and up to March 2017.
- 2.2. The MPS is contractually obliged to provide the Business Support Services provider SSCL with access to a media buying service provider until October 2018. The contract extension will allow the MPS to meet its contractual obligations until a new provider is appointed and avoid any possible financial penalty by not defaulting on their obligation to SSCL.

3. Financial Comments

- 3.1. Any future spend within the contract extension will be funded from existing budgets. The call off contract does not require the MPS to spend to the original contract level of £20m. To date only £14m has been spent the contract.
- 3.2. The six month extension will allow the MPS the time to accurately benchmark the prices secured by the GLA (once awarded) in their tender process against those available on the CCS Framework. This will be used to determine the subsequent longer term contract and its route to market and will identify the best value for money for the MPS.

4. Legal Comments

- 4.1. There are no legal implications arising from this contract extension and there is no risk of challenge.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. None.

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

If yes, for what reason:

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
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: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Head of Strategic Finance and Resource Management has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL**Chief Executive Officer**

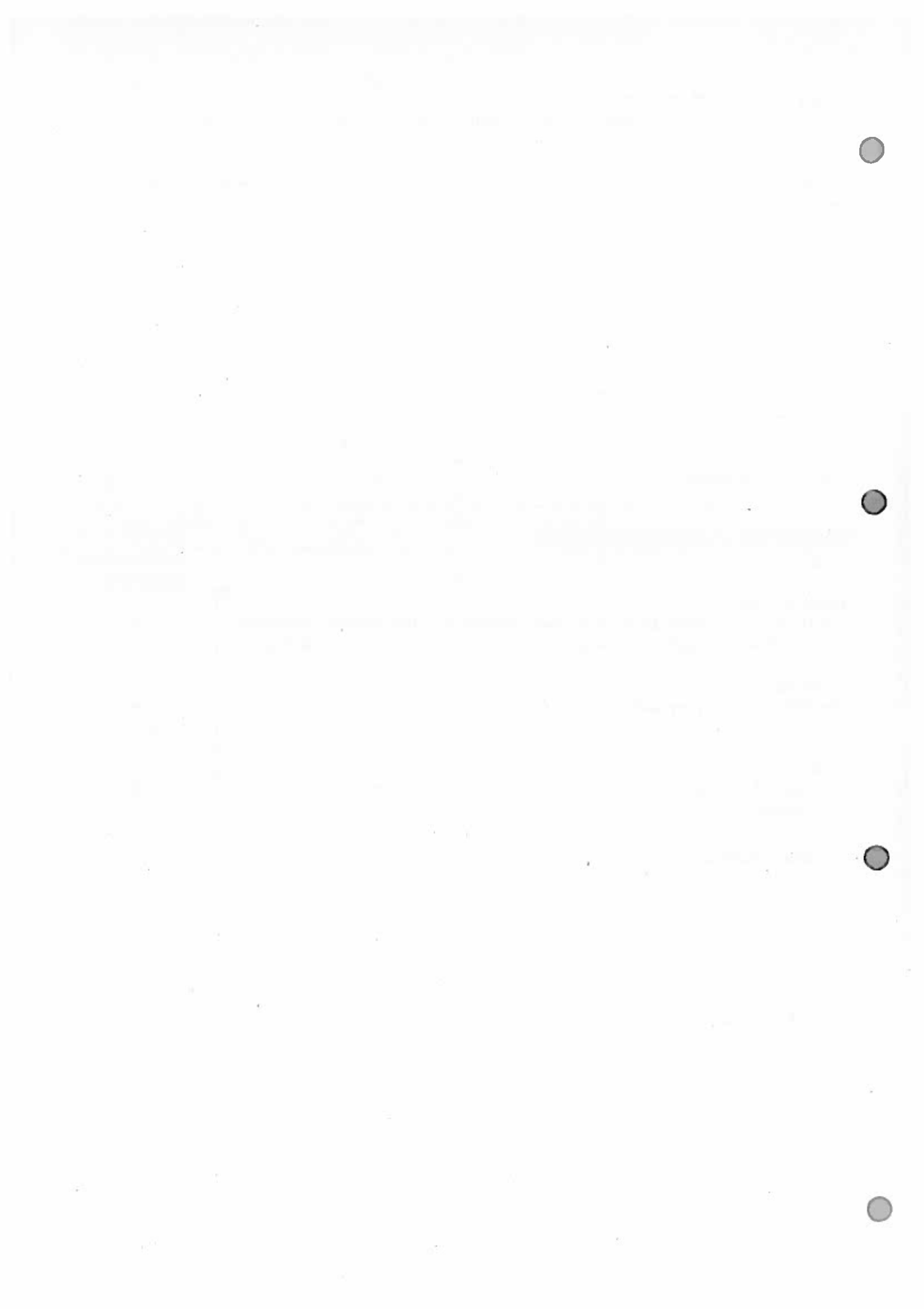
I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

R. Lawrence

Date

9/1/17



FOR APPROVAL BY DEPUTY MAYOR FOR POLICING & CRIME (DMPC)
CONTRACT EXTENSION FOR THE PROVISION OF MEDIA BUYING SERVICES

**Report by Martin Fewell, Director of Media & Communication on behalf of the
Commissioner**

EXECUTIVE SUMMARY

Approval is sought by the Directorate of Media and Communication (DMC) for a six month extension on the current Media Buying services contract (SS3/10/206).

The MPS requires this contract extension for services that enable the purchase of advertising space for publicity, recruitment and corporate advertising campaigns.

It had been intended to utilise the new GLA Collaborative Framework for Media Buying Services and thus transition all services to the single supplier on that Framework, however the MPS is mid-way through an ambitious, high profile and innovative crime prevention campaign (BeSafe) that is dependent on existing suppliers delivering work that has already been planned and for further elements of the campaign which will be specified and delivered in the new year. To avoid significant disruption to this very important campaign it has been decided at short notice there is a need to extend the existing contract.

The MPS will not extend this contract further and will work with the GLA Collaborative Procurement Team in 1Q17 to see how the GLA supplier can provide cost effective Media Buying Services for MPS

The current Media Buying contract with Mediacom was let in June 2011 and is due to expire at the end of December 2016, this is inclusive of previous extensions. At award, the contract value was £20m, the current spend to date (since 2011) against the contract is approximately £14m which would ordinarily allow for a further £6m expenditure. However this is a call off contract which does not oblige us to spend to this limit. Any future spend will be subject to available budget and the relevant approval process. This six month extension can be managed within the original contract award value and revised budget.

As this contract has previously been extended, further extensions must be approved by the DMPC as per the Scheme of Delegation. The DMC seeks approval for a 'time only' extension of the contract to ensure continuity of service provision as an interim solution.

A. RECOMMENDATIONS - That the Deputy Mayor for Policing & Crime

Approves the request for a further six month extension for the existing media buying contract with Mediacom, contract number SS3/10/206.

This is a zero value extension that will go live on the 1st January 2017 and will expire on 30th June 2017, subject to approval.

B. SUPPORTING INFORMATION

Background

In June 2011, the MPS let a contract with Mediacom for a period of four years. This was due to expire on the 31st May 2015 but further extension periods were requested and approved by Commercial Services, as permitted within their scheme of delegation. These extensions were required due to organisational changes, including the outsourcing of back office services (HR, Finance and Procurement) as well as a delay in the award of a collaborative GLA framework for Media Services. The MPS has also been in negotiation regarding its contractual obligation with the Business Support Services (BSS) provider that affects the scope of services it requires under this contract. These negotiations have recently been concluded and a clear scope of services is now defined for this contract.

This contract extension will enable the MPS to conclude a replacement contract process that will deliver the appropriate scope and best value for money. The routes to deliver this new contract include the GLA collaborative contract or via appropriate CCS frameworks. This six month extension will provide sufficient time to conclude the benchmarking activity comparing the prices secured by the GLA against those available on the CCS framework. If CCS are found to be the selected route then a mini competition will be required and this six month period will be sufficient time to do so.

Further, the MPS is contractually obliged to provide SSCL with access to a media buying service provider until October 2018. This extension will allow the MPS to meet our contractual obligations with SSCL as an interim solution until we appoint a new provider.

In addition to the factors noted above, there is also a significant risk around changing supplier mid-way through a high profile campaign. The MPS is currently in the middle of delivering an ambitious, innovative crime prevention campaign which is dependent on existing suppliers delivering work that has already been planned and starting new elements of the campaign which will be delivered in the New Year. As part of the MPS commitment to put prevention first, it is approaching the delivery of crime prevention messaging in a completely new way.

'BeSafe' is a crime prevention campaign which will motivate, empower and mobilise Londoners to take steps to protect themselves and their property from crime and to create a collaborative environment wherein Londoners see it as their job to protect themselves and work together in that aim. It will be based on the concept of public health campaigns such as 'Stoptober' or 'Change for Life'. The campaign will use behavioural change techniques and will tap into the concerns of Londoners and help them to take control of theirs and their families' safety. It is based on insight following a large piece of market research.

Phase one of the campaign is running now and is focused on burglary crime prevention advice. Phase two of the campaign (looking at mobile phone theft) will begin just before Christmas and continue in the New Year and phase three of the campaign will begin in March and will be focused on preventing snatch theft crimes.

The current media buying supplier (Mediacom) have been involved in the project since the beginning and were responsible for conducting the research which has informed the campaign. They therefore have a wealth of expertise and knowledge which, if we were to change suppliers mid-way through the campaign would have a detrimental impact. From a tactical media buying perspective, media bookings have also been made which overlap beyond the contract end date, which would be difficult to handover to a new supplier. Transition of media suppliers requires at least a three month lead in time to ensure effective continuity of service and this extension would accommodate this as well as adequate time to follow the relevant governance.

Procurement Strategy Information

In 2015, the MOPAC joined the GLA Collaborative Procurement programme which has the aim of delivering third party contracts for the GLA family (MPS, Transport for London, London Fire Brigade, GLA etc.) where these organisations buy similar services. The objective of this collaboration is to provide better value for money, from combined volumes of purchase, for all participating bodies.

Media buying services was the first major procurement exercise undertaken by the GLA Central Procurement Team (CPT) on behalf of the GLA participating bodies. This procurement exercise was delayed for a significant period of time whilst the scope and scale of the combined services were defined and a procurement exercise undertaken. The MPS has been severely affected by this delay and has, under its' own delegated authority, had to extended this contract for time only for a period of twelve months in May 2015 and then again via MOPAC until Dec 2016. This extension period is due to end and the authority to extend again for six months rests with the MOPAC. The GLA route to market will comprise of a direct award as it is a sole supplier lot for media buying.

However, due to significant operational concerns regarding the ability of the GLA provider to meet MPS requirements, the option of using the CCS Framework is still being considered. The CCS route to contract has some complexities, the current services are contained within one contract with Mediacom, but these services will need to be split if we are to utilise the CCS frameworks, this makes the benchmarking work more difficult. The Media Buying lot has one provider thus a direct award is permitted. The Media planning and strategy lot has numerous suppliers and will require further competition which requires this extension period to allow the MPS to apply due diligence.

MOPAC Contract Regulations require contracts over circa £173k to be procured via a competitive tendering and in line with EU Directives and the Public Contract Regulations (PCR) 2015. In this case this is not applicable as we are not awarding a new contract but extending an existing one. The DMC are requesting an extension to the current agreement which was awarded in 2011 following a fully competitive restricted tender process.

The relevant clause from the PCR 2015 is Section 6, Clause 72 Modification of contracts during their term. This clause permits the modification of the contract based on clause 72, (B) and (C) where a change of supplier at this stage would not be feasible due to *'economic or technical reasons such as requirements of interchangeability or interoperability with*

existing equipment, services' and as it 'would cause significant inconvenience or substantial duplication of costs for the contracting authority'.

The MPS is not increasing the value but is extending the duration beyond twelve months, thus the remit of this approval is within the DMPC's scheme of delegation.

Tendering process

Not Applicable

Value for Money Statement (Mandatory)

This request is for a time only extension.

If the Metropolitan Police Service changed supplier now the disruption to the media Campaign could result in increased cost to the MPS, as it would take additional time to integrate a new supplier in the ways of working with the MPS and short terms contracts could have more costly pricing charges than longer terms contracts.

This six month extension will also allow the MPS the time to accurately benchmark the prices secured by the GLA (once awarded) in their tender process against those available on the Crown Commercial Services Framework (CCS). This will then be used to determine the subsequent longer term contract and its route to market and will identify best value for money. Following this extension we will be able to ascertain which provides better value for money to the MPS over the life of the contract and may result in a saving.

The lack of a Media Buying service will result in the MPS becoming subject to financial penalties due to defaulting on an obligation within the SSCL contract. The contract with SSCL states that the MPS will provide them with a Media Buying provider to enable them to deliver on their targets and deliverables. This risk will be mitigated by this contract extension being approved as an interim solution while the longer term contract is procured.

Responsible Procurement

There are no sustainability issues related to this contract which is for Media Buying services.

General Contract Information

Please see table B7 at Appendix 3 which sets out the key contract information.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

The mandatory elements of this section are:

Equality and Diversity Impact (Mandatory)

There are no Equality and Diversity issues relating to the extension of this contract.

Financial Implications (Mandatory)

There are no Financial Implications issues relating to the extension of this contract. The contract extension will be managed within the original contract award value and will be contained within existing budgets.

Legal Implications

There are no legal implications with this contract extension and there is no risk of challenge.

Consultation Undertaken (Optional)

This brief section should indicate to the reader the extent to which the subject matter has been discussed (internally and externally if appropriate) and the extent of support / resistance it has received. It may help to display this information in table form like the example below.

Consultation grid

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Stephanie Day, Director of Media & Communication	Supportive
Mandy Chandar, Procurement Services	Supportive

Risk (including Health and Safety) Implications (Optional)

5. There are no Health and Safety implications relating to this contract extension.

Environmental Implications (Optional)

6. There are no Environmental implications relating to this contract extension.

Report author: Stephanie Day, Assistant Director DMC 0207 230 0940.

Appendix 1 - Tables B1 and B2 capture the key information in relation to the Procurement Strategy.

B1	Procurement Route
Procurement Type (Part A/B/Exempt/Non OJEU Tender)	Part A
Procurement Route (Existing Met Framework/new Met Framework/External Framework/Met competitive tender/Met single Tender Action)	Existing Met Framework
Is the Contract Exempt from the Public Contract Regulations 2006 (if yes please state which regulation is being relied upon and why in additional information).	No
Procurement Procedure (Open/Restricted/Competitive Dialogue /Mini-Competition/Negotiated)	Contract Variation
Contract Technical Weighting (Quality)	N/A
Contract Commercial Weighting (Price)	N/A

Appendix 3

Table B7 sets out the key contract information.

B7	Contract Information
Business Unit	Directorate of Media and Communication
Contract Manager	Stephanie Day
Contract Security Classification	Restricted
Tender Reference	SS3/10/206
Bluelight Reference	9QSK-Y2YEVJ
Cost Centre	N/A
Work Breakdown Structure Number	N/A
Total Savings Captured (BPP)	N/A
BPP reference number	N/A
Procurement lead and title	Mandy Chandar, Category Manager
Financial Budget	N/A
Financial budget approved by	N/A

For Approval by Deputy Mayor for Policing & Crime (DMPC)

Signed:

Date: