

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD33

Title: Award Report for the Contract to Supply, Deliver and Collect Depolluted Vehicles

Executive Summary:

Report LFC-0163 to the London Fire Commissioner seeks approval to award the contract for the Depolluted Vehicles and associated services to ACE Vehicle Services Limited. The Commissioner's Board have considered and recommended the proposal to the Commissioner, who has indicated in-principle support pending prior consent to spend from the Deputy Mayor for Fire and Resilience. The Deputy Mayor also considered the proposals to the Commissioner in report FRB-0044 at her Fire and Resilience Board on 14 May 2019 and indicated her in principle support.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

Decision:

The Deputy Mayor for Fire and Resilience approves the expenditure of £611,691 by the London Fire Commissioner for the supply, delivery and collection of depolluted vehicles (as set out in report LFC-0163 to the Commissioner).

Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

31/07/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. London Fire Brigade is required to attend road traffic collisions (RTCs) to extricate persons from vehicles in the event that they are unable to exit the vehicle, or it is unsafe for them to do so. It is a requirement that firefighters are trained in how to do this safely, efficiently and quickly.
- 1.2. The purpose of the proposed contract is to deliver a service to supply, deliver and collect depolluted vehicles (i.e. the removal of materials that cause environmental damage in end-of-life vehicles, such as oils, fuel, battery acid, coolants, anti-freeze, windscreen wash, and refrigerants) for familiarisation and continuing professional development of operational personnel in the application of extrication techniques for road traffic collisions. Firefighters undertake this familiarisation exercise at fire stations or outside training venues. Vehicles, therefore, need to be representative of those currently on the roads across London boroughs and fully depolluted to ensure health, safety and environmental risks are mitigated.
- 1.3. Fire stations raise orders according to their training requirements, three weeks in advance of need, through the purchase order management system (PoMS). The ordered depolluted vehicle is delivered via flatbed truck by the contractor to the station yard's designated Road Traffic Collision (RTC) training area. After the training is complete, the contractor retrieves up the vehicle on the date specified by the fire station on the original order. The vehicle remains the property of the contractor at all times.

2. Objectives and expected outcomes

- 2.1. Report LFC-0163 to the Commissioner seeks the approval of the London Fire Commissioner (the "Commissioner") to secure a contract for the supply and collection of depolluted vehicles to fire stations in London, allowing for the on-station training of firefighters in relation to the management of RTCs, and the safe extrication of passengers and casualties.
- 2.2. The Commissioner requires the successful contractor to provide a range of vehicles which are encountered operationally that challenge crews' knowledge and ability, against realistic expectations that could be met by the supplier in delivering the vehicles. It was also considered that the contractor would need to meet a number of specific criteria set against basic Health and Safety and Environmental and legislative requirements, namely:
 - that all vehicles supplied must meet End-of-Life Vehicle Regulations (ELV) 2003 (as amended);
 - that the contractor possess all relevant licences and evidence those licences prior to the contract starting; and
 - that all vehicles will be supplied and collected within specific timescales.

3. Equality comments

- 3.1. The Public Sector Equality Duty – and the potential impacts of this decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) – has been considered by the London Fire Commissioner (and the Deputy Mayor for Fire and Resilience at the Fire and Resilience Board on 14 May 2019). The Public Sector Equality Duty applies to the London Fire Commissioner and the Deputy Mayor when making decisions.

- 3.2. The duty requires the London Fire Commissioner and the Deputy Mayor for Fire and Resilience to have regard to the need to:
- a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful.
 - b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 3.3. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 3.4. The proposed Supplier, ACE Vehicle Services Limited, provided their tender based on the Commissioner's standard terms and conditions which will be used to form the subsequent contract. Clause 22 of those terms and conditions ensures that the supplier shall not itself, or through a servant or agent, discriminate against any person on any grounds contrary to the provisions of the Equality Act 2010; and the Supplier shall comply fully with the terms of the Commissioner's Equalities Protocol, as set out in Schedule 6 Part B (Protocols). Such compliance is a condition of the Agreement. In the event that the Supplier fails to comply in any material respect with any of the terms (1) – (7) of the Equalities Protocol, the Commissioner shall have the right to terminate the Agreement.
- 3.5. An Equality Impact Assessment was conducted and considered how those with protected characteristics of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sexual orientation, marriage or civil partnership status may be impacted both positively and negatively. Because of the nature of this procurement, it was deemed that there were no adverse impacts identified on any particular characteristic in a negative way.
- 3.6. It was however considered that the use of this procurement does contribute, in its finality, to good community relations by way of delivering continuing efficiency to operational response by ensuring staff have an awareness of the diverse population of London, all of which may suffer the misfortune of becoming trapped due to accident within a vehicle or other transportation by road. Operational staff also become aware of the challenges in preserving the dignity amongst those with beliefs, race or religion and disabilities within minority groups across the response area who may have become trapped and require extricating in a sensitive and more mindful way.
- 3.7. No data is currently available to determine identification of protected characteristics at RTCs although a number of internal and external sites were visited, Transport for London, <https://tfl.gov.uk/corporate/publications-and-reports/road-safety>, and internal data collection sources.

4. Other considerations

Procurement

- 4.1. Two procurement options were considered by the Commissioner.

Option 1 – Multi-lot procurement based on four area commands.

- 4.2. Consideration was given to splitting the four area commands into individual lots in order to attract a wider pool of contractors from the local areas. Other fire and rescue services have chosen this type of lot service structure due to their inability to find a supplier that could deliver vehicles to their entire area. For London, market research showed that many suppliers were unable to meet the mandatory requirements within the specification, particularly on having the necessary licenses to fully depollute vehicles. Therefore, this option was not considered viable.

Option 2 – Single source supplier procurement covering all areas

- 4.3. Consideration was given to award a contract to a single pan-London supplier. This option was chosen because market research had indicated there were experienced suppliers who are capable of delivering this service across London. This approach also offered best value for money from an aggregation of demand benefiting from the potential for economies of scale. There would also be lower costs associated with implementation of the contract when compared to Option 1.
- 4.4. Additional benefits of Option 2 included a single point of contact for any contract management issues and improvement suggestions, lower purchasing costs associated with sending orders and receiving invoices.

Procurement Process

- 4.5. The Commissioner's Procurement Department investigated collaborating with other fire and rescue services. Greater Manchester Fire and Rescue Service advised this service was delivered through arrangements with local scrap car suppliers, and on a lot basis as they struggled to find a supplier who could service their wide range of locations. Surrey Fire and Rescue Service met their requirement through a smaller supplier who delivered to a restricted area.
- 4.6. As a result, the regional nature of the business prevented collaborative contracts within the fire sector, and the size of London, precluded many collaborations and severely limited the final market suppliers. Engaging with other members of the Greater London Authority (GLA) family was considered, and specifically the Metropolitan Police Service (MPS), by exploring their vehicle removal contractors. However, the contract for the MPS does not cover provision of de-polluted vehicles, only collection / removal of fleet vehicles when repaired, and illegal vehicles on the roadway. This would not therefore meet the Health and Safety, Environmental and legislative requirements detailed in report LFC-0163 (section 4, considerations, page 2).
- 4.7. A Prior Information Notice on Tenders Electronic Daily (TED) – the European public procurement journal and an advertisement on Contracts Finder were issued on the 20 July 2018 and was accepted by four potential suppliers. Market engagement was conducted with interested suppliers and large vehicle recovery service providers. This provided a valuable insight into the market.
- 4.8. Although there was interest it was found that the market is small as there were few suppliers who had the necessary logistical resources and correct environmental accreditations to meet the Commissioner's specification for fully depolluted vehicles. A lack of understanding of the OJEU tendering process was also found within potential SME suppliers.
- 4.9. Due to the restricted market and value of the contract exceeding the OJEU threshold, an Open OJEU procurement was undertaken. Efforts were made to make the tendering document as simple as possible to ensure it was not overly onerous for potential tenderers.
- 4.10. The detailed results of the Commissioner's procurement process are detailed in the appendix to report LFC-0163 to the Commissioner, however the Deputy Mayor has considered the outcome of only one bid being made and the post-process considerations and work that the Commissioner has performed to understand the reasons behind this, in order to improve future processes.

Sustainability

- 4.11. Report LFC-0163 details the Environmental considerations that were taken into account within the procurement, including that all vehicles supplied must meet the End-of-Life Vehicle Regulations 2003 (as amended) and that the contractor possesses all relevant licences, which have been provided and verified.
- 4.12. The following sustainment procurement issues were considered and had a 5% weighting in the evaluation criteria. ACE Vehicle Services Limited demonstrated compliance within its method statement; however it has also been identified that there are still elements which they are working to achieve.

Criteria	Tender Response
Steps taken to reduce air emissions (PM, NOx and, CO2) when delivering the services in regards to transportation and any other sources of emissions.	- Approached company offering various Transport Programmes that promotes efficient driving through fuel savings rewards. - Drivers struggling will be sent on a course on how to become an efficient driver. - Deliveries and collections in the same areas will be combine and drivers will ensure that no unnecessary journeys are made.
Working towards ULEZ compliance for Central London from 8 April 2019 and inner London (bounded by the North and South Circular roads) from 25 October 2021.	- By March 2019 will have three vehicles that meet the standard for ULEZ and this will be increased to six by March 2020. All vehicles for this contract will meet the required emission standard. - By April 2019 all HGV Vehicles will be fitted with Full 360 Degree Vision Cameras in addition to Side Scan Sensors and Turning/Reversing Audible Warnings.
Additional social value benefits, for example improving safety measures for cyclists and deliveries in low emission vehicles out of peak hours.	- All drivers will be attending a Vulnerable Road User Training Course. - A quantity-based discount for some of the vehicle classes will be offered, reducing costs and reducing environmental impacts.

Strategic drivers

- 4.13. Page 50 of the London Safety Plan says: *"To provide the public with the best service, the London Fire Brigade needs to invest in staff to deliver cost-effective and innovative approaches that continue its focus on operational excellence, prevention and resilience... London Fire Brigade has a moral as well as a statutory duty to ensure that all operational staff are trained to undertake their role effectively and safely. As a responsible employer, the Brigade wants to make sure that its staff are 'match fit' and continue to develop and maintain the skills and abilities necessary to do their job... the Brigade will make a commitment to secure the continual training, assessment and development of firefighters to ensure they can deal with incidents safely".*
- 4.14. The delivery of appropriate equipment and resources for on-station training is a critical element of fulfilling these objectives.

5. Financial comments

- 5.1. LFC-0163 seeks approval to award the contract for the depolluted vehicles and associated services at an estimated cost of £611,691 over the next five years i.e. approximately £120k per annum. The budget for scrap cars is incurred from the operational equipment budget of £269,000 per annum and it is expected that the cost of approximately £120,000 per annum for scrap cars will be contained within the existing resources available.

6. Legal comments

- 6.1. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
- 6.2. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
- 6.3. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.4. The Deputy Mayor's approval is accordingly required for the Commissioner to purchase depolluted vehicles and associated services at a cost of £611,691.
- 6.5. The statutory basis for the actions proposed in report LFC-0163 is provided by section 5A of the Fire and Rescue Services Act 2004 under which the Commissioner must procure services they consider appropriate for purposes incidental to their functional purposes.
- 6.6. Furthermore, under section 7 (2)(a) of the aforementioned legislation, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting.
- 6.7. The Commissioner's General Counsel notes that the proposed procurement of the goods and service provider have been procured in compliance with the Public Contracts Regulations 2015.
- 6.8. In taking the decisions requested, the Deputy Mayor must have due regard to the Public Sector Equality Duty—namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010 and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Deputy Mayor should have particular regard to section 3 (above) of this report.

Appendices and supporting papers:

1. LFC-0163 – 'Award Report for the Contract to Supply, Deliver and Collect Depolluted Vehicles'.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

The commercial interests of the Commissioner would be impacted should the procurement considerations be published prior to the contract award or the expiry of each party's cooling off period.

Until what date: 1 October 2019

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer

Andrew Nathan has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

Assistant Director/Head of Service

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

Advice

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 29 July 2019.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Ollé

Date

29.7.19

