

REQUEST FOR DEPUTY MAYOR FOR FIRE AND RESILIENCE DECISION – DMFD152

Title: Procurement of Support Contract for Core Business Applications

Executive summary:

This report seeks the approval of the Deputy Mayor for Fire and Resilience for the London Fire Commissioner (LFC) to commit capital and revenue expenditure up to the amount set out in part 2 of the decision to procure a new development, support and maintenance contract for core business applications for an expected 10-year period from February 2022, including an initial five-year contract term and an optional extension of a further five years.

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:

That the Deputy Mayor for Fire and Resilience authorises the LFC to commit capital and revenue expenditure up to the amount set out in part 2 of the decision to procure a new development, support and maintenance contract for the systems listed in paragraphs 1.4 and 1.5 of the decision, for an expected period of 10 years, from February 2022.

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:

22/3/22

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0643 to the London Fire Commissioner (LFC) sets out the background for the request to approve expenditure for London Fire Brigade (LFB) of up to the amount set out in part 2 of the decision, to procure a new development, support and maintenance contract for core business systems for a five-year period from February 2022, with an option to extend by a further five years. This will enable LFB to ensure ICT systems are effectively supported and remain fit for purpose in supporting its business needs.
- 1.2 The majority of the core business software systems in use by LFB today were developed over a number of years. These systems support key business activities such as the recording of incidents attended (Incident Management System (IMS)) and recording of staff absence (Staff Attendance Recording System (StARS)) – see the appendix for more details. They were developed through the use of framework contracts, with specific lots established for the creation and support of a range of products and services. Each lot was let to multiple contractors and development work was completed within these frameworks. Subsequently procurement advice has changed and the LFC has now established ongoing annual support and development contracts based on the individual systems. These systems have now become essential to the continued operation of the business.
- 1.3 In all cases these applications have been developed to reflect LFB's business needs. These systems are highly integrated by design. However, these could be categorised, to some degree, into two loose groups: those that are fire-service-specific at a national level; and those that are LFB-specific.
- 1.4 Some LFB products that are marketable, e.g. StARS, are in use in Merseyside; other fire and rescue services (FRSs) have shown interest in both StARS and LFB Diary (LFBD). The current support arrangements are now coming to an end and it is essential to ensure these applications are supported throughout their lifecycle.
- 1.5 Systems that are fire-service-specific at a national level comprise:
 - StARS
 - LFBD
 - IMS
 - Fire Survival Guidance (FSG) (not yet operational).
- 1.6 LFB-specific systems comprise:
 - Appliance Workload App (AWA)
 - Business Sheet (BS)
 - Incident Command Log (ICL)
 - Training Course Planner (TCP)
 - Individual Training Record (ITR)

- Integrated Training System for Babcock LMS (ITSB)
- Mobilising Business Intelligence (BI) – Mobile Display Terminal (MDT) Data Reporting
- Operational Risk Database (ORD)
- Personal Development Plan (PDP)
- Personal Development Record (PDR).

1.7 These systems represent LFB assets and need to be managed as such, ensuring that they continue to fulfil the business requirement. This process requires continual maintenance and at times enhancement. Where the gap between function and requirement becomes too large the system would be scheduled for retirement and a replacement sought. LFB would always look to replace systems with 'off-the-shelf' products, where they will meet LFB's requirements. For example, the replacement human resources and payroll solution is likely to include some of the functionality provided in StARS.

2. Objectives and expected outcomes

Contract requirements

- 2.1 Applications evolve to meet the changing needs of LFB and the software environment in which they are deployed. This includes complex inter-system integrations that have been developed over time. The contract needs to reflect these requirements. As such, it is considered essential to combine the support arrangements for these systems to allow a software developer to support the applications through the change lifecycle.
- 2.2 A key aspect of any new contract will be fault resolution, where knowledge of the systems and an understanding of both LFB and the wider FRS will be required to ensure responsive and informed support to our critical systems.
- 2.3 These systems are fundamental to the daily workings of LFB, particularly at fire stations, and there are always requirements to facilitate minor enhancements on an ongoing basis. Most of these systems currently have software releases each quarter, to reflect changes in policy, equipment and legislation.
- 2.4 In some cases, corporate projects and initiatives will require major enhancements or the addition of new features or functions to existing systems. Projects such as Development and Maintenance of Operational Professionalism have involved the adaptation of a wide range of applications (BS, ICL, TCP, ITR, ITSB, PDP, PDR, StARS, LFB and IMS) to accommodate the changes.
- 2.5 The contract needs the flexibility to allow for redevelopments required for technology updates; underlying licensing compliance; maintenance of security protection; and vendor support.
- 2.6 As the software environment evolves, product support for some aspects of the technology solution will end, requiring redevelopment or upgrade of elements of the solutions. Examples of this could include database versions or web browsers being superseded.
- 2.7 From time to time an application will need a complete rebuild, usually due to a fundamental change in business requirement, or to exploit newer software development languages. It is at this

stage that a change in application would normally be considered. This has been factored into budget and accounts for the capital budget allowance.

- 2.8 In all new software implementations, consideration is given to the currently deployed solutions with regard to their functionality fit within any new system. This process is continual and several systems in the list above will be reviewed as part of major projects (which are either under way or planned) to replace the current systems for finance and purchasing, HR and payroll, and fire safety.
- 2.9 This requires an in-depth understanding of the complex underlying business processes and the business drivers to replace the systems. This type of change would require careful planning and appropriate approvals, as it would introduce significant risk and cause considerable disruption. Changing systems used regularly by fire station staff would have significant training/awareness implications.
- 2.10 These applications will require support for the foreseeable future as LFB requires some certainty over its continued operation. The business-change process will inevitably impact on the current application estate over time, and the contract needs to be flexible enough to reflect this. This process is continual; and a number of the systems in the list above will be reviewed as part of the major projects to replace the current systems for finance and purchasing, HR and payroll, and fire safety. This will include collaboration opportunities with other FRSs and within the GLA group as appropriate.

Costs

- 2.11 The contract value has been based on historic costs incurred in support of these applications, and funding exists as part of the current approved budgets. The exact cost may vary due to several factors, including evolving business requirements and level of organisational change. However, the funding envelope is sufficient for all future requirements, as far as LFB is able to determine.
- 2.12 The costs are split between capital and revenue as set out in part 2 of the decision.

Alternative options considered and consultation

- 2.13 Replacement of the existing solutions wholesale has been considered but is felt to be inappropriate at this stage, due to the scale of the change required. These systems all provide functional support to LFB's core business processes. Changes of this nature need to be considered as part of strategic initiatives, as there will be very considerable cost and resource impacts on an already-full ICT workplan. This may be appropriate in the medium to long term, but existing solutions will still require support until any such change has been agreed and implemented.
- 2.14 A limited support-only arrangement would limit LFB's ability to adapt to changes required to transform the way in which the LFC operates; and may expose these systems to cybersecurity threats through the reliance on legacy software environments.

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in

broad terms involves understanding the potential impact of policy and decisions on different people; taking this into account; and then evidencing how decisions were reached.

- 3.2 It is important to note that consideration of the public sector equality duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers, in the exercise of all their functions, to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation, and other prohibited conduct
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - tackle prejudice
 - promote understanding.
- 3.8 An Equality Impact Assessment (EIA) has not been completed for this report, as there will be no impact on any groups with protected characteristics. The outcome of the procurement will be for the support of existing systems and will therefore be transparent to users. Change projects will of course be subject to individual EIAs as part of the specific project.

4. Other considerations

Workforce comments

- 4.1 There is no foreseeable impact on the workforce from this report and no consultation is planned.

Sustainability and procurement implications

- 4.2 Following a review of the frameworks currently available, it has been agreed with LFC's General Counsel that the best route to market will be the use of the OJEU process. This decision has been reached on the basis that there are currently no known frameworks that meet all of the requirements of the proposed specification whilst offering a longer contract term. A longer term should encourage greater engagement from this sector of the market and more competitive pricing. It may also encourage new entrants as there are limited suppliers offering these services within the blue light sector. Use of the Find a Tender (previously OJEU) process allows the flexibility required for this contract. A Prior Information Notice has been published to allow use of the expedited timescales.
- 4.3 The duration of the contract is intended to be five years, with the option to extend by up to a further five years. In order to allow flexibility in the event of a change in circumstances, it is proposed to include a break clause in the contract that will allow either party to terminate the contract before the default end date without incurring liability.
- 4.4 Due to the potential contract value, additional sustainability and responsible procurement requirements will be included within the tender – including the requirement for bidders to have in place an organisational Carbon Reduction Plan, aimed at achieving net-zero carbon emissions by 2050.

Conflicts of interest

- 4.5 There are no conflicts of interest to declare from those involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1 This report requests authority to retender for the development, maintenance, and support of the LFB specialist core software business systems that have been developed to address specific LFB business needs for a five-year period from February 2022, with the option to extend by a further five years. These systems include AWA, LFBD, BS, ICL, IMS, ITRS, ORD, PDP, PDR, StARS, TCP, training and FSG. The report notes that this will require commitment of capital and revenue expenditure of up to the amount set out in part 2 of the decision for the 10-year period (five years with an option to extend by five years) from February 2022, based on existing spend. The rationale for the capital is set out above, as the redevelopment would result in a "new" asset which qualifies as capital expenditure, the financing of which is set out in part 2 of the decision.
- 5.2 Both the capital and revenue costs are expected to be contained within existing resources and any subsequent inflation costs will be addressed as part of the usual yearly budget process.

6. Legal comments

- 6.1 Under section 9 of the Policing and Crime Act 2017, the LFC 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 LFC 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 LFC 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 LFC 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 LFC to enter into a contract for the development, support and maintenance of LFB ICT systems at a cost of up to the amount set out in part 2 of the decision.
- 6.5 The LFC's General Counsel notes that the procurement of the new contract for the development, support and maintenance of LFB ICT systems shall be conducted in accordance with the Public Contracts Regulations 2021⁵ and the LFC Standing Orders.
- 6.6 The statutory basis for the actions proposed in this report is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 (FRSA 2004). Under Section 7 (2)(a) FRSA 2004, the LFC has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting and section 5A allows the LFC to procure personnel, services and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.

Appendices and supporting papers:

Part 2 of the decision.

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? NO

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

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

✓

Assistant Director/Head of Service

Niran Mothada 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

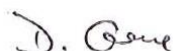
This decision was agreed by the Corporate Investment Board on 21 March 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

22/3/22