LONDON FIRE BRIGADE

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Report by	Report number
Assistant Director, Technical and Commercial	LFC-0124 FRB-0037

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Summary
All of the current LFB fleet of vans identified within this report have reached the end of their planned serviceable life and they also require replacement to ensure they comply with future emission control requirements. This report outlines the process that has been undertaken to identify the most appropriate replacement vehicles and seeks permission to place orders utilising the funding for the planned FLEET capital spend programme.

Recommended Decision
The London Fire Commissioner place orders under the vehicles and equipment contract with Babcock Emergency Services for:

1. The procurement of nine new box vans to replace nine general purpose vans attached to the Operational Support Group (OSG), for a sum not exceeding that contained in confidential Appendix A.

2. The procurement of five general purpose vans with nine seats and flexible stowage to replace 5 medium personnel carriers within Operational Policy USAR team, for a sum not exceeding that contained in confidential Appendix A.

Background

1. All of the current LFB fleet of vans identified within this report have reached the end of their planned serviceable life and they also require replacement to ensure they comply with future emission control requirements being applied from April 2019.

2. 9 of the vehicles requiring replacement are General Purpose Vans (GPVs), they are currently attached to PEG/BDC and a review has been undertaken to identify the most appropriate type of replacement vehicles. The review was undertaken in preparation for both PEG and BDC combining as a single group to be called the Operations Support Group (OSG) in the new Operations Support Centre (OSC) due to come into service in January 2020. The current OSG vehicles requiring replacement consist of 8 Sprinter GPV's that came in to service in 2010/11 and

1 Citroen GPV van that came in to service in 2006, all are over the standard recognised 7 year service life. The replacement vehicles are required as part of the London Fire Brigade support vehicle class, to aid OSG in transporting breathing apparatus cylinders and other related operational equipment on a daily basis. The vehicle's will be used to respond to operational incidents as required. The new vehicles will be used under normal driving conditions and for Emergency Fire Appliance Driving (EFAD), both in the Greater London area and occasionally to locations outside Greater London.

3. The replacement of 5 of the 7 Medium Personnel Carriers (MPCs) attached to the Operational Policy USAR Team, is necessary to provide a renewed fleet. The main purpose of the vehicles is to support emergency incidents where larger numbers of personnel are required. The vehicles will therefore be expected to operate under EFAD conditions whilst carrying passengers. These vehicles will also be required to support non-emergency functions where personnel and/or equipment require transportation. The vehicles are expected to mainly operate in the Greater London Area, but on occasions may be required to support incidents outside of this area. The user Departments have reviewed their vehicle requirements and established that the remaining 2 MPCs are no longer required. These assets will be disposed of, with the associated provision and in service costs representing a saving to LFB budgets. The current maintenance slot cost for these 2 MPC's is £5,898 per vehicle, so we will see a revenue budget saving of £11,796 per annum.

Tendering process

4. An operational requirements specification (OBS) was submitted to Babcock and they subsequently worked with the LFB Technical and Service Support workstream lead to review and determine the Brigade's requirements for safety, operational use, quality and performance for our fleet of vans. These requirements include:

   - 5 Urban Search and Rescue (USAR) vans with 4 wheel drive, 9 seats and flexible stowage

   - 9 Operations Support Group (OSG) vans with tail lift facility

5. Babcock drew up a procurement strategy which included an evaluation process that was agreed with LFB officers before going out to tender. The evaluation scoring consisted of 70% Technical and 30% Financial. Included within the evaluation factors were lead times and emission standards that played a significant role in the selection process, which consisted of Babcock identifying potential vehicles and scoring them against the above criteria.

6. Babcock's procurement team issued LFBs requirements for the USAR vans in August to MAN, Mercedes, Ford, Vauxhall, and Renault for total costs for the base vehicle and conversion excluding livery and stowage costs. Livery and stowage costs could not be requested as the vehicles had not been selected. BCS received responses from MAN, Mercedes, Vauxhall and Renault.

7. Babcock's procurement team issued LFBs requirements for the OSG vans to 3 manufacturers who could supply an automatic variant of their 3.5 T vehicle, which were Mercedes, Renault and MAN. A bespoke body builder was also contacted to look at an ultra-lightweight variant to achieve maximum payload as requested in the OBS.

8. Following the competitive tender process and evaluation of the tenders, Babcock Emergency Services have identified the preferred bidders that meet the LFB's requirements. The quotes from

the preferred bidders all sit within the identified FLEET capital spend budget and details of the quote are given in confidential Appendix A.

9. On top of the costs of purchasing the replacement equipment, there will be additional costs to make minor modifications to the vans to ensure safe carriage of equipment, for corporate livery and road safety markings. The estimated cost of these modifications will not exceed £10k per vehicle, so will be a maximum of £140k. Therefore, they sit well within delegated authority and will be facilitated within the planned FLEET capital budget

10. Babcock has also advised of potential additional costs that need to be considered if a Brexit deal is not reached, these are detailed in confidential Appendix A.

11. There will be no change to the revenue budget for the maintenance slots for these vans, as the ongoing maintenance costs for these will remain the same as the existing slots. This is because the LFB's requirements for standardising these types of vehicles has enabled Babcock to make efficiencies across the fleet. This has therefore resulted in Babcock being able to retain consistent slot prices, which represents a small efficiency saving to LFB.

Training

12. There is no identified training requirement for the new vehicles. Familiarisation upon delivery will be satisfactory.

ULEZ

13. New emission regulations will come into force for central London in April 2019 and our fleet of LFB vans are regularly driven across this zone. Therefore, we will need to comply with the regulations or pay numerous daily charges. Paying the charges is not considered as an appropriate nor acceptable solution and we are already working towards reducing the emissions across all of our fleet of vehicles in line with our corporate strategy.

14. Babcock have informed us that should the fleet of vans not be received, prior to the new ULEZ regulations being applied in April 2019, then they will be spot hiring the necessary compliant vehicles for our use whilst we are waiting for our replacement vehicles. Therefore, we do not anticipate any of our van fleet incurring ULEZ charges under the new regulations that will be applied in April 2019.

Replacement

15. Should the procurement be agreed via the LFC governance process, it is anticipated that once the orders are placed for the replacement vans, they will have a lead time of approximately 20 weeks. We would therefore expect them to come into service late spring to early summer 2019.

Finance comments

16. The finance comments are contained within confidential Appendix A.

Workforce comments

17. There are not perceived to be any issues with these vehicle that will adversely or otherwise affect the workforce. The representative bodies will be made aware of the identified vehicles and if any issues should occur, they will be addressed via the extant joint health and safety forum (BJCHSW).

Legal comments

18. 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.

19. 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").

20. 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…*".

21. The Deputy Mayor's approval is accordingly required for the London Fire Commissioner to place orders with Babcock Emergency Services for the procurement of 9 new box vans and 5 general purpose vans with 9 seats and flexible stowage.

22. The statutory basis for the actions proposed in this report is provided by Section 7 of the Fire and Rescue Services Act 2004, which states that fire and rescue authorities must secure the provision of the equipment necessary efficiently to meet all normal requirements. The proposals in this report are in line with the provision of services under the Commissioner's contract with Babcock Emergency Services.

Sustainability implications

23. The identified vehicles will be fitted with euro 6 engines and will therefore comply with ULEZ regulations being introduced in April 2019. This project therefore supports both the LFB sustainability objectives and the London Mayoral agenda in terms of reducing emissions. Zero emissions capable options were considered but none were found to meet the performance and lead time requirements.

Equalities implications

24. The Public Sector Equality Duty applies to the London Fire Brigade when it makes decisions. The duty requires us 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.

25. 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).

26. The equality impact assessment undertaken within the tender bids evaluation process found that the proposals in this report will not have an adverse effect on any persons with a particular characteristic. This was based on the following; the Output Based Specification (OBS) was written with the end users needs in mind. Reasonable seating position adjustments can be made in the vehicles by users, however where required, modifications can be carried out on vehicles to cater for those with special requirements.

27. In addition, the Babcock contract requires Babcock and any sub-contractor they may engage, to conform to equality legislation and LFB equalities protocol. Babcock also assess all of their providers approach to equality and ensure they are satisfied that they meet appropriate protocols, prior to them listing those companies as approved providers. Therefore, it is considered that there is an appropriate approach to equalities right through the supply chain in respect of this procurement.

List of Appendices

Appendix	Title	Protective Marking
A.	**Tender evaluation results** In commercial confidence.	Official-Sensitive (Commercial)

LONDON FIRE BRIGADE

Official-Sensitive (Commercial)

Confidential Appendix A Tender evaluation and cost breakdown

Freedom of Information Act 2000

43 Commercial interests

(2) Information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).

1. Following evaluation of the tenders, Babcock Emergency Services subsequently informed us that the identified vehicles that preferred bidders offer to provide are as follows;

   - 5 USAR vans - MAN TGE 4.180 Minibus with 4-Wheel Drive

   - 9 OSG Vans - Mercedes Sprinter 314 FWD, Factory supplied Luton Body

2. MAN has however subsequently informed Babcock of an estimated price increase of between 10% to 16% if a Brexit deal is not reached between the UK Government and the EU. The percentage increase is due to a port levy that may be applied to all vehicles due to be delivered after the 29th March 2019. Babcock have informed us that LFB should include this caveat, but the percentage could be higher or lower. However, Babcock are working with MAN to mitigate this price risk.

3. Rygor (Mercedes supplier) has informed Babcock that there is a Crown Commercial Service (CCS) cost framework change of an additional £1,100 per vehicle, despite a quote validity of mid-March 2019. Due to the size of order to be placed we are informed that an internal dispute has been raised within Rygor to make sure the new CCS rates do not apply. Babcock is working with Rygor to reduce/eradicate this risk completely.

4. In regards to a potential port levy as mentioned by MAN in paragraph 2 of this appendix, Rygor is unaware of a port levy being applied after the 29th March 2019. However, Babcock have advised that this is still a risk, even though Rygor are unaware at this stage. Babcock have therefore advised a caveat of a potential price increase of £1,100 per vehicle, plus again, a potential port levy.

Item Name	**Total Acquisition Cost** (Per Asset)	**Volume**	**Total Vehicle Acquisition Cost** (ex VAT)
5 x MAN TGE 4.180 Minibus with 4-Wheel Drive	With Brexit agreement £36,752.00 Without Brexit agreement Up to £42,632.32 (@16%)	5	With Brexit agreement £183,760.00 Without Brexit agreement Up to £213,161.60 (@16%)
9 x Mercedes Sprinter 314 FWD Factory supplied Luton Body	With Brexit agreement £38,054 (including CCS costs of £1,100 per van) Without Brexit agreement Up to £44,142.64 (@16%)	9	With Brexit agreement £342,486 Without Brexit agreement Up to £397,283.76 (@16%)

TOTAL	With Brexit agreement Without Brexit agreement	14	£526,246 £610,445.36 (@16%)

5. The minor vehicle modifications to apply corporate livery, safety markings and to ensure safe stowage of any required equipment to be carried on the various vans, have been discussed with Babcock and it has been determined that these modifications should not exceed £10k per vehicle.

6. Therefore, the sums referred to in the "recommended decisions" section of the main report are as follows;

   - If we have a Brexit deal, a sum not exceeding £526,246 for the replacement of a total of 5 USAR vans and 9 OSG vans.

   - If we do not have a Brexit deal, a sum estimated at £610,445.36 (if a 16% port levy is applied) for the replacement of a total of 5 USAR vans and 9 OSG vans. This sum may be lower or higher dependant on the port levy applied. The port levy is considered to apply in a non Bexit deal scenario, as although the order should be placed before the end of March, the actual delivery of the vehicles is anticipated to probably occur after the Brexit date.

Finance Comments

7. This report sets out plans for the replacement of vans within the LFB fleet as they come to the end of their planned serviceable life.

8. Capital budgets of £658k have been allocated to these schemes in the 2019/20 capital programme as follows:

   - 5 USAR vans £185k

   - 9 OSG vans £333k

   - Livery and Conversion all vans £140k

9. The total cost of the planned replacement set out in this report is £666k, assuming there is a Brexit agreement. The cost is £8k higher than the available budget therefore an additional budget allocation of £8k is included in the total budget approval being sought below. However, should the UK leave the EU without a deal there will be a potential additional cost, bringing the total cost up to an estimated £750k which would lead to an additional budget shortfall of £84k. Any additional costs as a result of no deal will need to be reviewed and additional budget allocated as appropriate as part of the ongoing budget monitoring process.

10. Approval is therefore being sought for a budget of up to £750k although any additional budget required as a result of no deal will not be allocated unless required.

11. The revenue running costs of the vehicles will be met from existing departmental revenue budgets as these are replacement vehicles.

12. If this expenditure is funded through borrowing, the resulting capital financing costs would be £115k (£130k including the potential impact of no deal) annually, comprising £95k (£107k including the potential impact of no deal) to repay the principal and £20k (£23k including the potential impact of no deal) in interest, based on a 7 year asset life.