



LONDON FIRE BRIGADE

Report Title:	
Maintenance Services	
Report to:	Date:
Corporate Services Directorate Board Commissioner's Board Deputy Mayor's Fire and Resilience Board	15 March 2022 6 April 2022 26 April 2022
Report author:	Name: Claire Page Job Title: Head of FM
Report classification:	
For Decision	
The subject matter for this report deals with the following LFB strategic priorities:	
The best people and the best place to work This report addresses the strategic priority of the best people and the best place to work by ensuring statutory and legislative compliant maintenance services are provided and contributes to the carbon net zero targets across the LFC's estate. Procured and delivered robustly, the correct maintenance of LFC properties contributes to the enhancement of the working environment as well as mitigating reactive breakdowns thus minimising operational disruption.	
Seizing the Future This report addresses the strategic priority of seizing the future by embracing maintenance related technology to create a more efficient service including technology links to the LFC's Help Desk and Computer Aided Facilities Management ("CAFM") service to provide real-time information to maintain resilience in the estate, as well as remote sensor technology to lessen the need for some labour-intensive tasks.	
Delivering Excellence Through the procurement of maintenance services, LFC is seeking to deliver a best-in-class service that will contribute to improved maintenance regimes based upon robust asset and condition data. Through improved data, LFC will become more informed in its future strategic decisions on property, asset, lifecycle and service management.	
Report number – LFC-0691	

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER

Executive Summary

This report seeks approval to commit expenditure following a procurement exercise and award new maintenance contracts for the supply of Mechanical, Electrical & Plumbing (“MEP”), building fabric, lifts, appliance bay doors and gates maintenance services across the London Fire Commissioner’s (“LFC’s”) estate. The existing contracts for these services expire in 2022 and are required to maintain LFC’s properties, inclusive of meeting related statutory compliance obligations, ensuring the property portfolio continues to meet operational needs.

LFC proposes to procure the following contracts for these services:

- A bundled Hard FM contract comprising MEP, fabric and lift maintenance service using the Tenet framework which will be split into two contracts for the north and south of the estate; and
- An appliance bay doors and gates maintenance service for the entire estate through a competitive tender process.

A suitable framework could not be identified for appliance bay door maintenance which is specialist and niche to fire services so this will be procured through a separate competitive tender process. The use of a framework for the bundled Hard FM service (comprising MEP, fabric and lift maintenance services) achieves the value and quality benefits from collaboration with other public sector bodies and will enable LFC to benefit from centralised procurement.

The new maintenance suppliers will contribute to the LFC’s carbon net zero targets as well as embracing technology to improve the level of service and fully integrate maintenance provision within the wider Property function.

The costs for these new contracts will be met from existing budgets.

For the Deputy Mayor

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit revenue expenditure for the value set out in Part 2 of the report following a procurement exercise for the maintenance services contracts for the period of up to four years.

This LFC decision will only be taken after further consultation with the Greater London Authority’s finance and legal advisers and Corporate Investment Board.

For the London Fire Commissioner

The London Fire Commissioner approves the expenditure as detailed in Part 2 of the report for the procurement of the maintenance services contracts for the period of up to four years and:

That the London Fire Commissioner delegates authority to the Assistant Director of Technical Services to enter into contracts for maintenance services for the value contained in part 2 of this report, following completion of a procurement exercise. This is subject to the prior approval of the Deputy Mayor for Fire and Resilience.

1 Introduction and Background

- 1.1 LFC-0307 set out the strategy for the facilities management services provision and the steps of transformation that the Property Department would undertake. This report updates on the final element of that transformation with the re-procurement of the hard services.
- 1.2 The LFC requires the provision of maintenance services to its estate – these services are currently let under contracts which expire in 2022 and comprise the following services and incumbent providers:
 - Mechanical, Electrical and Plumbing (“MEP”) services – currently three contracts, split between north, south and core (which covers Union Street and Merton LOC) held by Atalian Servest (north) and Kier (core and south);
 - Building fabric maintenance – currently one contract let to Close Brothers;
 - Lift maintenance – currently one contract let to Apex Lifts; and
 - Appliance Bay Doors and Gates maintenance – currently one contract let to Arkas.
- 1.3 The current contracts were awarded following competitive procurement exercises in 2017/2018 with contract terms of three years with two optional extension years.
- 1.4 The scope of the planned service within the contracts is for statutory and routine Planned Preventative Maintenance (“PPM”) in accordance with schedules agreed with each incumbent provider. This maintenance is based on bespoke maintenance schedules which were developed when the contracts were procured. A reactive maintenance service is also included within the scope of the maintenance contracts which provides a responsive service to breakdowns of assets and repairs. The current contracts include for the provision of procuring additional small works and minor projects through the incumbent maintenance providers.
- 1.5 The LFC’s estate comprises just over 100 sites with a total estimate gross internal area of 244,000 square metres. The estate is an ageing estate and includes some listed and locally listed properties. The current service enables the delivery of over 20,000 maintenance tasks per annum of which circa 9,000 are for PPM and the remaining 11,000 for reactive services for repairs and breakdowns.

- 1.6 Performance throughout the term of the contract has been variable across the incumbent suppliers; compliance with the Key Performance Indicators (“KPIs”) has been varied and a high level of service credits has been levied against the suppliers over the contract terms. Benefiting from the lessons learned from the current contracts, the LFC is seeking to secure improvements in the new contracts through refreshed specifications, response times and performance measures which will seek to address and mitigate some of the historic performance trends.
- 1.7 A full review of the current contracts and performance has been completed and options were reviewed to determine the best approach to maintenance provision. These services are critical for ensuring the estate can support LFC’s operational response and provide a safe and compliant workplace for its workforce. In determining the chosen sourcing route, service resilience and competitive tension were considered key priorities from the new contracts and will facilitate achieving value for money.
- 1.8 It is proposed to bundle the services for MEP, building fabric and lift maintenance and create two aggregated Hard FM contracts – one for the north of the estate and one for the south of the estate. This aggregation of these services will maintain service resilience and competitive tension in the provision of services by procuring two market operators whilst taking some advantage of supplier aggregation benefits. Further the service aggregation provides an opportunity for increased service integration such that the maintenance delivery is more seamless with greater opportunities for benefiting from a multi-skilled resource to drive improved response times and first-time fix rates to the reactive maintenance requirement.
- 1.9 Appliance bay door maintenance is niche to the fire service and critical for operational response. The service is specialist and is not self-delivered by suppliers who deliver MEP, building fabric and lift maintenance services. It is therefore proposed to competitively procure these services as a stand-alone contract continuing to incorporate the maintenance for gates to maintain the benefits of direct contract management with a business-critical supplier.
- 1.10 The new bundled Hard FM services contracts will be procured using the Tenet framework. The Tenet framework has been selected to attract a new maintenance supply chain to tender for the LFC’s opportunity such that it positions LFC as a key client. The Tenet framework provides for maintenance services which can be awarded as separate lots. The framework is open for four years, with a commencement date of 10th March 2020. There is a good range of suppliers on the framework to provide for a competitive process. All suppliers appointed to this framework provide comprehensive maintenance services covering the scope the LFC requires and will allow for the enhancements of energy and sustainability initiatives including consideration of carbon net zero and the innovative maintenance technology LFC seeks.
- 1.11 The appliance bay doors and gates contract will be competitively tendered due to the specialist nature of the services and the absence of any frameworks that cover this requirement.
- 1.12 The contracts and specifications for the new hard FM and appliance bay gates and doors maintenance services will deliver the following benefits:

- The inclusion of maintenance industry standards, to replace the bespoke maintenance schedules included in the current contracts, which will be tailored for LFC's needs but provide a compliant and consistent approach in line with the market best practice;
- Inclusion within the specification of minimum requirements from the account management team as well as the inclusion of services which have previously been omitted e.g. domestic appliances;
- Merging MEP, fabric and lift maintenance services provides greater opportunity for an increased use of multi-skilled labour to improve response times and first-time fixes to drive efficiency and value through the service;
- Full integration with the LFC's CAFM service (also known as the Property Portal) which went live in April 2021 including the use of technology to enable real time delivery of service requests and updates, improved real-time reporting leading to the delivery of a more efficient service;
- Additional focus on supporting LFC in its achievement of carbon net zero and other energy and sustainability initiatives with proposals sought that contribute towards energy efficiency in maintenance operations;
- Additional KPIs and increased service credit mechanism which is targeted towards areas of performance that have historically been challenging to refocus the service on delivery the LFC's core maintenance requirements;
- The inclusion of a semi-comprehensive threshold for reactive repairs which transfers a degree of risk to the supplier. This means the new supplier will include an allowance for any reactive repair costs within the defined threshold value within its fixed pricing and any repairs required within this value will be completed at no additional cost. This encourages the supplier to resolve these issues in the most cost-effective way and provides better cost certainty to LFC; and
- Obtaining fixed pricing to give greater cost certainty to the LFC as well as a reduced administrative burden through fewer invoices.

1.13 The performance mechanism has also been tailored to ensure its relevant and proportionate and encourages performance and swift resolution of any service issues. Refreshed and targeted key performance indicators and associated service credit regimes will encourage good performance throughout the term and seeks to address the issues identified from the current contracts.

1.14 The proposed contract term for the new contracts is three years with one optional extension year; this retains the benefits of LFC's co-terminus contract dates for all aspects of maintenance provision. It is the intention to utilise the extension providing service delivery is being achieved and market intelligence on the rates current at the time of the extension has confirmed value for money is and can still be achieved from the contract. Approval is requested for the full four years of spend.

2 Objectives and Expected Outcomes

2.1 The procurement of these services will deliver the following outcomes:

- continuity of planned, reactive and statutory compliance maintenance requirements to ensure a safe and compliant workplace.
- utilising maintenance provision to contribute to LFC's '**Best Place to Work**' by minimising asset failures and therefore optimising the workplace conditions and mitigating business as usual disruption.
- contribute to LFC's '**Delivering Excellence**' objective through the procurement process – implementing maintenance best practice in the tender and contract documentation.
- contribute to the LFC's '**Seizing the Future**' objective by utilising technology to link supplier activity to the Property Portal to provide real-time updates as well as matching maintenance requirements to actual and robust asset and condition data which will provide improved data on asset performance and contribute to an informed maintenance strategy, life cycle plan and forward works programme.
- incorporate energy initiatives including contributing to the LFC's carbon net zero targets as well as utilising maintenance related Internet of Things ("IoT") to reduce manual activities where this is feasible.
- encouraging the principals of the Anchor project by building these objectives into the supply chain requirements.

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 Equalities Impact Assessment has been undertaken and it has been determined that the maintenance services will not have a negative impact on any groups.

4. Other Considerations

Workforce comments

- 4.1 Representative bodies have not been formally consulted in the development of this report. This service will replicate the existing provision and there are no workforce implications.

Sustainability comments

- 4.2 This report addresses the existing sustainability concerns associated with the of Mechanical, Electrical & Plumbing ("MEP"), building fabric, lifts, appliance bay doors and gates maintenance services contract:
- This report notes that the new supplier will allow for the enhancements of energy and sustainability initiatives including consideration of carbon net zero and the innovative maintenance technology LFC seeks;
 - The sustainable development team would support the inclusion of sustainability and environmental issues within the Key Performance Indicators of the new contract; and
 - The new contract will be in excess of £100,000 and therefore the in line with the Responsible Procurement Policy (PN696) LFC is required to consider how social, economic and environmental value can be generated through the contract.

Procurement comments

- 4.3 The suggested approach is fully compliant with the Scheme of Governance – Part 3 relating to Procurement. The evaluation of price, quality and responsible procurement will be weighted in order to maximise value for money for the services included within the contract and to assist with its overall affordability. A detailed pricing model will be prepared to allow a thorough understanding of each of the bids received. The recognised form of contract will be used consistent with ensuring risks can be appropriately owned and that contract management during the service delivery period will be straightforward by ensuring that an appropriate level of obligations between LFC and the contractors are included.
- 4.4 The evaluation of price and quality will be weighted in order to maximise value for money for the services included within the contract and to assist with its overall affordability.

5. Financial comments

- 5.1 This report requests approval to procure and fund new London Fire Commissioner's (LFC) maintenance service contracts in line with the Authority's future strategic priorities. The contracts will run for three years with the option to extend for one additional year.
- 5.2 Detailed financial information to support this request is contained within part 2 of the report.
- 5.3 Funding for the competitive tenders will be met from existing budgets for Mechanical, Electrical & Plumbing ("MEP"), building fabric, lifts, appliance bay doors and gates maintenance services across the estate.
- 5.4 The request to procure and award the new contracts notes any inflationary cost pressures will be met as part of the future LFC funding allocations as necessary.

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 provision of maintenance services contracts which has an estimated cost exceeding £150,000 and is set out in full in Part 2 of the report.

- 6.5 The arrangements proposed is consistent with the Commissioner's power under section 5A of the Fire and Rescue Services Act 2004 to do anything it considers appropriate for the purposes of the carrying-out of any of its functions.

List of Appendices

Appendix	Title	Open or confidential
	None	

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

<p>ORIGINATING OFFICER DECLARATION:</p> <p>Drafting officer Claire Page has drafted this report and confirms the following:</p> <p>Assistant Director/Head of Service Laura Birnbaum has reviewed the documentation and is satisfied for it to be referred to Board for consideration.</p> <p>Advice The Sustainability, Procurement and Finance and Legal teams have commented on this proposal.</p> <p>Karen Boother, Legal Advisor, on behalf of General Counsel</p> <p>Oluwabunmi Fuwa, Financial Advisor, on behalf of the Chief Finance Officer.</p>	<p>Drafting officer to confirm the following (ü)</p>
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