

REQUEST FOR DMPC DECISION – PCD 03**Title: Additional Vehicles****Executive Summary:**

This paper proposes the direct award of a contract and initiation of a tender process in order to supply an additional 110 response 4x4 vehicles at a total cost of £3.6m. The requirement for the vehicles is to meet operational demand, replace vehicles as they reach their 'end of life', and to provide a facility to call off further vehicles in unforeseen circumstances. The cost is being met by a combination of grant and approved capital programme funding.

Recommendation:

The Mayor is recommended to approve:

1. The direct award of a contract (from a previously approved framework agreement) for the supply of 65 response 4x4 vehicles in the sum of £1.97m to BMW
2. Initiation of procurement for a tender process for the supply of a further 45 vehicles at an estimated cost of £1.63m

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*Sophie Linden***Date***23/6/16*

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

Decision required – supporting report

1. Introduction and background

1.1. A MPS fleet strategy was approved in 2014 which sets out how the operation of the fleet will support and enable the successful delivery of the then Police and Crime Plan. It documented the choices to be made in determining what the priorities should be for investment in fleet. As part of the MPS Commercial Strategy a new commercial model was developed to deliver the future MPS fleet that will provide operational requirements against the One Met Model.

1.2. Elements of this request are set out in Part 2 due to operational and security considerations.

2. Issues for consideration

2.1. In order to meet current operational demand vehicles scheduled for disposal will be retained until replaced under the following proposals.

2.2. This proposed procurement is for the supply of 110 Response 4x4 vehicles only. There is operational demand from a number of MPS commands – see Part 2 for the detail – totalling 56 vehicles, a further requirement of 23 for the vehicle replacement programme (to replace ‘end-of-life’ vehicles), and a provision for a further 31 to provide a call off capacity for unforeseen demand.

2.3. MOPAC approved the procurement for a contract for the supply of 4 types of Response 4x4 vehicles via the Governments Crown Commercial Services (CCS) framework. However, not all 4 types of the tender could be fulfilled by suppliers.

2.4. MPS now propose the use of a direct award to the successful bidder for the 2 types of vehicles from this framework which were appointable, for the purchase of up to 65 vehicles, 45 specific to current demand and 20 as part of the call off capacity. The value of the direct award is estimated at £1.97m

2.5. For the 2 types of response 4x4 vehicles for which the MOPAC approved procurement was not able to appoint suppliers, MPS now propose to initiate a further procurement action with amendments to the technical specification to enable more suppliers to bid.

2.6. MOPAC will have the opportunity to ‘call in’ the proposed award of contract arising from the tender to ensure value for money. Delay in the approval of the direct award and/or the initiation to tender may impact on the ability to deliver the required vehicles as anticipated and of the MPS to protect the public.

2.7. Following the purchase of vehicles MPS will use existing contractors to fit MPS police specific equipment to make the vehicles fit for purpose.

2.8. The vehicles proposed to be purchased under the direct award process will have a better environmental impact than the ones they replace due to improved performance specifications of the vehicles and lower kgCO₂/km. MPS continue to engage with vehicle manufacturers to evaluate Ultra Low Emission Vehicles (ULEV) which meet operational requirements, and trials are scheduled to take place later in 2016.

2.9. MOPAC will work with the MPS to make the best use of low emission vehicles in the future.

3. Financial Comments

- 3.1. The total estimated cost of the proposed procurement of 110 vehicles is £3.61m. This cost will be funded from Counter Terrorism (CT) and Protective Security Grants (PSG), and approved MOPAC capital funding.
- 3.2. The on-going revenue costs of the vehicles will be funded from within existing CT and PSG grants and MPS resources.

4. Legal Comments

- 4.1. The MPS legal advice is included in Appendix 1 and confirms that the proposed procurement is compliant and that the Mayor has the relevant power to approve the recommendations.

5. Equality Comments

- 5.1. There are no direct equality implications arising from this paper.

6. Background/supporting papers

- 6.1. Appendix 1a MPS Report

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date:

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 rationale for non-publication.

Is there a **Part 2** form – YES

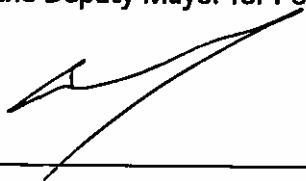
ORIGINATING OFFICER DECLARATION:

		Tick to confirm statement (✓)
Head of Unit: The Director of Strategy 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 Strategic Finance and Resource Management Team has been consulted on this proposal.		
Equalities Advice: Equality and diversity issues are covered in the body of the report.		

OFFICER APPROVAL**Chief Operating 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



Date

23/6/16

METROPOLITAN POLICE SERVICE FLEET SERVICES

RESPONSE 4X4 TENDER 2016

Report by Lynda McMullan, Director of Commercial and Finance on behalf of the Commissioner

EXECUTIVE SUMMARY

Fleet Services request approval to proceed with a 2 year call off contract for the purchase of up to a maximum of 110 Response 4x4 vehicles at £3.61M, funded from within the existing capital programme.

To achieve value for money and adhere to procurement guidelines it is necessary to aggregate contract volumes over financial years to ensure that volumes drive competitive pricing structures. The proposed 2 year contract will support the following activity;

- a) Expedite a fleet uplift (56)
- b) Continue to deliver the MPS Vehicle Replacement Programme 2016/17 (23)
- c) Establish a call off capacity to enable the replacement of unforeseen write offs and accommodate changes in fleet profile (31).

A. RECOMMENDATIONS

Within the Response 4x4 vehicle call off contract to purchase up to a maximum of 110 vehicles at a cost of £3.61M, Fleet Services seek approval to;

- 1. Direct award the purchase of up to a maximum of 65 vehicles at a total cost of £1.97M, funded from the existing capital programme
- 2. Initiate procurement action for the purchase of up to a maximum of 45 vehicles at a cost of £1.63M, funded from the existing capital programme

B. SUPPORTING INFORMATION

1. Fleet Strategy

- 1.1. The One Met Fleet Strategy was published in 2014 and set out a four year plan for the direction of travel for the fleet. It established a number of challenges for Fleet Services related to improving;
 - a) Cost management
 - b) Demand management
 - c) Environmental impact
 - d) Safety
 - e) Technology
- 1.2. The call off contract requirements are in line with previous fleet purchase contracts and support the aims of the fleet strategy to manage both costs and demand, whilst also improving the environmental impact and the use of technology through ANPR equipment.

- 1.3. Delivery of this requirement has no impact on the commercial activity being undertaken within Fleet Service, which subject to due process and Management Board approval will deliver a single Managed Service Provider by November 2016.
- 1.4. Fleet Services continue to engage with vehicle manufacturers to evaluate Ultra Low Emission Vehicles (ULEV) for a wide range of operational duties across the fleet. Assessments are underway to determine suitable Response 4x4 vehicles that can be installed with the appropriate police equipment and perform the operational roles required.
- 1.5. A number of ULEV's will be trialled across key areas of the fleet in Q3 2016 to determine operational suitability. If successful, changes to technical specifications will be incorporated into future tenders with deliveries expected in 2017. Initial analysis indicates comparable performance ULEV's are approximately 30-40% more expensive than conventional fuel vehicles, as a result additional funding will need to be identified, along with funding for charging points.
- 1.6. Any changes to the vehicle fleet will need to be implemented incrementally to ensure operational capability, availability and public safety are not adversely affected.

2. Vehicle Procurement

- 2.1. Fleet Services intend to procure the entire volume of 110 vehicles including the direct awards contained within Recommendations 1 through the Vehicle Purchase agreement for the supply of vehicle and associated services to the UK public sector. This framework agreement is owned by Crown Commercial Services (CCS) and the contract framework is RM1070 and is valid until December 2018.
- 2.2. The framework agreement comprises of a series of lots for cars, vans, motorcycles and large goods vehicles. Three particular lots are specific for emergency services. This framework provides the MPS with a comprehensive solution with access to the majority of vehicle manufacturers that could meet the organisational vehicle demands.
- 2.3. The contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes.
- 2.4. To achieve value for money and adhere to procurement guidelines it is necessary to aggregate contract volumes over financial years to ensure that volumes drive competitive pricing structures and to enable Fleet Services to react to any changes in operational demands and fleet profiles.
- 2.5. This approach is in line with the current One Met Fleet strategy which supports the Policing and Crime Plan and is sufficiently flexible to adapt to any changes in the 4 year strategy. As the request is for initiation only the Deputy Mayor of Policing and Crime has the authority to call the award of any contracts to Joint Investment Board in the future.
- 2.6. The Crown Commercial Services framework allows for the purchase of vehicles directly from the manufacturer, which delivers significant savings over retail prices. Commercial production and overseas shipping normally result in lead times between 12 to 20 weeks depending on the manufacturer. The additional lead time for vehicle conversions and registration is generally between 6 to 12 weeks, which is dependent on the scale of modifications and Police equipment fitted.
- 2.7. Fleet Services will manage key supplier relationships to deliver these additional vehicles into operational service at the earliest time available. This may result in other vehicles scheduled for replacement being delayed or deferred.
- 2.8. The contract evaluation and approval process are subject to various levels of corporate governance and the timescales involved are dependent on access to the relevant board;

- a) Approval to initiate procurement action from P&IB completed on 18th May 2016
 - b) JIB approval requested in May 2016
 - c) Tender activity to include output specifications, market communication, tender response time and tender evaluation explain direct award and mini competition
 - d) Contract board approval and where contract value is in excess of £0.5M approval by JIB
 - e) Tender award and Alcatel which is normally 10 days
- 2.9. Following the May 2016 election of the London Mayor and pending appointment of the DMPC existing governance boards have been postponed delays to approval will adversely affect the procurement and operational delivery timescales.
- 2.10. The Vehicle Purchase Framework RM1070 was procured by Crown Commercial Service on behalf of the Cabinet Office in December 2014 and is valid until December 2018. The MOPAC was identified as an eligible user of the framework by reference to it in the OJEU notice 2015/S 008-009193. The requirement set out in this report is within the financial and technical scope of the framework. The MOPAC will comply with the purchasing procedure set out in the framework.

Recommendation

Within the Response 4x4 vehicle call off contract to purchase up to a maximum of 110 vehicles at a cost of £3.61M, Fleet Services seek approval to;

1. Direct award the purchase of up to a maximum of 65 vehicles at a total cost of £1.97M, funded from the existing capital programme.
2. Initiate procurement action for the purchase of up to a maximum of 45 vehicles at a cost of £1.63M, funded from the existing capital programme.

3. Financial Implications / Value for Money

- 3.1. The overall value of the Response 4x4 contract will be £3.61M. This represents the maximum purchase limit that will be applied to this call off contract and no purchase volumes or values are guaranteed. This structure allows for future changes in operational focus and strategic demand.
- 3.2. To facilitate a fleet increase additional funding of £1.84M has been identified from CT and PSG funding to purchase an additional 56 vehicles.
- 3.3. In relation to the VRP requirements detailed in Table 1 (Part 2) within this tender, Capital funding exists as part of the MPS VRP 2016/17 approved capital plan which was agreed at IRB on 28th September 2015 and JIB 29th October 2015. These volumes are required as replacements to vehicles that have reached the end of their economical and operational life.
- 3.4. Table 3 (Part 2) details the capital requirements by funding stream which is required to purchase the 110 vehicles detailed in Table 1 (Part 2). The call off capacity will only be purchased if an operational requirement develops such as a write off or fleet profile change and is approved by the appropriate Finance Business Partner.

OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

1. **Equality and Diversity Impact**

- 1.1. Equalities considerations have been taken into account particularly concerning the vehicle manufacturer's cabin space design, which includes seat and seat belt adjustments and steering column adjustments. These considerations are further enhanced through being able to request detailed purchase specifications.
- 1.2. Crown Commercial Services, using a national standard to select service providers who meet equality and diversity criteria, tendered the Vehicle Purchase agreement for the supply of vehicle and associated services to the UK public sector.
- 1.3. Fleet Services acknowledges its responsibilities towards its staff and the members of London's diverse communities and will engage with, and value the contributions of, communities and our partners and continue to nurture positive relationships of constructive support.

2. Legal Implications

- 2.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £164,176 or above, all contracting authorities must do so in accordance with procurement law. This report confirms the value of the requirement is £3.61M. Consequently, the provisions of the Public Contracts Regulations 2006 and/or 2015 will apply.
- 2.2. This report identifies the Crown Commercial Services (CCS) framework agreement as its preferred route to market. A compliantly procured framework represents a compliant route to market for contracting authorities provided the framework is still in force, the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. Paragraph 2.10 of this report confirms the above is met.
- 2.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above.

3. Risk (including Health and Safety) Implications

3.1. Health and Safety

- 3.2. Fleet Services will continue to work with the MPS Safety and Health Risk Management Team [SHRMT] (and other agencies as appropriate) to ensure that all significant H&S risks have been quantified, and that suitable and sufficient controls are in place aimed at mitigating the risk to the MPS as follows:
 - a) Compliance with health and safety at work statutory provisions including codes of practice
 - b) MOPAC/MPS Safety Management System and
 - c) Service delivery that may impact public, officer or staff safety

4. Environmental Implications

- 4.1. Fleet Services are committed to supporting the following environmental initiatives;
- 4.2. Mayors Climate Change Mitigation and Energy Strategy to address the target to reduce carbon emissions by 60% by 2025 compared to 2005/06 emission levels.

- 4.3. Mayor's Air Quality Plan, and Electric Vehicle and Low Carbon Plan (EVLC), which is aimed at improving the air quality of London by reducing emissions from transportation services and promoting the use of low carbon emission vehicles.
- 4.4. The Ultra Low Emission Zone will be enforced from September 2020, the zone will operate 24 hours a day and will be the same as the current Congestion Charging Zone. All cars, vans, minibuses and large goods vehicles will need to meet the exhaust emission standards to enter the zone.
- 4.5. All diesel cars will be required to meet the European Standard 6 to comply with the zone and all vehicle being purchased through this contract will comply with this standard.
- 4.6. The vehicle procurement described at section 3 is supportive of the Clean and Energy Efficient Vehicles Directive 2009-33-EC and flexibility for sustainable vehicle procurement measures
- 4.7. Table 4 below identifies the environmental impacts associated with this report;

Table 4

Environmental Impact	Higher	Lower	No impact	Mitigation/ management of any higher impact
Level of energy use and associated carbon dioxide emissions		↓		The vehicle being purchased will meet the latest Euro 6 Emission Standard.
Level of water consumption			=	No impact is anticipated
Level of waste generation/waste requiring disposal			=	No impact is anticipated
Level of travel and transport and associated emissions		↓		The vehicle being purchased will meet the latest Euro 6 Emission Standard.
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	↑			The increase in raw material use and finite resources will be increased by the purchase of new vehicles. Where possible the use of recycled/recyclable materials and parts should be encouraged although this will be limited due to the specific requirements of the contract. The maintenance of new vehicles should encourage the reuse and recycling of parts where possible. The reuse and recycling of vehicle components assists to offset the impact on the purchase of new vehicles.

Report author: Jiggs Bharij, Acting Head of Fleet Services.

