

REQUEST FOR DMPC DECISION – PCD 216

Title: Contract Award for Supply of Discreet Cars

Executive Summary:

This paper seeks approval to award a range of contracts for the purchase of Discreet vehicles via the Crown and Commercial Services (CCS) Vehicle Purchase Framework Agreement (Ref. RM1070) for an aggregated value of £4,839,887 over 24 months.

Recommendation:

The DMPC is asked to

1. Approve the award of 18 contracts for the supply of up to a maximum of 215 discreet vehicles
 - The contracts are awarded following a direct award tender process under the Crown Commercial Services (CCS) Vehicles Purchase Framework Agreement.
 - The total contract value is £4,839,887
 - The contract duration is for 24 months.

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

Spur Henden

Date

20/6/17

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

Decision required – supporting report

1. Introduction and background

- 1.1. The MPS operates a fleet of 5,108 cars, vans, minibuses, motorcycles, large goods vehicles, marine vehicles, along with items of plant and equipment. The fleet is supported by 2,067 pedal cycles. The fleet profile and distribution across operational business groups supports the Police and Crime Plan and enables the MPS to have a mobile workforce which is capable of responding to incidents, protecting victims and vulnerable people, transporting officers and equipment across London and the UK.
- 1.2. Discreet Cars are part of the MPS Vehicle Replacement Programme for 2017/18. The fuel and emission strategy adopted for this tender stipulated that compliant vehicles would need to be either petrol or hybrid fuelled and must meet the latest Euro 6 emission standard. The ratio across the entire tender is as follows:
 - 192 Petrol vehicles
 - 23 Hybrid vehicles

2. Issues for consideration

- 2.1. See the Part 2 for details.

3. Financial Comments

- 3.1. The MPS requires capital funding of £4,839,887 and this is provided for in the Fleet Services Capital Programme 2017/18. The sum of £4m has been allocated to provide replacement of 176 discreet cars that are in line with the vehicle replacement parameters. The tender volume and value also provides for a contingency of up to 39 additional vehicles at an estimated value of £839,000. These vehicles, if required would provide cover for unforeseen write offs and to provide flexibility to meet future changes in operational requirements. The contingency is separately provided for in the Fleet Services Capital Programme to the replacement of 176 discreet cars.
- 3.2. Further details are discussed in the Part 2.

4. Legal Comments

- 4.1. There are no legal implications arising from this report.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

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 as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rational for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Chief Financial Officer 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 Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL**Chief Executive 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

R. Lawrence

Date

15/06/17

Part 1

Investment Advisory Board

9th June 2017

CONTRACT AWARD FOR SUPPLY OF DISCREET CARS

Report by Director of Centrally Delivered Support Services on behalf of the Commissioner

EXECUTIVE SUMMARY

The Metropolitan Police Service (MPS) are seeking to award a range of contracts for the purchase of Discreet vehicles via the Crown and Commercial Services (CCS) Vehicle Purchase Framework Agreement (Ref. RM1070) for an aggregated value of £4,839,887 over 24 months.

- The framework period is from 2 December 2014 to 1 December 2018 and the contracts are within the technical and financial scope of the framework.
- The duration of the contracts will be 24 months commencing in July 2017.
- Approval to initiative procurement action was granted by the Deputy Mayor for Policing and Crime on 22nd September 2016, as part of the MPS Vehicle Replacement Programme 2017/18.
- The initial tender value approved was £4.95m.
- The Commercial Director has delegated authority to approve the award of all contracts with the exception of those called in through the agreed call in procedure.

A. RECOMMENDATIONS – that the DMPC

1. Approves the award 18 contracts, detailed in Table 1 below, for the supply of up to a maximum of 215 Discreet vehicles:
 - a) The contracts are awarded following a direct award tender process under the CCS Vehicle Purchase Framework Agreement (RM1070 Lot 1)
 - b) The total contract value is £4,839,887
 - c) The contract duration is 24 Months
 - d) Capital funding is provided as part of the approved 17/18 Fleet Services Capital Programme

B. SUPPORTING INFORMATION

MOPAC Police and Crime Plan 2017-2021

1. The MPS operates a fleet of 5,108 cars, vans, minibuses, motorcycles, large goods vehicles, marine vessels, along with items of plant and equipment. The fleet is supported by 2,067 pedal cycles which are predominantly allocated to Territorial Policing.

Part 1

2. The fleet profile and distribution across operational business groups supports the Police and Crime plan and enables the MPS to have a mobile workforce which is capable of: responding to incidents, protecting victims and vulnerable people, transporting officers and equipment across London and the UK.
3. In order to ensure a better police service for London the MPS is committed to;
 - Delivering policing where and when Londoners need it, in their communities, on the move, online at night and work
 - Increase protection for victims and vulnerable people
 - Ensure the MPS meets its national and international strategic policing requirements
 - Keeping children and young people safe
 - Tackling violence against women and girls
 - Standing together against hatred, intolerance and extremism

Air Quality Strategy

4. Fleet Services are soon to publish an Air Quality Strategy 2017-2020 which will support the Mayor's commitment to improve air quality in London and compels the MPS to deploy over 550 ultra-low emission vehicles across the fleet by 2020. It is recognised that due to the varied and fast pace nature of policing, there is no single technology type that will meet all our requirements, as a result we have developed a mosaic approach and all fuel types and propulsion methods will be considered.
5. The introduction of the 550 ultra-low emission vehicles will be implemented in three phases and the first will target the seven Mayor's Low Emission Neighbourhoods so that the MPS will contribute to tackling local air quality issues.
6. The fuel and emission strategy adopted for this tender stipulated that compliant vehicles would need to be either petrol or hybrid fuelled and must meet the latest Euro 6 emission standard. The ratio across the entire tender is as follows;
 - a) 192 Petrol vehicles
 - b) 23 hybrid vehicles

Fleet Strategy

7. The One Met Fleet Strategy was published in 2014 and set out a four year plan for the direction of the fleet. It established a number of challenges for Fleet Services relating to improving:
 - a) Cost management
 - b) Demand management
 - c) Environmental Impact
 - d) Safety

Part 1

e) Technology

8. This procurement supports the objectives of the fleet strategy in terms of the provision of operationally fit for purpose vehicles. The contractual arrangements allows for changes in the operational requirement as well as not committing the MPS to purchase more vehicles than it needs.
9. Delivery of this requirement is out of scope of the current Fleet Services Outsourcing commercial activity.
10. Fleet Services continually monitor the size and makeup of the fleet and the contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes.

Procurement Strategy Information

11. Fleet Services have tendered to procure up to 215 vehicles through the Vehicle Purchase Framework RM1070 that was procured by the Crown Commercial Services on behalf of the Cabinet Office in December 2014 and is valid until December 2018. The MOPAC were 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 procedures set out in the framework.
12. The Framework consists of a total of 41 suppliers split through 9 lots and allows MOPAC as a participating authority to complete a call off agreement via a direct award or through mini competitions. This allows the business to be flexible and approach each procurement activity according to fleet category and demand. Further competition against the listed lots is permissible however the Framework specifications comply and meet our needs as an MPS purchaser.
13. The Framework allows for a Direct Awards to be made.

Value for Money Statement (Mandatory)

14. The contract is structured to offer no guaranteed volumes and will allow flexibility to fulfil the operational demand.
15. The MPS has made significant strides to ensure greater ongoing VfM from its fleet and the fleet operated represents a significant proportion of the national policing vehicle market. The Crown Commercial Services Framework allows for the purchase of vehicles directly from the manufacturer, which delivers significant savings over retail prices.
16. Fleet and Procurement Services have made significant efforts to consolidated definite vehicle requirements for periods which enable the MPS to make greater commitment to manufacturers. The volume not only provides a lower purchase price but also leads to a greater consistency in the vehicle model which has a positive impact on the total cost of ownership, achieved by minimising the volume of spares that need storage and the training required to service the fleet. Providing a larger commitment helps to ensure greater consistency of supply as manufactures are more able to schedule the run of an existing model, or provide access to end of model versions at a lower cost.

Part 1

17. As a result of this strategy 7 of the 18 manufacturers offered a further discount totalling £112,888, when compared to the standard CCS prices offered.

Responsible Procurement - Environmental Implications

18. The carbon dioxide emissions of the vehicles purchased will be lower than the vehicles they are replacing due to advances in the automotive industry technology. There will therefore be positive environmental impacts associated with the renewal process which are outlined in the environmental implications at Appendix 4 Table C1.

General Contract Information

19. The contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes and will be managed by Fleet Services who are responsible for delivery of suitable vehicles to meet the MPS operational requirements.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Procurement Services have a contract management toolkit that contains a section on Responsible Procurement which encourages contract managers to work with their suppliers, signposting them to support services. Additionally, suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.
2. There are considered to be no negative equality or diversity implications arising from this procurement process. The approved company will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

Financial Implications

3. The MPS is seeking to award 18 twenty-four month contracts for the supply of discreet base vehicles to the MPS as set out in Part 2 Table 1. The estimated value is £4,839,887. Within the approved Fleet Services Capital Programme for 2017/18 of £29m, provision of £4m has been made for the 176 discreet base vehicles in line with vehicle replacement parameters. It is expected that the discreet base vehicles will be purchased within 12 months from the date of contract award.
4. The tender volume and value provides for a contingency of up to 39 additional vehicles at an estimated value of £839k, if required, to cover unforeseen write offs and to provide flexibility to meet future changes in operational requirements. The

Part 1

contingency is separately provided for within the Fleet Services Capital Programme to the replacement of 176 discreet base vehicles

Legal Implications

5. 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 the Regulations.
6. 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
7. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent ('the Scheme') 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. The report confirms approval was obtained on the 22 September 2016.
8. Paragraph 7.23 of the Scheme states the Strategic Procurement Director may award all contracts with the exception of those called in through the agreed call in procedure.

Consultation Undertaken

9. Discussion regarding vehicle replacement continues on a local user level as well as through relevant fleet boards which is supported as per the consultation grid below:

Consultation grid

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Head of Fleet Services	Supportive
MPS Strategic Fleet Board	Supportive

Report author: Jiggs Bharij, Head of Fleet Services

