

**DMPC Decision – PCD 1199**

**Title:      Grounds Maintenance Contract Value Uplift**

**Executive Summary:**

This paper seeks approval for an uplift in the contract value of £1,133,885 for the provision of the grounds maintenance services. The uplift is compliant with Public Contract Regulations and will be funded from within existing MPS budgets.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

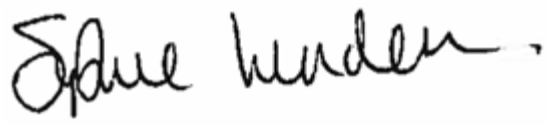
1. Approve the uplift in the value of the Services contract with Idverde UK Ltd by £1,133,885 which is 27% of the original contract value approved by MOPAC. This is to realign the contract's initially underestimated annual spend to the current and estimated future service demand for this contract. The new value of the contract for the 5+1+1 Year term will be £5,334,719 against the originally approved value of £4,200,834 for the 5+1+1 Year term.

**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**



**Date 01/06/2022**

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

### **1. Introduction and background**

- 1.1. MOPAC approved the contract award for the supply of the grounds maintenance services in 2018 for an initial 5 year term, with the option to extend by two 1 year periods.
- 1.2. This paper seeks approval for a contract value uplift to enable the extension periods to be awarded.

### **2. Issues for consideration**

- 2.1. The reason for the need to approve a contract value uplift now is due to spend on both planned and reactive activities being in excess of the expected volumes at contract award. Examples of the additional activity are remedial works associated with arboriculture reports and reactive tree maintenance, significant spend on planned winter gritting (excluded from the original cost estimate submitted at tender award), and extension of grounds maintenance service to support Operational Support Group to service high profile criminal investigations.
- 2.2. The uplift includes a cost provision of £60,000 (£20,000 per year) for glyphosate alternatives. This is due to MOPAC supporting the GLA in wanting to limit and eradicate over time, the use of glyphosate products across the estate.

### **3. Financial Comments**

- 3.1. The estimated contract value uplift required to the end of the planned seven year term is £1,133,885. The MPS assure that this will be met from within existing budgets.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms both the value of the original contract and the proposed modification exceeds this threshold.
- 4.2. The MPS assure that the proposed contract value uplift is within the Public Contracts Regulations 2015.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months.

## **5. Commercial Issues**

- 5.1. The contract for grounds maintenance was awarded for a upto 7 year term at a value of £4,200,834. The MPS has delegated authority to award the two 1 year extensions which it plans to do.
- 5.2. Due to additional activity the contract value needs to be uplifted by £1,133,885, 27% of the original contract value. The award of the extension will be to a performing supplier and based on the 2018 prices bid (plus inflation). The extensions will avoid the costs involved in a re-procurement and avoid exposure to potential market increases.
- 5.3. This supplier, working alongside the Ministry of Justice, provides training in biodiversity and general horticultural skills for ex-offenders to educate and provide them life skills that may help rehabilitation. This scheme is being adopted by the MPS for low risk offenders and their case officers.
- 5.4. The MPS assure that as part of their management of the contract extension they will ask the supplier to set out how they will contribute to the London Anchor Institutions charter objectives.

## **6. GDPR and Data Privacy**

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that the proposal does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## **7. Equality Comments**

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure that as this proposal is for a contract value uplift there are no equality implications.

## **8. Background/supporting papers**

- Appendix 1 MPS Report - Grounds Maintenance Services Purchase Order (PO) Uplift

**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 (✓)*

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice:**

The MPS legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Commercial Issues**

Commercial issues are covered in the body of the report.

✓

**GDPR/Data Privacy**

GDPR compliance issues are covered in the body of the report .

✓

**Drafting Officer**

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The interim MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**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**



**Date 30/05/2022**



MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## Grounds Maintenance Services Purchase Order (PO) Uplift

### MOPAC Investment Advisory & Monitoring meeting 9<sup>th</sup> May 2022

#### Report by the Director of Property Services on behalf of the Chief of Corporate Services

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

#### *EXECUTIVE SUMMARY*

The current contract for Grounds Maintenance Services with Idverde UK Ltd ends on 29th April 2023. DMPC decision “PCD303” included approval for 2 one-year optional extensions of the term; both years of which will be exercised under delegated authority. Annual spending has been higher than initially forecasted (due to factors beyond the Authority’s control). This paper seeks approval to uplift the current value of the Contract and enable the 2x1 year contract extensions to be executed.

The contract was awarded as 1 lot by the Mayor’s Office for Policing and Crime (MOPAC), commencing on 30th April 2018. The total value of the five-year initial term is £3,000,595.74. There are two individual option years giving a total 7-year contract value of £4,200,834.04. The contract has been called-off from a £10,000,000.00 framework agreement open to all GLA members.

Idverde UK Ltd have been in contract for a period of 3 years and 8 months of the initial 5 year contract term. The base term end date is 29th April 2023.

There are 2 x 1-year unilateral optional extension periods available under the existing contract with notice to be provided to the supplier for any potential extension no later than 28th Jan 2023 (3 months).

#### **Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve** the uplift in the value of the Services contract with Idverde UK Ltd by £1,133,885 which is 27% of the original contract value approved by MOPAC. This is to realign the contract’s initially underestimated annual spend to the current and estimated future service demand for this contract. The new value of the contract for the 5+1+1 Year term will be £5,334,719 against the originally approved value of £4,200,834 for the 5+1+1 Year term.

### **Time sensitivity**

The required date for a decision from the DMPC is 24/05/2022 to enable the uplift to be applied allowing the extension years to be approved with appropriate contract value in place.

## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

### **Introduction and background**

1. Following a competitive tender process completed in 2018 by KBR on behalf of the Authority, the Authority entered a contract with Idverde UK Ltd on 30th April 2018 for the provision of the Services.
2. The contract was awarded as 1 lot by the Mayor's Office for Policing and Crime (MOPAC), commencing on 30th April 2018. The total value of the five-year initial term is £3,000,595.74. There are two individual option years giving a total 7-year contract value of £4,200,834.04. The contract has been called-off from a £10,000,000.00 framework agreement open to all GLA members.
3. Idverde UK Ltd have been in contract for a period of 3 years and 8 months of the initial 5 year contract term.
4. There are 2 x 1-year unilateral optional extension periods available under the existing contract with notice to be provided to the supplier for any potential extension no later than 28th Jan 2023 (3 months).

### **Issues for consideration**

5. Deputy Mayor for Policing and Crime (DMPC) is asked to take into consideration:
6. That due to the actual annual spending exceeding that of originally forecasted, this paper seeks approval for the increase in the value of the contract
7. The uplift includes a cost provision of £60k (20k per year) for glyphosate alternatives. This is due to GLA wanting to limit and zero over time, the use of glyphosate products across the estate.
8. The requested uplift in value is in full compliance with the Public Contracts Regulations 2015 (PCR 2015) under provisions of Regulation 72(1)(b), whereby an uplift is permitted due to technical or economic reasons meaning it is not possible for another contractor to perform the applicable services without the Authority suffering significant inconvenience or substantial costs duplication.
9. That based on the current average rate of spend, the purchase order (PO) value against the initial contract term of 5 years will be fully consumed as at May 2022 despite a further 2 option years term being available
10. The overspend on planned and reactive services are attributed to these key reasons:
  - Significant spend on remedial works associated with arboriculture reports and reactive tree maintenance. (Costs to December 2021 - £375K)

- Retention of sites beyond their anticipated vacation/disposal dates requiring services.
- Significant spend on planned winter gritting, excluded from the original cost estimate submitted at tender award. (Costs to December 2021 - £236.6K)
- Extension of grounds maintenance service to support Operational Support Group to service high profile criminal investigations. (Costs to December 2021 - £28.8K)
- Support to passing out parades in the provision of planters and flowers. (Costs to December 2021 - £14K)
- Lippitts Hill – Additional grass cutting associated with Air Support Unit that had previously been excluded noting release from the MOPAC Estate (Costs to December 2021 - £23.8K)

### **Contributes to the MOPAC Police & Crime Plan 2022-25<sup>1</sup>**

11. This is for provision of Grounds Service specifically to provide the Authority the provision of a full (reactive and planned) Grounds Service. The reactive and planned service shall be provided on a 24/7/365 basis across the MPS estate, the estate covers the 32 boroughs of the Greater London area, and a number of other locations to support policing operations.

### **Financial, Commercial and Procurement Comments**

12. The proposed uplift required to PO Value for full term of contact (5 + 1 + 1) is £1,133,885
13. The increase in the value of contract for the entire term (5+2 years) represents an uplift of 27% of the initial value of the contract.
14. The request for an uplift is against the approved contract value and no additional funding will be required by MOPAC. The spend is managed within MPS existing budgets.
15. Uplifting the contract value will mitigate significant duplication of costs in having to run a re-procurement process whilst extension options are available to the Authority as well as the operational and economic risks in managing parallel contracts for effectively the same services. Extension by 24 months and uplifting the contract value by 27% will also mean that the MPS will continue to benefit from the competitive rates secured in 2018 subject to the Average Weekly Earnings (AWE) inflationary increases included in the contract but avoiding exposure to potential market increases for a parallel contract for effectively the same services.
16. While this is not a new procurement and specific terms around this will not be made, through governance meetings within the existing contract the supplier will be asked to confirm how they will contribute to commit to the delivery of the key principals of the London Anchor Institutions' Charter in the following areas:
  - continue to deliver local employment and their innovation in doing so;

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<sup>1</sup> <https://www.london.gov.uk/publications/building-safer-london>

- have inclusion and diversity values that are reflected within their workforce;
  - work towards achieving 80% recycling;
  - have apprenticeship schemes in place; and
  - bring innovations into reducing their carbon footprint whilst working towards carbon net-zero
17. In support of social value, sustainability and partnership, this contract has provided initiatives to increase biodiversity across the MOPAC estate prioritising tree planting amongst other initiatives. This supplier working alongside the Ministry of Justice provides training in biodiversity and general horticultural skills for ex-offenders to educate and provide them life skills that may help rehabilitation. This scheme is being adopted by the MPS for low risk offenders and their case officers.

### **Legal Comments**

18. The Mayor's Office for Policing and Crime ("MOPAC") is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of, and modifications to, public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms both the value of the original contract and the proposed modification exceeds this threshold.
19. Regulation 72 permits MOPAC to modify a contract in limited circumstances. Specifically, regulation 72(1)(b) provides MOPAC may modify a contract where:
- It is not possible to change contractor due to technical or economic reasons; and
  - To change contractor would cause MOPAC to suffer significant inconvenience or substantial costs duplication
20. Provided the value of the modification does not exceed 50% of the value of the original contract. This report confirms the above are met.
21. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months.

### **Equality Comments**

22. As this is notification of the use of an extension period to existing contract and a request to agree a financial contract value uplift there is no equality implication in regard to this paper.

### **Privacy Comments**

23. There are no privacy concerns identified within the scope of the recommendation of this contract. The programme does not use personally identifiable data of



members of the public, so there are no GDPR issues to be considered.

### **Real Estate Implications**

24. None.

### **Environmental Implications**

25. The uplift includes a cost provision of £60k (20k per year) for glyphosate alternatives. This is due to GLA wanting to limit and zero over time, the use of glyphosate products across the estate.

26. There are no additional environmental risks arising from this request.

### **Background/supporting papers**

27. There are no supporting papers included in part 1

Report author: Keeley Richfield (FM integrator) – MPS Procurement Team

### **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Grounds Maintenance Services Purchase Order (PO) Uplift is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure,:
  - Commercial Interest Section 43

The paper will cease to be exempt until May 2025