

REQUEST FOR DMPC DECISION – DMPCD 2015 - 130**Title: Investment Requests October 2015****Executive Summary:**

This paper requests the approval of 1 business case, the 2016/17 Vehicle Replacement Programme and 3 contract awards with an estimated multi-year value of up to £21.43m.

Recommendation

The DMPC is asked to approve:

Catering Services

1. The Catering Outline Business case and the associated recommendations detailed below. Approval is subject to the MPS reporting back on how redundancies can be minimised;
 - a. The closing of 20 catering facilities which will deliver annual savings of £1m;
 - b. The outsourcing of the 15 remaining catering facilities to run at nil cost to the MPS which will deliver annual savings of £3m;
 - c. The negotiation with the PFI provider for the closure of the catering facilities at 3 South East London sites which will deliver annual savings of £0.35m
 - d. The continued provision of the catering facility at Gravesend

Vehicle Replacement Programme

2. The Annual Vehicle Replacement Programme 2016/17 and the associated recommendations detailed below:
 - a. The initiation of procurement action for the fleet tenders to purchase 735 vehicles
 - b. The associated investment of £17.9m

Financial and Personal Data Investigation Services

3. The contract award paper (4+1) contracts for the provision of Financial and Personal Data Investigation Services and the associated recommendations detailed below:
 - a. The award of a 5 year (4+1) contract to Equifax with a value of £1.26m
 - b. The award of a 5 year (4+1) contract to Experian with a value of £1.83m
 - c. The award based on a fixed fee structure for both Financial and Personal Data Investigation Services contracts based on a minimum monthly spend paid in advance, subject to the MPS providing assurances on minimum volume

Enterprise Licence Agreement

4. The Award of a three year Enterprise Licence Agreement with a value of £163k for the provision of software licences, support and maintenance.

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 for elected Members of the Authority. Any such interests are recorded below.

The above request has my approval.

Signature**Date**

12/11/2015

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

Decision required – supporting report

1. Introduction and background

- 1.1 In support of the Police and Crime Plan commitment to reduce costs by 20% the DMPC considers all procurement activity which in accordance with the Scheme of Delegation requires his approval.

2. Issues for consideration

- 2.1 The following items are to be considered for approval:

Catering Services

The MPS are seeking approval of the Outline Business case which is proposing the closing of 20 catering facilities, the outsourcing of the remaining 15 facilities and to negotiate with the PFI provider to close the 3 South East London facilities. This will deliver annual savings of £4.35m. Approval is subject to the MPS reporting back on how they intend to reduce redundancies and the associated costs.

Annual Vehicle Replacement Programme 2016/17

The MPS are seeking approval to purchase 735 vehicles using the Crown Commercial Services Framework to replace vehicles that have reached their end of useful life. The cost of replacing the vehicles is estimated to be £17.9m, delivering a saving of £2M on the current allocation within the existing capital programme.

Financial and Personal Data Investigation Services

The MPS are seeking approval to award two 5-year (4+1) contracts to Experian and Equifax for the provision of Financial and Personal Data Investigation Services at a cost of £3.1M delivering annual savings of £112.5k. These contracts offer a fixed price for services; approval is subject to the MPS providing assurances on minimum volumes.

Enterprise Licence Agreement

The MPS are seeking approval to award a three year Enterprise Licence Agreement with a value of £163k for the continued provision of software licences, support and maintenance.

3. Financial Comments

- 3.1 The cost of the proposed contracts will be funded from within existing budgets and will deliver annual savings of £116.85k.
- 3.2 Full details are contained within the reports attached.

4. Legal Comments

- 4.1 The recommendation can be lawfully approved in accordance with MOPAC Contract Regulations and EU/UK Procurement law.
- 4.2 In accordance with the MOPAC Scheme of Delegation and Consent (4.8), the DMPC must approve all requests to go out to tender for contracts that exceed £500,000.
- 4.3 Full details are contained within the reports attached.

5. Equality Comments

- 5.1 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.
- 5.2 Suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.

6. Background/supporting papers

- 6.1 MPS Briefing Papers

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.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Commercial Interest

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: Annabel Cowell 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 Head of Strategic Finance and Resource Management 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 12/11/2015

MPS Catering Services Strategy

Joint Investment Board 28-10-15

Report by Gerry Smith on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

Currently the provision of non-operational (staff feeding and hospitality) catering services costs the MPS £4m p.a. (the 'subsidy').

The recommended proposal is to save £4m p.a. through a two stage approach. Stage 1 is to close 20 of the smallest restaurants as soon as possible to deliver approx £1m p.a. savings in 16/17 and Stage 2 is to outsource the remaining 15 restaurants to a commercial catering organization to run at nil cost to the MPS. The first part of Stage 2 would be to launch an Invitation to Tender process. It is anticipated that a contract would be in place by June 2016. The current MPS vending contract would be included in the wider catering ITT to ensure a holistic approach to future provision.

Stage 1 will result in the loss of approx 100 catering staff jobs under a voluntary redundancy scheme with an estimated maximum cost of £5m. The remaining 150 staff would transfer to any new provider under TUPE regulations. Operational and TU colleagues have been fully consulted.

Any proposal to outsource the remaining restaurants would be the subject of a Full Business Case which would be brought forward for approval in Spring 2016.

The main risk to the proposal is that the commercial negotiations cannot secure a suitable mix of profit/nil subsidy/investment/further redundancy costs to create an attractive deal. However, a market engagement exercise in summer 2015 indicated strong interest from the market and a clear view that a nil subsidy deal was feasible for the reduced number of 15 restaurants.

Separately and additionally the proposals to also negotiate with the PFI provider to close the 3 SE London PFI restaurants at an additional saving of £350k but to retain the catering operation at the Gravesend PFI training site were endorsed.

A. RECOMMENDATIONS

The Deputy Mayor for Policing & Crime is as asked to approve the endorsement by the MPS Management Investment & Resources Board that:

1. The closure of circa 20 staffed service restaurants/cafes saving up to £1.0m in 2016/17 and recurrently, subject to "one off" redundancy costs estimated at £5m.
2. The preparation, by the Catering Strategy Project Board, of a full Invitation to Tender (ITT) with the expectation that a single commercial provider could be identified who would be able to provide all of the required services at an overall cost that is regarded as affordable to MPS. This is expected to provide a minimum forecast saving of £1.5m in 2016/17 and longer term savings of £3m p.a. thereafter.

Any proposal to outsource the remaining restaurants or provide for any further redundancy costs would be the subject of a Full Business Case which would be brought forward for approval in Spring 2016.

3. The negotiation with the PFI provider for the closure of the catering facilities at 3 SE London sites saving £0.35m in 16/17 however the continuation of the current PFI service at Gravesend
4. The inclusion of the MPS vending contract in the wider catering ITT
5. The submission to the Cabinet Office for approval for an initial VR programme of £5m.

B. SUPPORTING INFORMATION

1. ASR savings

The existing budgets include an ASR saving of £2.5m for 16/17 which will be achieved through the closure programme and the successful outsourcing of the retained restaurants.

2. Next steps

- 2.1 Subject to agreement by MOPAC of the Catering Services Outline Business Case and the endorsement of the recommendations we will initiate the programme to close the identified catering units and commence the VR process for all catering staff.
- 2.2 Separately we will draft the documentation to commence the Procurement programme to drive the Invitation to Tender process for the retained estate.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact (mandatory)

1. The Equality Impact Assessment (EIA) is now being refreshed to reflect the changes outlined in this business case and support for this activity is being provided by HR Organisational Change and Business Change & Diversity. The EIA will continue to be updated as consultation continues.

Financial Implications / Value for Money (mandatory)

1. The financial implications have been included in the attached OBC.

The Catering Operation Strategy paper, approved by Management Board on 26/5/15, originally identified that the closure programme might be able to bring savings of £1.6m in 16/17 but at a one off redundancy cost of £5m in 15/16. In addition that, subject to any outsourcing of MPS Catering Services, a further £3.2m of savings could be made in 16/17.

Based on the further work contained in the attached OBC these figures have been revised such that, for 16/17 alone the closure programme is anticipated to bring savings of £1m and the outsourcing is expected to bring at least £1.5m subject to timing. The longer term savings are still projected to be £4.2m pa

Legal Implications (mandatory)

1. The recommendations set out in this report are within the general powers of the Commissioner and the MOPAC. An appropriate HR resource has been identified to actively engage with Unions and staff throughout the process so that adequate consultation takes place in relation to staff movement, staff reductions and to ensure any internal organisation change process is adhered to.
Procurement advice will be crucial to develop an appropriate procurement strategy to outsource services in accordance with the Public Contract Regulations 2006 to ensure it delivers value for money.

Advice will be obtained from DLS on specific issues, as the proposals develop, as and when appropriate.

Consultation undertaken (mandatory)**1. Consultation grid**

TP Chief Officer Group	Consulted with no concern or comment
SC&O Chief Officer Group	Consulted with no concern or comment
Trade Unions	Consulted, with some concern, full comment included at Part 2 Appendix C
Catering Staff	Full consultation and communication to date
Shared Support Services Senior Operations Group (SO/SC&O/TP Chief Superintendents)	Consulted and supportive of preferred option
Legal Services (DLS)	Consulted. Risks highlighted around parallel timescale and TUPE to be mitigated
MPS Management IR Board	Consulted and Approved

Risk (including Health and Safety) Implications (mandatory)**1. The main risks to the programme delivery are detailed below**

Risk	Potential Impact	Key Controls	Risk rating
Timescale for delivering programme to meet ASR objectives	Savings may not be achieved as at 1/4/16	Savings should be built into full year 2016/17	Amber
Cabinet Office approval for VR programme	Delay to HR Process and Closure programme resulting in further subsidy	Application through approval of OBC to Cabinet Office through Met Change HR	Amber
Transfer of staff and timescale for developing ITT as processes run discretely	Delay in delivering savings and additional subsidy being paid	HR process will be delivered to meet the closure programme and separately from ITT process	Amber

2. Health and Safety is discussed once a quarter at the SSS Senior Leadership Team meeting. This meeting is attended by a representative from the central Health and Safety

Team where H&S issues/implications across the SSS portfolio are discussed. The Trade Unions are also invited to attend these meetings.

The MPS Catering Services team have a Health & Safety framework of meetings that feed into the quarterly SSS SLT meeting. Risk Assessments and Business Continuity plans are available for all sites and adherence to Health & Safety and Food Hygiene legislation is of paramount importance in the provision of a catering service. Any commercial activity would include commitment to the highest standards of Health & Safety and Food safety

Real Estate and Environmental Implications (if relevant to the subject)

1. The proposed closure programme of 20 sites has been identified following close consultation with Property Services to ensure that it integrates with the CRE Programme. The criteria used to establish the list of 20 sites for closure were agreed with PSD as to whether it met their timescales and/or estates plan. Additional consultation was undertaken with MPS operations to ensure sites identified as a requirement for operational feeding were retained as well as planned core operational activity. The Catering sites will be mothballed rather than decommissioned to ensure that if an alternative offer is required at a site in the future (prior to MPS exiting under CRE) then it could be provided at minimal expense.

Procurement Implications - Procurement Approach and Strategy

1. Approach to Market

We intend to follow a very focused and condensed competitive dialogue procurement route. This will ensure that a robust operating model is provided that delivers catering services at nil subsidy.

Competitive Dialogue Milestone Dates	
Issue Contract Notice	30 Oct 15
PQQ Available	30 Oct 15
Contractor Site Visit to MPS sites	10 Nov 15
PQQ Response	7 Dec 15
Issue Invitation to participate in Dialogue	6 Jan 16
Dialogue period	6 Jan - 5 Feb 16
ISOS Response (outline proposal)	5 Feb 16
Issue Invitation to ISDS	22 Feb 16
Issue Request for Final Tender	22 Feb 16
ISDS Dialogue period (detailed design)	29 Feb 16 - 18 Mar 16
Final tender Response	18 Mar 16
Contract Award	2 May 16

Report author: (Gerry Smith, Director Shared Support Services. Tel 07921067349)

Joint Investment Board

28 October 2015

**METROPOLITAN POLICE SERVICE ANNUAL VEHICLE REPLACEMENT
PROGRAMME 2016/2017**

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

EXECUTIVE SUMMARY

Approval to proceed with the MPS annual vehicle replacement programme for 2016/17 and replace 735 vehicles at a cost of £17.9M was granted at Investment and Resource Board on 29 September 2015.

Supporting this annual replacement programme are the proposed fleet tenders to enable the purchase of replacement vehicles up to March 2017.

A. RECOMMENDATIONS - That the DMPC

1. Approve the initiation of procurement action for the proposed fleet tenders above £0.5M, to support the renewal of the fleet up to March 2017 (Appendix 1).
2. Approve the purchase of 735 vehicles within FY 2016/17 at a revised cost of £17.9M.
3. Note the identification of a reduction in the FY 2016/17 MPS capital budget of £1.2M built into proposed Capital Programme to be submitted.
4. Note the identification of a reduction in the FY 2016/17 Transport for London capital budget of £0.3M.

B. SUPPORTING INFORMATION

1. **Fleet Services**
 - 1.1. The core service requirement of Fleet Services is to deliver the right vehicles and equipment at the right time, in the right place, and in the most cost effective way.
 - 1.2. This report details the recommendations for the annual vehicle replacement programme for FY 2016/17 and covers disposal and replacement activity for all cars, vans, minibuses, motorcycles and large goods vehicles, along with items of plant and equipment.
 - 1.3. To provide a safe fleet, ensure value for money, minimise maintenance spend and maximise operational vehicle availability, Fleet Services has an annual programme to replace vehicles that have met the economic and operational replacement parameters.
2. **One Met Fleet Strategy**
 - 2.1. 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

- 2.2. Over the past two years, the fleet has changed significantly with standardisation, use of technology and fleet reductions.
- 2.3. Implementation of a telemetry system to 580 vehicles has identified the need to challenge driver behaviour and how the fleet is deployed which will assist with the management of operational demand. Significant savings could be achieved if the trial is rolled out across the wider fleet, which has been included in the commercial strategy. Additional non fleet savings are being realised through the more efficient processing of penalty related charges and driver identification.
- 2.4. Closed circuit television systems have been installed into 129 prisoner carrying vehicles across the organisation and supports the aim of improving transparency, demonstrate our duty of care and boost public confidence.
- 2.5. Environmental improvements have led to a reduction in fleet emissions and harmful exhaust gasses by 3%.

3. Commercial Strategy

- 3.1. Fleet Services is currently engaged in tendering activity with two suppliers for the provision of all services from procurement through to disposal. The procurement activity is scheduled to enable contract award to a single Managed Service Provider in April 2016, for an 8 + 4 year contract.
- 3.2. Transfer of services and transition may take up to twelve months and it is therefore imperative that the MPS proceeds with the vehicle replacement programme for FY 2016/17. This will enable the uninterrupted schedule of replacement, equipping and delivery into service of assets to prevent compromise to the effective delivery of policing services whilst a new solution is implemented.
- 3.3. The replacement schedule for FY 2017/18 will be developed in conjunction with the Managed Service Provider in summer 2016 and will be submitted to Investment and Resource Board for final approval.
- 3.4. The recommendations detailed within this paper fully support the commercial strategy. The continuation of purchasing replacement vehicles now does not limit the commercial options available to the MPS going forward.
- 3.5. The commercial arrangements with any new supplier will allow the MPS the flexibility to vary the size of the fleet as required to meet operational or financial pressures. None of the fleet ownership options under consideration commit MPS to specific volumes of vehicles. With an annual replacement cycle of c700 vehicles there is sufficient flexibility to accommodate significant changes to MPS requirements.

4. Accelerated Service Review

The Fleet Accelerated Service Review (ASR) process identified a saving through a reduction in fleet size of c400 vehicles in line with similar reductions in 14/15 and 15/16. These reductions are generated by the management of vehicle utilisation through Strategic Fleet Board, individual B/OCU fleet boards and supported by Fleet Services

expertise. The individual procurements included in this overall VRP authority will facilitate achieving this reduction (see 6.4 below)

5. Confirmation of Operational Demand

- 5.1. Fleet Services continue to work collaboratively with ACPO Operational leads to deliver strategic objectives to;
 - a) Better align fleet resources to core policing services
 - b) Improve utilisation and resilience and
 - c) Provide better value for money
- 5.2. The following fleet boards govern the operation demand requirements for the MPS fleet and Fleet Services provide bespoke fleet analysis to support the changing landscape of operational policing;
 - a) Strategic Fleet Board, chaired by Assistant Commissioner Hewitt
 - b) Territorial Policing Fleet Board, chaired by Commander Burton
 - c) Specialist Crime and Operations Fleet Board, chaired by Commander Musker
 - d) Counter Terrorism Fleet Board, chaired by Chief Superintendent Palmer
- 5.3. Each fleet board determines;
 - a) Operational requirements
 - b) Fleet profile to respond to emerging policing demands, supported by target operating models
 - c) Review and challenge of underutilised vehicles
 - d) Redeployment of vehicles to meet demands
- 5.4. Within the past three months, with support from Fleet Services the business group fleet boards have conducted challenge panels to refine the future fleet demands. The resultant changes are consistent with the anticipated requirements and will be facilitated through the annual replacement programme for FY 2016/17.
- 5.5. It should be noted that the annual replacement programme is a dynamic plan that can accommodate adjustments should operational requirements change significantly.
- 5.6. Consultation also takes place with Digital Policing to provide fleet support to the In-Vehicle Mobile Applications plan and determine the most appropriate method to support the installation or development of;
 - a) Closed circuit televisions systems
 - b) Mobile Data Terminals
 - c) Automatic Number Plate Recognition and
 - d) Airwave radio systems
- 5.7. Fleet Services are committed to developing the use of electric, hydrogen, hybrid or alternative fuels across the fleet where these meet the requirements for the operational role.
- 5.8. Fleet Services manages the process of individual vehicle replacements by confirming the requirements prior to purchasing to ensure strategic objectives are achieved and savings are driven through volume tenders.

6. Vehicle Procurement

- 6.1. Fleet Services procures the majority of vehicles 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 and the contract framework is RM1070 and is valid until December 2018.
- 6.2. 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.
- 6.3. Once a technical specification is compiled, a mini completion is established to compete the requirement against available manufacturers to determine the most appropriate vehicle that meets the operational requirements and delivers best value.
- 6.4. The tenders are structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet reductions and any transition arrangements to a new commercial supplier.
- 6.5. In order to fulfil purchasing volumes the fleet has been categorised into a number of tender lots. The proposed tenders and approval levels are detailed at **Appendix 1**.
- 6.6. To achieve value for money and adhere to procurement guidelines it is necessary to aggregate tender lots 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.
- 6.7. On analysis of all purchases required up to March 2017 a number of existing tenders are available to meet some of the demand. For the remaining purchases new tenders are required to fulfil the operational demand.
- 6.8. The tender volumes include a contingency allocation to enable unforeseen write offs and changes in fleet profile to be accommodated. The contingency volumes represent a higher volume limit and do not indicate guaranteed volumes.
- 6.9. 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 JIB in the future.
- 6.10. Whilst the MPS is in the final year of the fleet conversion contract, there is an expectation that with the current commercial activity that a 1 year extension will be applied to facilitate the smooth transfer of services to the new supplier.
- 6.11. The MPS is currently contractually obliged to confirm the renewal profile to the converter in the following order;
 - a) Indicative replacement profile by October 2015 for the whole year
 - b) Confirm volumes for quarters one and two by October 2015
 - c) Confirm volumes for quarter three by April 2016
 - d) Confirm the final quarter by June 2016
- 6.12. 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 26 weeks depending on the manufacturer. Vehicle conversions and registration is generally between 6 to 12 weeks, which is dependent on the scale of modifications and Police equipment fitted.

- 6.13. Based on historical lead times, purchases for each quarter will be completed as follows;
- a) Quarter 1 – purchase of 149 vehicles to start in November 2015
 - b) Quarter 2 – purchase of 205 vehicles to start in February 2016
 - c) Quarter 3 – purchase of 187 vehicles to start in May 2016
 - d) Quarter 4 – purchase of 194 vehicles to start in August 2016
- 6.14. The tender evaluation and approval process is subject to various levels of corporate governance and the timescales involved will be dependent on access to the relevant board;
- a) Approval to initiate tenders from I&RB and JIB
 - b) Tender activity to include output specifications, market communication, tender response time and tender evaluation
 - c) Contract board approval and where tenders value is in excess of £0.5M approval by JIB
 - d) Tender award and alcatel which is normally 10 days
- 6.15. Typically, six weeks before the election of the London Mayor purdah period commences and is likely to begin in March 2016. Depending when final contract board and JIB approval is sought this period may adversely affect the approval timescales.
- 6.16. Fleet Services are working with a number of manufacturers to evaluate the use of Ultra Low Emission vehicles within a range of operational roles within the fleet. With improvements in vehicle and battery technology there are now some vehicles that could potentially fulfil front line operational roles.
- 6.17. Three additional tenders have been included at **Appendix 1**, taking into account the emerging requirement to purchase a range of Ultra Low Emission vehicles for both general purpose and response categories of motorcycles, cars and vans. These three tenders will allow the fleet profile to be changed without effecting the volumes of vehicles purchased.
- 6.18. The unit cost of Ultra Low Emission vehicles may be more expensive than conventional fuel vehicles, where this cannot be funded from savings within the programme, further approval will be sought from I&RB and JIB.

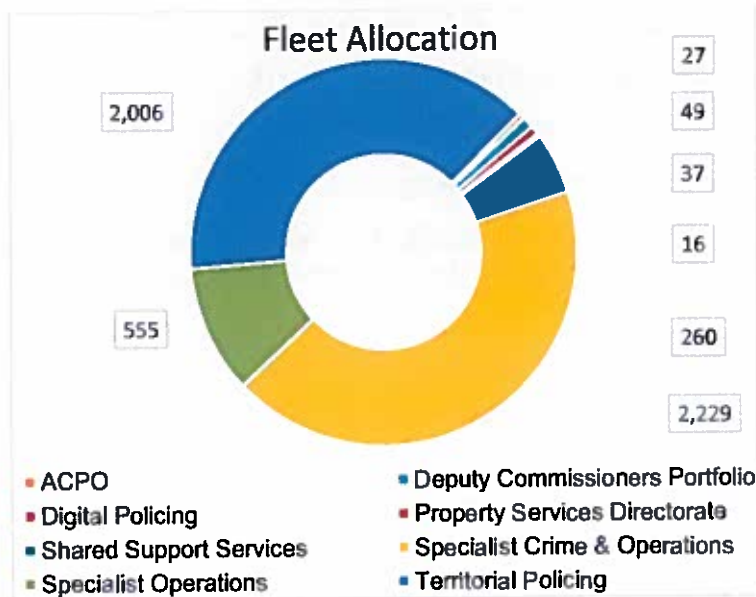
Recommendation

1. Approve the initiation of procurement action for the proposed fleet tenders above £0.5M, to support the renewal of the fleet up to March 2017 (**Appendix 1**).

7. Current Fleet Profile and Replacement programme

- 7.1. The current fleet profiled at 30th July 2015, shows a total operational fleet of 5,179 cars, vans, minibuses, motorcycles and large goods vehicles, along with items of plant and equipment.
- 7.2. The fleet is supported with 50 temporary additions which are providing short term operational demand and are excluded from replacement criteria.
- 7.3. Chart 1 details the MPS fleet allocation by business group.

Chart 1



- 7.4. In addition to the fleet of 5,179 vehicles, the MPS has 2,725 pedal cycles. The vast majority of these are funded by and deployed within Territorial Policing.
- 7.5. Between August 2014 and August 2015 the fleet reduced from 5,560 to 5,179 vehicles, which equates to a 7% reduction.
- 7.6. The information in Table 1 details all vehicles due for renewal in FY 2016/17 by operational vehicle role and business group and provides a breakdown of volumes and cost.
- 7.7. Within Table 1, vehicles described as;
- Equipment are marine outboard motors
 - Plant are fork lift trucks or a JCB
 - Trailer are small box body trailers used to transport equipment
- 7.8. The economic and operational replacement parameters for the mainstream Marked Response fleet range from 3-5 years or 90,000 miles and 5-7 years or 80,000 miles for the Unmarked Non-Response fleet. In addition, some specialist vehicles have a longer planned life dependant on role and projected utilisation.
- 7.9. The profile of the MPS fleet is detailed at **Appendix 2**, contained within this is the vehicle role, funding and allocation by business group, along with the volume of vehicles due for renewal as part of the FY 2016/17 programme.
- 7.10. The Vehicle Role, details the body type, response category and the role the vehicle performs within the MPS.
- 7.11. Fleet Services continue to work with the respective business groups to review the allocated fleet profile to ensure the composition and types of vehicles meet the operational demands.

8. Financial Implications / Value for Money

- 8.1. Replacement vehicles are funded from four main funding streams;
- MPS
 - Counter Terrorism

c) British Airport Authority

d) Transport for London

- 8.2. The current approved capital allocation for FY 2016/17 is £19.9M and includes the purchase and conversion costs associated with the replacement fleet.
- 8.3. Table 2 details the FY 2016/17 capital forecast by funding stream which is required to replace the 735 vehicles identified within **Table 1**;
- 8.4. Within the capital financial requirement is a contingency of £1.38M across all four funding streams to cover unforeseen write offs to the fleet. This figure is consistent with previous approvals and volumes of vehicles which are written off.
- 8.5. The savings identified in **Table 2** have been achieved through the overall reduction in vehicles requiring renewal and has been supported by the following initiatives;
- a) Overall reduction of 381 operational vehicles since August 2014 has meant less vehicles to replace
 - b) Fleet reductions through the amalgamation of OCU's, which includes Transport for London and Traffic commands
 - c) Revision of economic and operational replacement parameters, which includes extending the life of the Incident Response Vehicle (IRV) from 3.5 to 4 years to accommodate the Enquiry Car to IRV conversion.
- 8.6. Fleet Services are currently engaging with Specialist Crime and Operations to refine an emerging requirement for the purchase of additional vehicles to meet enhanced technological demands within the business group. This case was supported by Investment and Resource Board and the potential cost of £0.5M will be funded from the £1.7M saving to the agreed capital plan.
- 8.7. **Table 3** details the spend profile throughout the year by each funding stream.

Recommendation

2. Approve the purchase of 735 vehicles within FY 2016/17 at a revised cost of £17.9M.
3. Note the identification of a reduction in the FY 2016/17 MPS capital budget of £1.2M built into proposed Capital Programme to be submitted.
4. Note the identification of a reduction in the FY 2016/17 Transport for London capital budget of £0.3M.

C. 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. In relation to motorcycles, this also includes weight and ease of manoeuvrability. 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. Based upon the information in this report the proposed procurement strategy is compliant with UK and EU law.
- 2.2. Under section 19 (1) Police Reform and Social Responsibility Act 2011, MOPAC has the power to delegate certain powers to the Deputy Mayor for Policing and Crime. Under the Scheme of Consent and Delegation (April 2014) para 4.13, MOPAC has delegated to the DMPC the procurement function relating to the approval of all contracts for £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 officer, staff or public safety

4. Risks

- 4.1. Fleet Services optimise the economical and operational replacement parameters applied to the fleet. Whole scale delays in the optimum replacement of vehicles has adverse implications on the following operational and financial aspects of providing vehicles;
 - a) Reduction of key operational vehicles for example Incident Response Vehicles, Armed Response, Station vans and Protected Carriers
 - b) Reductions in vehicle availability through increased repairs
 - c) Risk of vehicles failing or breaking down during operational duties
 - d) Increase in maintenance revenue costs due to the ageing fleet
 - e) Risk of not achieving the financial commitment to the approved capital plan
 - f) Reduction in income through the future residual value of the fleet
 - g) Risk of not meeting fleet environmental targets through not replacing high CO2 vehicles with more fuel-efficient replacements.
 - h) Risk of not meeting the targets for the Ultra Low Emission Zone in 2020
 - i) Tender approvals are adversely effected by purdah between March and May 2016

5. Environmental Implications

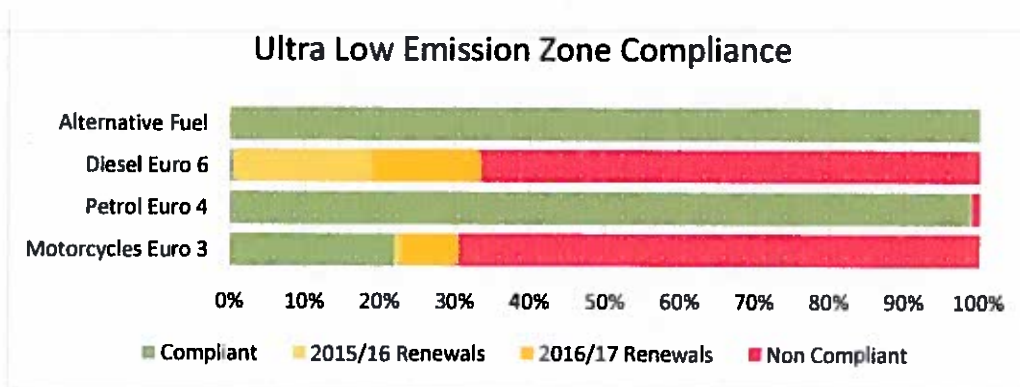
5.1. Fleet Services are committed to supporting the following environmental initiatives;

5.1.1. 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.

5.1.2. 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.

5.1.3. 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. The renewal of the 735 vehicles identified within this report, with more environmentally efficient vehicles supports the services requirement to meet the Ultra Low Emission Zone target on schedule, the projected compliance is detailed with Chart 2 below;

Chart 2



5.2. Where vehicle performance is not critical to the operational role a maximum CO₂ limit is applied within the vehicle selection criteria. All proposed tender lots carry a score for vehicle CO₂ and lower emitting vehicles will score higher.

5.3. The vehicle procurement described at section 6.1 is supportive of the Clean and Energy Efficient Vehicles Directive 2009-33-EC and flexibility for sustainable vehicle procurement measures

5.4. Fleet Services will continue to work with the Property Services Carbon and Energy Management team (and other agencies as appropriate) to conduct both Sustainability Assessment Reports and Life Cycle Assessments when considering the evaluation and purchase of electric, hydrogen and hybrid fuelled vehicles across the fleet.

5.5. 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		↓		
Level of water consumption			=	
Level of waste generation/waste requiring disposal		↓		
Level of travel and transport and associated emissions		↓		

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.
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Report author: Karen Russell, Head of Fleet Services, 763094.

PART 2: EXEMPT SECTION OF THE REPORT**Background papers:**

Appendix 1 Proposed Fleet Tenders

Appendix 2 Fleet Profile and Allocation

Table 1

Vehicle Role	ACPO	DCP	DP	SSS	PSD	SC&O	SO	TP	Total	Estimated Purchase & Equipping Cost (£)	Spend Allocation	Average Cost per Vehicle (£)
ACPO	2								2	70,000	0.4%	£35,000.00
Armed Response Vehicle						11	2		13	570,000	3.2%	£43,846.15
Dog Van						24			24	650,000	3.6%	£27,083.33
Equipment*						6			6	10,000	0.1%	£1,666.67
Equipment Carrier		2		8		5	1		16	640,000	3.6%	£40,000.00
General Purpose			1	4	5	103		62	175	2,220,000	12.4%	£12,685.71
Incident Response Vehicle							3	118	121	1,875,000	10.5%	£15,495.87
Minibus				5			1	19	25	610,000	3.4%	£24,400.00
Plant *				1		1			2	60,000	0.3%	£30,000.00
Protection				4			26		30	1,100,000	6.1%	£36,666.67
Q Car	1			2		19	17	29	68	1,400,000	7.8%	£20,588.24
Roads				5				54	59	1,575,000	8.8%	£26,694.92
Specialist				1		2	8		11	850,000	4.7%	£77,272.73
Station Van							2	46	48	1,350,000	7.5%	£28,125.00
Surveillance						123	8	1	132	3,530,000	19.7%	£26,742.42
Trailer *					1	1	1		3	10,000	0.1%	£3,333.33
Sub Total	3	2	1	30	6	295	69	329	735	16,520,000	92.3%	
Allowance for Write Off										1,380,000	7.7%	
Total										17,900,000	100.0%	

Table 2

Budget (£) / Renewals	MPS	CT	BAA	TfL	Total
Renewals Due	605	94	9	27	735
Planned	15,450,000	3,450,000	300,000	700,000	19,900,000
Savings	-1,700,000	0	0	-300,000	-2,000,000
Revised Forecast	13,750,000	3,450,000	300,000	400,000	17,900,000

Table 3

Profile	Renewals	MPS	CT	BAA	TfL	Total
Quarter 1	149 20.3%	2,764,208	270,433	142,313	105,964	3,282,918
Quarter 2	205 27.9%	3,936,319	1,498,140	28,442	44,473	5,507,374
Quarter 3	187 25.4%	3,406,000	828,055	45,138	92,687	4,371,880
Quarter 4	194 26.4%	3,643,473	853,372	84,107	156,876	4,737,828
Total	735	13,750,000	3,450,000	300,000	400,000	17,900,000

**Joint Investment Board
28 October 2015
FINANCIAL AND PERSONAL DATA INVESTIGATIONS SERVICES
CONTRACT AWARD**

Report by the Director of Strategic Procurement on behalf of the Commissioner

EXECUTIVE SUMMARY

- Financial and Personal Data Investigation Services are used by the Metropolitan Police Service to provide information on individuals or corporate entities in support of operational activity.
- Two coterminous contracts for Financial and Personal Data Investigation Services to be awarded as follows: 1. Equifax, 2. Experian
- New contracts to be based on fixed annual fees paid monthly
- Fixed fees based on current usage volumes, with the ability to renegotiate during the contract term if usage changes.
- The total value of the two contracts for the 4 year term (with an option to extend for an additional 12 months) is £3.1m (Equifax £1.26m, and Experian £1.83m)

A. RECOMMENDATIONS - That the Deputy Mayor for Policing and Crime

1. **Award two concurrent contracts to Equifax and Experian for the provision of Financial and Personal Data Investigation Services with total contract values of £1.26m and £1.83m respectively. The contracts are 4 year with an option to extend for an additional 12 months, the values stated are inclusive of the extension.**
2. **Approve the award based on a fixed fee structure for both contracts based on a minimum monthly spend paid in advance.**
3. **Note the predicted £112.5k annual saving (Equifax £55.6K, Experian £56.9k) based on current usage, which has been increasing year on year.**

B. SUPPORTING INFORMATION

Background

1. Financial and Personal Data Investigation Services are used by the Metropolitan Police Service to provide information on individuals or corporate entities in support of operational activity.
2. In 2011, Equifax and Experian were both awarded four (4) year contracts for the provision of Financial and Personal Data Investigation Services to support criminal investigations.
3. The Services provide a reporting capability that allows Investigating Officers to search for information using a suspect's personal data held by a number of public and corporate bodies including financial information.
4. Equifax provides access to 32 million UK addresses and Experian hold over 1.8 billion records in support of intelligence and operational activities. The intelligence is used in volume crime, serious and organised crime and counter terrorism operations. Experian and Equifax are used by all police services in the UK.
5. Access to the data enables investigators to establish or verify a person's identity, residence, and also if required financial footprint which is critical across many criminal investigations or where it is vital to trace an individual. Checks provide details of accounts in which a person may obtain credit, details of credit requested and obtained for finance. It will also show CCJs recorded against individuals. Experian and Equifax checks will also reveal address details and contact phone numbers and as such are invaluable for tracing wanted/missing suspects.
6. Experian and Equifax are the only suppliers technically capable of providing the quality, breadth and volume of data to MPS. The use of both is required to ensure the broadest footprint of data. Operational requirements dictate the use of both suppliers depending on the nature of the investigation.
7. Access to the data is controlled to ensure compliance with Section 29 and 35 of the Data Protection Act (DPA).
8. Supplier data shows that usage of the services is increasing by up to 15% year on year. This matches increases across all UK police services. The MPS current view is that usage will decrease in the future due to restructuring within the police service.
9. Under the current contracts MPS pay a fee per report invoiced monthly. Training is included within the cost of the service. In addition Experian charge a fixed annual fee per account (cost-centre).

10. The two main types of reports produced by Equifax are Consumer and Commercial Financial Reports. Consumer reports focus on searching personal information, such as resident information, whereas Commercial reports focus on suspect's business activities, such as Directors or Companies House information.
11. The main type of report used by the MPS is the One Stop Search reports obtained through Experian's main service, Investigator online. Experian also provide Value Added Data and Vetting Services for MPS employee checks (e.g. credit risk assessments, address link searches and Directors checks). Table 3 shows current volume.

Procurement Strategy Information

12. Due to the highly technical nature of this service and the duopoly of supply Procurement sought and were granted permission to proceed with the procurement under a Negotiated Procedure without Prior Notification.
13. Both Experian and Equifax are incumbent suppliers to the Metropolitan Police Service with the current contracts expiring after 4 years in 2015. Whilst there are aspects of the information services provided available from both suppliers, neither supplier is able to provide the service exclusively.
14. The procurement process at the outset established a target cost reduction of between 15% - 20%. With ideally simplified billing to reduce the administrative burden.
15. Implementation of a commercial model that will support a cost reduction without compromising Financial Investigations Services capability and performance.
16. Encourage a behavioural change with both the MPS and Equifax/Experian so that a more strategic outlook is adopted, with an increased focus on service development to establish greater efficiencies and benefits.

