

REQUEST FOR DMPC DECISION – PCD 250

Title: Award of Minor and Intermediate Building Works Framework Agreement

Executive Summary:

The MPS is seeking approval to award a four year Minor and Intermediate Building Works Framework Agreement to 12 contractors across three separate project value lots.

Recommendation:

The Deputy Mayor for Policing and Crime is asked to approve award of the multi Lot Minor and Intermediate Building Works Framework for individual contracts not exceeding £10m to suppliers listed in Appendix 1.

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

Edie Henderson

Date

29/8/17

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

Decision required – supporting report

1. Introduction and background

- 1.1 The MPS has a significant capital investment plan as part of its Estates Strategy 2020. Through the Estates Transformation Programme the MPS will be investing up to £789m in a more efficient and agile corporate estate that will facilitate the disposal of buildings surplus to requirement, delivering capital receipts of £782m and revenue savings of £79m (as at February 2017).
- 1.2 This multi contractor framework agreement has been split into 3 Lots and will be provided through either direct award or mini competition a very efficient route to competing and awarding works of contracts up to a maximum value of £10m. The Framework will be made available to members of the GLA group along with the following Police forces: Kent Police, Essex Police, Surrey Police and Thames Valley Police.

2. Issues for consideration

- 2.1. Analysis by the MPS suggests there could be 42 projects over the next five years ranging in value from £1m to £130m.
- 2.2. See the Part 2 for details.

3. Financial Comments

- 3.1 The Minor and Intermediate Buildings Work framework will support the delivery of the strategy and does not commit the MPS to any expenditure. Expenditure will be subject to individual business cases where authorisation will be sought in line with the approved governance processes.

4. Legal Comments

- 4.1. A full restricted tender has been undertaken in accordance with Public Contract Regulations 2015. Legal support has been provided throughout the process and will continue to do so up to the execution of the framework agreements with the successful contractors.

5. Equality Comments

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

6. Background/supporting papers

- 6.1. Briefing note.

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

29/8/17

AWARD OF MINOR & INTERMEDIATE BUILDING WORKS FRAMEWORK

INVESTMENT & ADVISORY BOARD – 17 August 2017

Report by Director of Property Services on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

The Property Services Department is supporting a significant capital investment plan in the estate as part of the Estates Strategy 2020 through the Estates Transformation Programme with investment of up to £789M* in a more efficient and agile corporate estate that will facilitate the disposal of buildings surplus to requirement, delivering capital receipts of £782M* and revenue savings of £79M* (*as at February 2017).

This new framework will provide a very efficient and compliant procurement route in support of the Estates Transformation Programme with delivery of a programme of medium sized building works with individual project values up to £10M.

The overall Framework value is anticipated to be in the region of between £150M and £250M over its four year duration.

Following a public procurement exercise in compliance with Public Contract Regulations 2015 and MOPAC Contract Regulations, the Authority is now in a position to award a four year Minor & Intermediate Building Works Framework Agreement to 12 contractors across three separate project value Lots.

TIME SENSITIVITY:

A decision is required by 28 August 2017.

The reason a decision is required by this date includes:

1 The new framework replaces an existing building works framework which expires the end of August 2017. Delay in the commencement of the award notification and mandatory 'standstill' period prior to execution of Framework Agreements will comprise the capability of Commercial Services to offer continuity of service provision to Property Services whom require access to building works suppliers in support of both the Estates Transformation and forward works programme of work.

2 Commercial bids were tendered in May 2017 and are held fixed until November 2017, after which bidders may seek to adjust or withdraw their commercial bids.

3 Without access to a new framework, Property Services will be limited to ad hoc tender action or seek approval to Single Tender Action if building work become urgent.

A. RECOMMENDATIONS – That the Deputy Mayor for Policing and Crime:

1. Approve award of the multi Lot 4 year Building Works Framework Agreement to the suppliers as detailed in Part 2 of the report.
2. Notes that following legal advice all execution of contracts from this framework that exceed £500K will require being executed as a deed under seal by the Mayor's Office for Policing and Crime. This will be in accordance with clause 16.3.3 of the Authority's Contract Regulations (2008/09 revision v4).

B. SUPPORTING INFORMATION

1. Property Services (PSD) Construction supported by others in the MPS are managing a significant capital investment in the estate as part of the Estates Transformation Programme. This is in direct support of One Met Model and in particular developing good quality accommodation of the right type to meet the needs of a modernised police service. The support of compliant procurement routes is essential to help deliver this programme.

The Police & Crime Plan 2017 to 2021 identifies the need to 'invest in the tools they (officers) need to do their job' which includes improving the quality and versatility of the MOPAC estate to meet the needs of modern policing. This includes investment both in public facing buildings such as police stations, but also operational support facilities critical to ensuring the police can "do their job".

The Director of Property Services (PSD) confirmed that the estates transformation activity supports delivery of Police and Crime Plan through the key business support objectives set out below:

- Invest in and improve the quality of accommodation of the retained estate to support operational need bringing it closer to communities where required;
 - Enhance and intensify the use of the retained estate through targeted investment to support smarter working – which, in turn, enables operational objectives to be met within a smaller estate.
 - Maximise the value of those assets released that are surplus to need in order to release capital for reinvestment to support operational need, underpinning the Capital Programme whilst keeping in consideration the wider mayoral objectives for Affordable Housing.
 - Reduce the running cost of the retained estate to support the objective of reducing back office costs to a maximum of 15% of the MPS total revenue spend by 2019/20.
2. An analysis of the Property Services Capital Programme suggests there are likely to be some 42 projects over the next 5 years ranging in value from £1M to £130M. In addition, a significant number of other programmes such as forward works, front counters and dedicated ward office works that are expected to result mostly in minor works projects of less than £1M project value.
 3. This multi contractor framework agreement has been split into 3 Lots and will provide through either direct award or mini competition a very efficient route to competing and awarding works contracts up to a maximum value of £10M. The Framework will be made available to members of the GLA group along with the following Police forces; Kent Police, Essex Police, Surrey Police and Thames Valley Police.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. There are no negative equality or diversity implications arising from this procurement process. All bidders were 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 considered their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

Small and Medium Enterprises (SME)

2. Following the tender process it has been identified that seven of the companies that submitted tenders for the framework are considered to be SME. Of these submissions four were successful, three of which are on Lot 1 and one of which has won a place on both Lots 2 & 3. One of the four companies is London based, the others are based in Kent & Hertfordshire.

Financial Implications / Value for Money

3. The Estates Transformation Strategy is investing £789M in the estate. Enabling the disposal of buildings surplus to requirement, delivering capital receipts of £782M and revenue savings of £79M.

The minor and intermediate buildings work framework will support delivery of the strategy, and does not commit MOPAC to any expenditure. Expenditure will be subject to individual business cases where authorisation will be sought in line with the approved MOPAC governance process.

Cost avoidance savings delivered by the framework will be recorded via the Business Procurement Plan (BPP) process and reported to the Home Office accordingly.

Legal Implications

4. A full OJEU restricted tender has been undertaken in accordance with Public Contract Regulations 2015. Legal support has been provided throughout the process and will continue to do so up to the execution of the framework agreements with the successful contractors.

Consultation undertaken

5. **Consultation grid**

Key stakeholder engagement	Supportive / Supportive with concerns / Not supportive / Not affected
Simon Wilson - Commercial Director	Supportive
Colin Attree – Category Director Property	Supportive
Cliff Jones - Director of Construction, Property Services	Supportive
Annabel Cowell - Finance Business Partner, Property Services	Supportive

Risk (including Health and Safety) Implications

6. There are no health and safety issues regarding the award of this framework. Health and safety will be addressed on each project that is called off from the framework with appointment of a Principle Designer in accordance with Construction (Design and Management) Regulations 2015.

Real Estate and Environmental Implications

7. There are no environmental implications in relation to the award of this framework. Any environmental issues will be addressed on each project that is called off from the framework.

8. In relation to real estate this framework will provide a compliant and efficient route to market in the delivery of various building works in order to directly support 'One Met Model' in developing good quality accommodation of the right type to meet the needs of a modernised police service.

Report author: Jim Meadows, Category Manager, Commercial Services

Report Presenter: Property Services (Matthew Punshon, Interim Director Property Services or Roger Harding, Director Real Estates Development)

Background papers:

Part 2 Exempt:

Updated Business Justification – Award Minor & Intermediate Building Works Framework, Procurement Board 20th June 2017 Portfolio & Investment Board 11th July 2017.

Note

Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

The relevant sections under the FOIA - Commercial Interest Section 43

The date at which Part 2 will cease to be confidential or when confidentiality should be reviewed – August 2018