

**REQUEST FOR DMPC DECISION – PCD 430****Title: Fleet Support Contracts****Executive Summary:**

The Metropolitan Police Service (MPS) is seeking approval to initiate procurement action to secure extensions for four critical fleet support contracts, delegated authority to the Director of Commercial Services to provide consent to award those contract extensions, and use reserves to fund a revenue affordability gap.

- The provision of vehicle repair and maintenance, supply of mountain bikes and accessories, and servicing and repair of mountain bikes contracts with Babcock Critical Services, and provision of vehicle equipping service contract with Babcock Vehicle Engineering expire on 31<sup>st</sup> October 2018.
- To ensure continuation of services to the MPS it is critical that extensions are secured to all four contracts.
- The duration of the extended contracts is anticipated to be 24 months.
- The contracts are valued at £77.8m in total. The extensions are broadly in line with current expenditure.
- The capital implications remain affordable within the approved Fleet Capital Programme 2017-18 to 2021-22.
- Revenue reserves are required of £3m in 2018/19 and a further £8.2m of revenue spend is to be incorporated into the current medium-term budget process from 2019/20.
- The updated FBC in relation to the Fleet Managed Service Provider is expected to be submitted to PIB in September.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the initiation of procurement action for an extension to the Babcock Critical Services provision of vehicle repair and maintenance contract valued at £58.5m.
2. Approve the initiation of procurement action for an extension to the Babcock Critical Services supply of mountain bikes and accessories contract valued at £100,000.
3. Approve the initiation of procurement action for an extension to the Babcock Critical Services repair of mountain bikes contracts valued at £500,000.
4. Approve the initiation of procurement action for an extension to the Babcock Vehicle Engineering provision of vehicle equipping service contract valued at £18.7m.
5. Delegate authority to the Director of Commercial Services to provide consent to award the above four contract extensions within the financial limits set out above on successful completion of the procurement process.
6. Approve the use of £3m revenue reserves in 2018/19 and a further £8.2m of revenue spend is to be incorporated into the medium-term budget process from 2019/20.

**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**

*Sybil Under*

**Date**

*24/07/18*

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

### **Decision required – supporting report**

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

- 1.1. These contract extensions will facilitate the continued maintenance of the overt fleet, conversion of all vehicles, supply of mountain bikes, repair of mountain bikes, and continuation of services until a new Managed Service Provider contract can be approved and services transitioned.
- 1.2. Babcock Critical Services maintains, repairs and administers the overt fleet, along with providing the MPS with access to lease and short-term hire vehicles. Two separate contracts also cover the supply and maintenance of mountain bikes.
- 1.3. Babcock Vehicle Engineering converts all MPS vehicles entering operational service and decommission all life-expired assets.

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

- 2.1. The implementation of the Ultra-Low Emission Zone is scheduled to be brought forward by 17 months to April 2019 and will affect all vehicles travelling within the existing congestion charge zone.
- 2.2. The timely conversion of vehicles for operational police roles is essential to meet the aspirations of operating a compliant fleet within the congestion charge zone.

#### **3. Financial Comments**

- 3.1. The capital implications remain affordable within the approved Fleet Capital Programme 2017-18 to 2021-22. Further details contained in Part 2.

#### **4. Legal Comments**

- 4.1. Legal advice has been sought from TLT, who have advised on the procurement of a Fleet Managed Service Provider, and the Directorate of Legal Services.
- 4.2. An extension will be sought under regulation 72(1)(e), which provides that the contract 'may be modified without a new procurement procedure' 'where the modifications, irrespective of their value, are not substantial within the meaning of paragraph (8)'. DLS are of the opinion that the extensions do not appear to be modifications which are substantial under r72(8).
- 4.3. The Scheme of Delegation and Consent delegated approval to DMPC to approve 'all unforeseen extensions to contracts with an original value of £500,000 and 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. Equality Comments**

- 5.1. There are no negative equality or diversity implications arising from the procurement process.

#### **6. Background/supporting papers**

- 6.1. Report

**Public access to information**

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

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

**Part 1 Deferral:**

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

If yes, for what reason:

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

It is recommended that the information in the Part 2 form not be published since if a request for this information was made under the FOIA, it is likely that it would be exempt from disclosure under the following sections for the FOIA:

Commercial Interest Section 43

National Security Section 24

Law Enforcement Section 31

Date at which Part 2 will cease to be confidential or when confidentiality should be reviewed: 15 years from the date of MOPAC approval.

**ORIGINATING OFFICER DECLARATION**

		Tick to confirm statement (✓)
<b>Head of Unit:</b> The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.		✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.		✓
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.		✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.		✓

**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

18/07/18



# MOPAC

MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

## FLEET SUPPORT CONTRACTS

**MOPAC Investment Advisory Meeting 26<sup>th</sup> July 2018**

**Report by Assistant Commissioner Helen Ball, Professionalism Directorate  
on behalf of the Deputy Commissioner**

### **Part 1 – This section of the report is suitable for MOPAC Publication**

#### *EXECUTIVE SUMMARY*

The Metropolitan Police Service (MPS) is seeking approval to initiate procurement action to secure extensions for four critical fleet support contracts, delegated authority to the Director of Commercial Services to provide consent to award those contract extensions, and use reserves to fund a revenue affordability gap.

- The provision of vehicle repair and maintenance, supply of mountain bikes and accessories, and servicing and repair of mountain bikes contracts with Babcock Critical Services, and provision of vehicle equipping service contract with Babcock Vehicle Engineering expire on 31<sup>st</sup> October 2018.
- To ensure continuation of services to the MPS it is critical that extensions are secured to all four contracts.
- The duration of the extended contracts is anticipated to be 24 months.
- The contracts are valued at £77.8m in total. The extensions are broadly in line with current expenditure.
- The capital implications remain affordable within the approved Fleet Capital Programme 2017-18 to 2021-22.
- There is a revenue affordability gap of £3m in 2018/19 rising to £8.2m from 2019/20 onwards.
- The updated FBC in relation to the Fleet Managed Service Provider is expected to be submitted to PIB in September.

#### **Recommendations**

The MPS Portfolio & Investment Board (PIB) via the Delegated Authority Approval is asked to:

1. **Approve the submission of the report, and seek approval from the Deputy Mayor for Policing and Crime to initiate procurement action and delegate authority to the Director of Commercial Services to provide consent to award the contract extensions.**
2. **Approve the use of additional £3m revenue reserves in 2018/19 and incorporate pressure of £8.2m in the current medium-term budget process from 2019/20.**

If supported by the MPS Portfolio & Investment Board, the Deputy Mayor for Policing and Crime, via the Investment Advisory Meeting (IAM), is asked to:

1. **Approve the initiation of procurement action for an extension to the Babcock Critical Services provision of vehicle repair and maintenance contract valued at £58.5m.**
2. **Approve the initiation of procurement action for an extension to the Babcock Critical Services supply of mountain bikes and accessories contract valued at £100,000.**
3. **Approve the initiation of procurement action for an extension to the Babcock Critical Services repair of mountain bikes contracts valued at £500,000.**
4. **Approve the initiation of procurement action for an extension to the Babcock Vehicle Engineering provision of vehicle equipping service contract valued at £18.7m.**
5. **Delegate authority to the Director of Commercial Services to provide consent to award the above four contract extensions within the financial limits set out above on successful completion of the procurement process.**
6. **Approve the use of additional £3m revenue reserves in 2018/19 and a further £8.2m in the current medium-term budget process from 2019/20.**

#### **Time sensitivity**

A decision is required from the Deputy Mayor for Policing and Crime by Monday 23<sup>rd</sup> July 2018. This is to allow sufficient time to complete the required commercial activity and award contracts to facilitate an extension to both contracts.

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

#### **Introduction and background**

1. These contract extensions will facilitate the continued maintenance of the overt fleet, conversion of all vehicles, supply of mountain bikes, repair of mountain bikes, and continuation of services until a new Managed Service Provider contract can be approved and services transitioned.
2. Babcock Critical Services maintains, repairs and administers the overt fleet, along with providing the MPS with access to lease and short term hire vehicles. Two separate contracts also cover the supply and maintenance of mountain bikes.
3. Babcock Vehicle Engineering converts all MPS vehicles entering operational service and decommission all life-expired assets.

#### **Issues for consideration**

4. This information is contained in the restricted section of this report.

### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

5. The MPS operates a fleet of cars, vans, minibuses, motorcycles, large goods vehicles, marine vessels, plant, and equipment. The fleet is supported by 2,000 pedal cycles, which are predominantly allocated to Frontline Policing.
6. The fleet profile and distribution across operational business groups supports the Police and Crime Plan and enables the MPS' mobile workforce to:
  - a) Respond to incidents;
  - b) Protect victims and vulnerable people; and
  - c) Transport officers and equipment across London and the UK.
7. In order to ensure a better police service for London the MPS is committed to:
  - a) Delivering policing where and when Londoners need it, in their communities, on the move, online, at night, and at work;
  - b) Increasing protection for victims and vulnerable people;
  - c) Ensuring the MPS meets its national and international strategic policing requirements;
  - d) Keeping children and young people safe;
  - e) Tackling violence against women and girls; and
  - f) Standing together against hatred, intolerance and extremism.

### **Air Quality Strategy**

8. The Fleet Services Air Quality Strategy 2017–2020 supports 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, and aligns to the London Environment strategy and the MPS Environment Policy. 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.
9. The introduction of the 550 ultra-low emission vehicles will be implemented in three phases and the first will target the five Mayor's Low Emission Neighbourhoods so that the MPS will contribute to tackling local air quality issues.
10. Fleet Environmental Objectives 2017–2020;
  - a) Reduce harmful pollutants produced by our vehicles whilst maintaining operational effectiveness
  - b) Commitment to reducing the diesel fleet by 60% by 2020
  - c) Achieve a minimum of 11% of the total MPS vehicle fleet as Ultra-Low Emission Vehicles
  - d) Introduce at least 60 Hydrogen vehicles

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

- e) Explore the viability of Compressed Natural Gas and Liquid Natural Gas technology
- f) Explore the viability of Liquid Petroleum Gas technology
- g) Install 600 chargers across the estate to support electric/ hybrid vehicle operations
- h) Collaborate with other Emergency Services to share re-fuelling infrastructure
- i) Ensure compliance with Ultra-Low Emission Zones across the UK
- j) Utilise telematics to ensure users are operating our assets in an efficient manner
- k) Expand the use of Car-Pooling and Sharing
- l) Utilise industry vehicle emission databases and benchmarks to inform procurement decisions and develop emissions reporting
- m) Continue to actively explore the alternatively fuelled vehicle market and seek new partnerships with manufacturers in order to trial new technology

### **Procurement Strategy**

11. This information is contained in the restricted section of this report.

### **Financial Comments**

12. Following reductions in the fleet budget, as reflected in the Medium-Term Financial Plan, we face a pressure of £3m in 2018/19 rising to £8.2m from 2019/20 onwards. Further information is contained in the restricted section of this report.

### **Legal Comments**

13. This information is contained in the restricted section of this report.

### **Equality and Diversity Implications**

14. There are no negative equality or diversity implications arising from this procurement process.

### **Privacy Comments**

15. The MPS' Information Shared Support Unit has been consulted. Completion of the Privacy Impact Screening Questions has confirmed that a Data Protection Impact Assessment (DPIA) is not required.

### **Real Estate Implications**

16. No real estate implications are anticipated with this contract award.

### **Environmental Implications and Compliance with Ultra Low Emission Zone**

17. The implementation of the Ultra-Low Emission Zone is scheduled to be brought forward by 17 months to April 2019 and will affect all vehicles travelling within the existing congestion charge zone.
18. The timely conversion of vehicles for operational police roles is essential to meet the aspirations of operating a compliant fleet within the congestion charge zone.
19. Fleet Services continues to reuse vehicle parts internally prior to external recycling and disposal as per the objectives within the MPS Environment and Sustainability Strategy 2017–2021 (draft), resulting in significant savings to the MPS annually and this will be continued within these contracts. The reuse of MPS vehicle parts for is to be captured and reported on an annual basis.

### **Background/supporting papers**

#### **Part 2**

Report author: Jiggs Bharij, Head of Fleet Services

