

## REQUEST FOR DMPC DECISION – PCD 46

**Title: Business Case and Contract Award - Traditional Forensics Managed Services Provision**

### Executive Summary:

This paper is seeking approval for the final business case for traditional forensics incorporating a number of staffing changes, the award of a upto 10 year contract to LGC Ltd for the provision of traditional forensics services with a value of up to £139m, and approval for a 3 month extension of the existing arrangements at £5.7m whilst the new contract is implemented.

### Recommendation:

That the DMPC approves the

1. Business Case for Traditional Forensics
2. Award of a contract to LGC for a 7 year term (with potential extensions for a further 36 months) for the supply of traditional forensics in the sum of £139.2m;
3. Award of 6 new contracts to the existing suppliers for a 3 month period to allow for the implementation of the new arrangements, in the sum of £5.7m.

### 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**

*Seamus Henderson*

**Date**

*22/08/2016*

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

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

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

- 1.1. In February 2015 approval was given (DMPCD 2015 20) to initiate procurement activity for the provision of traditional forensics managed service provision with a value of £100.7m, via OJEU. The contract was expected to commence in February 2016.
- 1.2. In November 2015 MPS recognised the length of time the procurement was taking and sought and obtained MOPAC approval for the extension of the existing forensics services arrangements to November 2016 [DMPCD 2015 132].

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

- 2.1. The business case incorporates a number of staffing changes to manage the on-going commercial aspects of the business case, in-house capacity for preservation/examination of drug wrappings, and for the examination of volume crime items recovered for DNA analysis. These are all funded from within the existing budget.
- 2.2. The procurement has taken longer than expected and has been of a more complex nature than MPS and the suppliers expected. Bidders requested an additional month to complete their bids, and introducing options to the bidding process and evaluation has taken longer than expected.
- 2.3. This has resulted in the need to award new contracts to the existing suppliers of these forensic services, on the basis of the existing terms, conditions and prices, for the 3 month period to implement the new arrangements.
- 2.4. The contract has been structured to transfer risk to the supplier with MOPAC only exposed to increases in price if there are sustained increases in volumes exceeding 10%. In addition, there is provision for specialist services and for innovation and R&D.
- 2.5. The contract value includes a sum of £2m to be matched with external funding for research and development activities to improve the service and reduce costs by, for example, introducing real time DNA profiling and local drugs evaluation.
- 2.6. The anticipated savings arising from this contract award depend on the implementation of real time DNA devices.

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

- 3.1. The 10 year estimated cost of the new contract is £139m, including the £2m in relation to research and development. Based on the assumptions of the implementation of new devices and volumes of work the contract is estimated to generate savings of £8.8m over the 10 year period.
- 3.2. The award of new contracts to allow for the implementation of the new contract is estimated to cost £5.7m. These costs will be contained within the MPS existing resources during 2016/17.
- 3.3. The additional cost of the proposed staffing changes is £309k p.a. and is funded from within the existing MPS resources.

#### **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 (4.13), the DMPC must approve all contract exemptions for £100,000 or above, and (4.14) reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

**5. Equality Comments**

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

**6. Background/supporting papers**

6.1. None

**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:**

	<i>Tick to confirm statement (✓)</i>
<b>Head of Unit:</b> The SFRM team 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****(Acting) 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

12/08/2016