

## REQUEST FOR DMPC DECISION – PCD 320

**Title: Provision of Rail Travel Scheme for Police Officers**

### Executive Summary:

The MPS is seeking to call-off from a single tender arrangement for the supply of a Police Officer Rail Travel Scheme for the organisation.

The MPS currently has a 4-year contract with the Association of Train Operating Companies (now Rail Delivery Group (RDG)) running from 1 April 2014 to 31 March 2018 that provides travel for MPS officers.

The RDG represents all the Train Operating Companies (TOCS) across the United Kingdom. They are the only entity able to grant travel concessions on behalf of TOCS to the MPS. Accordingly, MOPAC is not under a duty to competitive tender the requirement.

This paper recommends that DMPC approves a single tender award to the RDG.

### Recommendation:

The DMPC is asked to

- To award, via a single tender contract award, an agreement for the provision of a police officer rail travel scheme to the Rail Delivery Group (RDG) from 1<sup>st</sup> April 2018.
- To note the duration of the contract will be 48 months; this is the maximum term for a single tender arrangement and there will be no option to extend.
- To note the final value of this contract will be dependent on the number of officers that join the scheme; it is estimated that the total value of this requirement is likely to be between £50-£60 million which is the value representative of the spend between police officers and the supplier with costs recovered directly from officer's salaries.

### 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**

*Sophie Hender*

**Date**

*29/01/18*

## **PART 1 - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

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

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

- 1.1. The single tender arrangement will provide MPS police officers with access to travel on National Rail services within an agreed area for a monthly contribution. There is no cost to the MPS.
- 1.2. The RDG will be required to comprehensively manage the delivery of the travel scheme in conjunction with authority payroll providers. The estimated value of the framework is £50-£60 million. This is indicative of the spend by police officers working for the MPS throughout the life of the contract.

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

- 2.1. To mitigate risks around financial viability of the travel scheme going forward for the RDG, the RDG have indicated that the TOCS may look to impose a review of the costs during the 4-year contract. The RDG have stated that there are three options that they will propose to the TOCS at a London Agreement Committee on 23 January 2018, which include; 4 year contract awarded with: no annual review, single review of pricing strategy after Year 1; single review of pricing strategy after Year 2. It should be noted that any additional costs from an overall increase to the scheme contract options outlined above will be absorbed by police officers and not the MPS.

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

- 3.1. The final value of this contract will be dependent on the number of officers that join the Scheme. It is estimated that the total value of this requirement is likely to be between £50 -£60 million over the four-year life of the contract. Costs of the Scheme including administration are recovered directly from officers' salaries via payroll salary sacrifice.

#### **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). Public contracts for goods and services valued at £164,176 or above must be procured in accordance with MOPAC governance and regulations. This report confirms the value of proposed contract exceeds this threshold and, accordingly, the regulations are engaged.
- 4.2. This report also confirms the procurement route proposed is a single tender contract award. The RDG represents all TOCs across the UK. They are the only entity able to grant travel concessions on behalf of the TOCs to the MPS. Accordingly, the MOPAC is not under a duty to competitive tender the requirement. This will represent a compliant route to market where the MOPAC is named as an eligible user of the framework and the MOPAC's requirements are within the framework's technical and financial scope.

#### **5. Equality Comments**

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

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

- 6.1. Report.

**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 (Data Protection Section 4B) –

**ORIGINATING OFFICER DECLARATION:**

<b>Head of Unit:</b> The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
<b>Legal Advice:</b> There are no legal issues arising from this proposal.	✓
<b>Financial Advice:</b> The Chief Financial Officer has been consulted on this proposal.	✓
<b>Equalities Advice:</b> 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

26/01/18



**Not Protectively Marked**

**Investment Advisory Board**

**24 January 2018**

**For the Provision of a Rail Travel Scheme for Police Officers**

**Report by Kate Martin (Head of Pay and Reward) on behalf of Robin Wilkinson**

**EXECUTIVE SUMMARY**

The MPS is seeking to call-off from a single tender arrangement for the supply of a Police Officer Rail Travel Scheme for the organisation.

The MPS currently has a 4-year contract with the Association of Train Operating Companies (now Rail Delivery Group (RDG)) running from 1 April 2014 to 31 March 2018 that provides travel for MPS officers. The existing contract cost is determined by the number of officers in the scheme as at 31 March multiplied by a price per head.

The benefit is worth thousands of pounds to some officers if an equivalent season ticket were to be purchased and it is seen as an important part of the benefits package negotiated by the MPS. The travel card scheme permits travel for business and private use, including ordinary commuting.

There is also a benefit to the Train Operating Companies (TOCS); as railway staff and passengers feel reassured by the presence of police officers on trains, both on and off duty.

The RDG represents all the TOCS across the United Kingdom. They are the only entity able to grant travel concessions on behalf of TOCS to the MPS. Accordingly, MOPAC is not under a duty to competitive tender the requirement.

This paper proposes options, including the introduction of a second travel scheme, and recommends that DMPC approves a single tender award to the RDG.

**TIME-SENSITIVITY**

A decision is required by 31 January 2018 to allow the MPS to secure commercial terms with the RDG.

**A. RECOMMENDATIONS**

That the Deputy Mayor for Policing and Crime (DMPC) approves the following recommendations:

1. To award, without competition, an agreement for the provision of a police officer rail travel scheme to the MPS.
2. To note the duration of the contract will be 48 months; this is the maximum term for a single tender arrangement and there will be no option to extend. Furthermore, a review of costs by RDG will be undertaken after 12 months from start of contract.

3. To note the final value of this contract will be dependent on the number of officers that join the scheme albeit it is estimated that the total value of this requirement is likely to be between £50-£60 million which is the value representative of the spend between police officers and the supplier with costs recovered directly from officer's salaries.
4. To note the single tender arrangement will provide MPS police officers with access to travel on National Rail services within an agreed area for a monthly contribution. There is no cost to the MPS.
5. To note the contract will be awarded by the Mayor's Office for Policing and Crime (MOPAC).