

REQUEST FOR DMPC DECISION – PCD 154

Title: First Aid Consumables, Pharmaceuticals and Medical Gases

Executive Summary:

This paper requests approval to initiate the procurement of a First Aid consumables call off contract to replace the current contract which expires in November 2017. The contract will include all first aid equipment to deliver first aid to staff and the public including defibrillators, all first aid training equipment, the pharmaceutical requirement for Met Detention and the requirement for medical gases. The contract will be for four years from December 2017 to January 2021. The total contract value will be up to £8,266,666, with the MPS element being £6,266,666.

Recommendation:

The DMPC is asked to

1. Approve the initiation of the procurement of a First Aid consumables (including Pharmaceuticals and Medical Gases) call off contract to replace the current contract which expires in November 2017. The total contract value will be up to £8,266,666, with the MPS element being £6,266,666.

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

Stephen Hendler

Date

2/3/17

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

Decision required – supporting report

1. Introduction and background

1.1 The current contract is due to expire in November 2017. The MPS wishes to use a Framework Agreement, which will allow other blue light services to be able to access the contract. The Framework Agreement will be national and split into three lots:

- First Aid Consumables and training equipment
- Pharmaceuticals
- Compressed Medical Gases

This will allow the MPS to gain the best overall savings on the contract price by making savings from bulk purchases.

1.2 It is unlikely, that the MPS will be able to make savings on the new contract. The current contract did not allow for price increase during the term of the contract. The MPS believes prices are likely to increase in the new contract due to the effect of Brexit and the fall in sterling. This is evidenced by several MPS suppliers requesting to increase their prices.

2. Issues for consideration

2.1. All employers are required by law to provide first aid equipment for their employees under the Health and Safety (First Aid) Regulations. The MPS also has an obligation under the Police and Criminal Evidence Act 1984 to deal with immediate healthcare issues for detained people.

3. Financial Comments

3.1. The total value of the contract is estimated to be £8,266,660 over four years. The final cost of the contract will not be known until the procurement process is completed. The MPS element is £6,266,600 with the spend from other blue light organisation estimated at £2,000,000. The funding for this contract will be met from devolved budgets held by Business Groups. The main budget used is the office equipment budget, which totals £3.8m per annum across the MPS.

3.2. The contract will be a call off contract and as such does not require the MPS to spend to the maximum contract price. The route market will be via an open OJEU tender.

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 Consent and Delegation approval is required by the Deputy Mayor for Policing and Crime for all MPS requests to go out to tender for contracts of £500,000 or above, and to approve contract exemptions (such as direct awards).

5. Equality Comments

5.1. There are no direct equality issues arising from this proposal.

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

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 – No

If yes, for what reason:

ORIGINATING OFFICER DECLARATION:

	Tick to confirm statement (✓)
Head of Unit: The Head of Strategic Finance and Resource Management 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 Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: No Equalities 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

23/2/17





Business Justification - Initiation

*First Aid Equipment Investment Advisory Board
9 Feb 2017*

1. Freedom of Information Act Publication Scheme

Protective Marking	2.	Non restricted
Publication Scheme Y/N	3.	Y
Title	4.	First Aid Consumables, Pharmaceuticals and Medical gases
Version	5.	0.1
Summary	6.	This is a current contract that will expire in Dec 2017 and a new contract is required as the need for the equipment is ongoing. It is a National Framework used by other forces and blue light organisations
(B)OCU or Unit, Directorate	7.	SHRMT, Strategic HQ
Author	8.	Sue Warner
Review Date	9.	15 January 2017
Date Issued	10.	16 November 2016

Purpose of this document

This template is to be used for procurement initiations for the following type of procurements -

PROCUREMENT TYPE	VALUE	BOARDS
<i>BUSINESS AS USUAL</i>	<i>ABOVE £500k</i>	<i>PB, PIB & IAB</i>



Version History

11.	Version	12.	Date	13.	Additions/Modifications	14.	Prepared/Revised by
1		15.	15/09/2016	16.	First Version	17.	Sue Warner
2		18.	30/09/2016	19.	Second Version	20.	Colin Griffin
3		21.	07/12/2016	22.	Third Version	23.	Sarah Evans
4		24.	08/12/2016	25.	Final Version	26.	Sue Warner

Internal Consultation & Assurance

The following people have been consulted in the production of this Business Justification and their opinions incorporated.

Directorate / Dept.	Name & Job Role	Rank / Grade	Date Assured
Commercial Services		Director of Commercial Services	
DP			
HR	Robin Wilkinson	Director	15/09/2016
Legal (DLS)			
Property			
Finance Business Partners	Sarah Evans	U	07/12/2016
Health & Safety	Sue Warner	Band B	15/09/2016
DCFD			
Met Detention	Jacqui Nichols	Inspector	15/09/2016
Other Forces	NPCC First Aid Forum	Various	23/09/2016



Contents

1 *Decisions Required*

2 *Strategic Case*

3 *Economic Case*

4 *Commercial Case*

5 *Financial Case*

6 *Management Case*

Appendices

Procurement files are held by HQ Commercial Services containing all necessary approvals and strategies

Appendix 1

Investment Criteria

1 Decisions Required

This Business Justification is to initiate the procurement of a First Aid consumables call off contract to replace the current contract which expires in November 2017. This contract is a 'framework' which means that other blue light services can access the contract and benefit from the prices negotiated

The DMPC is requested to approve the following recommendations:

1. To tender for a first aid consumables contract to replace the contract which is due to expire November 2017 (Option 2 Economic case)
2. The contract will include all first aid equipment to deliver first aid to staff and the public including defibrillators, all first aid training equipment, the pharmaceutical requirement for Met Detention and the requirement for medical gases
3. The contract will be divided into three sections to ensure that the MPS and other blue light organisations who use the framework will benefit from the most cost effective supply options (see strategic and economic case below for further details)

The key issues the DMPC need to take account of are:

1. The Commercial Team are investigating whether this requirement can be met through any existing public frameworks and if this possible these will be used in preference to MPS establishing their own framework. In the meantime DMPC approval is sought to initiate a separate process (should this be necessary) to enable sufficient time for collaboration across all Police Forces and other Blue Light services to be undertaken effectively.
2. First Aid equipment must be provided for employees under the Health and Safety (first aid) regulations
3. First aid training equipment is required to deliver first aid training to officers and staff
4. Officers and staff deliver front line first aid to the people of London on a daily basis
5. First aid equipment has expiry dates so the requirement is ongoing and during the timeline of the award all custody defibrillators will need to be replaced which is included within this project
6. The MPS has an obligation under PACE to deal with immediate healthcare issues for detained people including the provision of some medications.

2 Strategic Case

1. The Health and Safety (First Aid) Regulations place a duty on the employer to provide appropriate first aid equipment. What is provided is decided by the employer through a needs assessment and the MPS requirement for both our employees and the people affected by our undertaking is regularly reviewed and the requirements adjusted accordingly. The MPS has an independent clinical panel which advises on what equipment we should carry and the training we undertake.
1. The MPS currently delivers first aid training internally which entails provision of training equipment, this includes a range of consumable items for every course and the training covers approximately 30,000 staff annually.
2. Met Detention employ Health Care Professionals who require medications to treat detainees for a range of issues. Supplying these medications on a contract basis is more cost effective than obtaining medications on a case by case local basis both in the cost of the medication and the use of staff time.
3. By making all equipment and medications available on a national contract it allows savings to be made through bulk purchasing.
4. The previous contract was offered in two lots, first aid consumables and pharmaceuticals with medical gases being a separate contract; these are now being offered under one contract but in three lots.
5. The proposed new contract will be a 4 year term from 1st December 2017 to 30 November 2021, with an estimated MPS value of up to £6,266,666. The estimated Framework value for the other users will be £2,000,000 giving a total contract value of £8,266,666.

3 Economic Case

The options for this contract are:

- 1 One complete contract as a national framework
2. A national framework with three distinct lots to attract the supply experts in each area - **Recommended option**
- 3 Three separate national framework contracts
- 4 A contracts that is limited to the MPS.

Option one - One single national framework contract

One single contract will not give the savings realised by specific supply experts as the main contract holder may need to subcontract which would increase prices.

Option two - A national framework with three distinct lots

The current first aid and pharmaceuticals contract was offered in two lots and this worked well to ensure the best savings were achieved in each area. The medical gas requirement was a separate contract. This is the option which streamlines the work to one timeline but still allows the MPS to attract the most competitive prices in each area.

The use of a national framework increases the value of the contract and attracts the savings made by buying larger quantities

The estimated spend by other blue light services based on current usage is approximately £2M over the 4 year contract, the MPS spend is £6,266,660 so the total framework contract value is £8, 266, 660

Option three - Three separate national contracts

This option makes more work for the departments dealing with the contract and is not economic in staff time. Having separate expiry dates may exclude a supplier bidding for the whole contract, even if in three lots, that could offer an overall saving.

Option Four - A contract limited to the MPS

This option would not give the saving attracted by the national collective buying power

Option 2 is recommended for the following reasons

1. Offering the contract in three lots allows the MPS to choose the suppliers that give the greatest combined savings overall
2. By tendering this contract as a national framework the MPS can make bulk savings and smaller forces and blue light organisations are able to benefit from these savings.
3. Savings opportunities are made on the pharmaceutical part of the contract by not utilising staff to attend local pharmacies to fulfil prescriptions as well as the savings from bulk purchases.

The contract is unlikely to achieve savings over the previous contracts due to increases in prices over the last four years as the current provider was not permitted to introduce any increases. The savings achieved will be on the buying power of a large contract against the current best prices available.

4 Commercial Case

We are seeking a renewal of the current contracts for these products for a fixed term of 4 years.

The current First Aid contract is an existing MPS National Framework currently being used by a number of police forces. The utilisation of an NHS or other public framework is being explored but to date the stakeholder has not been assured the scope of this contract meets the current needs of the MPS requirements and it will take a little more time to fully investigate such options. In the event that there are no existing public frameworks we will need to re-tender the current MPS requirement. Given the timescales, in order to provide contractual cover until the current contract expires on 30 November 2017 and to meet the deadlines required for the approval process approval is sought for the open OJEU tender should this be necessary.

In this case the route to market will be via an open competition advertised in the Official Journal of the European Union (OJEU). The outcome of this process will be to put a National Contract in place for the MPS and Police Services to access. The tender will be split into the following lots to optimise supplier interest and to attain best value.

Lot 1 – First Aid Consumables and training equipment

Lot 2 – Pharmaceuticals

Lot 3 – Compressed Medical Gases

There will be significant collaborative work with the National Police First Aid Forum and other Blue Light Services to aggregate their requirements and optimise the purchasing power thus ensuring beneficial supplier terms whilst achieving the levels of service required to maintain operational needs.

The market was last tested four years ago and the MPS prices have been held for the four period we have had the contract. Given the changes in the UK i.e. Brexit and the effect this has had on the £ it is very likely that the goods purchased under this contract will rise between 11% - 20%, as this request is being made by several MPS suppliers.

There may be other personal hygiene items, supplied to detainees, required by the MPS that may be added to the contract over time. Some of these items are currently being supplied by KBR however they do not fit well with this route and this contract could prove to be better value for money for the MPS.

In the past the market for the supply of compressed medical gases has been very limited, it is hoped that by bringing this requirement under this contract we can stimulate the market and hopefully reduce prices. The MPS is also looking to make savings efficiencies as well, as the current ordering and delivery process is a major administrative burden and needs to be improved.

5 Financial Case

This is the re-tendering of a current call off contract for a four year term. The value of the MPS contract is estimated to be £6,266.660 over a 4 year period, the final value of the contract will not be known until the competitive process is carried out. This is a call off contract and as such there is no commitment by the MPS to purchase through this contract.

The cost of the contract will be met from devolved budgets held by Business Groups. The main budget used is the office equipment budget which totals £3.8m per annum across the MPS. The amount specifically spent on first aid training equipment and consumables is monitored by Finance Services and totals £3.25m over the previous contract.

Savings had been realised on the previous contracts by the current tendering and bidding process.

The leasing of some of the equipment (defibrillators) has been explored previously but this was not a viable option

6 Management Case

1. This is the re-tendering of a previous contract so all the arrangements are already in place to use the contract
2. Regular meetings are held with the current supplier and this will continue with the new contract
3. The contract has a built in clause that prices cannot increase without full agreement from the MPS
4. The national framework is monitored through the National Policing First Aid Forum

Appendix 1

Investment Criteria (Mandatory)

Criteria	Score 1,2,3,4 or 5		Minimum score required	Indicative Score	Comments
Business requirement	5	Meets one or more of the following criteria:- 1. Health and safety requirement or 2. Statutory requirement or 3. Contributes directly to Met Change or 4. The asset being renewed has failed and is impacting on delivery of front line services 5. Is the renewal of an existing contract	3	5	
	4	The asset is in poor condition and is likely to fail in the near future compromising on delivery of front line services			
	3	6. Contributes in part to delivery to Met Change 7. The asset will fail in the medium term, compromising on delivery of front lines services			
	1	Asset maintenance will be costly in the long run making renewal cost effective			
	0	Does not contribute towards Met Change			
Cashable revenue savings (full year effect)	5	Delivers revenue savings in excess of £5M	?		Cannot say at this time that any savings will be achieved. The Brexit effect and the fall in the £ will need to be taken into consideration.
	4	Delivers revenue savings between £4M and £5M			
	3	Delivers revenue savings between £3M and £4M			
	2	Delivers revenue savings between £2M and £3M			
	1	Delivers revenue savings between £1M and £2M			

	0	Does not deliver revenue savings			
Return on investment	5	Payback in under a year	?		This will not apply.
	4	Payback in under 3 years			
	3	Payback in under 4 years			
	2	Payback between 5 – 7 years			
	1	Payback between 8 -10 years			
	0	Payback greater than 10 years			
Total					
Total exc ROI					