

# GREATER LONDON AUTHORITY

## REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD35

### Title: London Fire Brigade – Van Fleet Replacement

#### Executive Summary:

Report LFC-0124 to the London Fire Commissioner seeks approval to place orders under the Emergency Services Vehicles and Equipment Contract with Babcock Emergency Services for the procurement of nine new box vans and five general purpose vans with nine seats and flexible stowage to replace the London Fire Brigade fleet of vans.

The Commissioner's Board have considered and recommended the proposal to the Commissioner, who has indicated in-principle support pending prior consent to spend from the Deputy Mayor. The Deputy Mayor for Fire and Resilience also considered the proposals to the Commissioner in report FRB-0037 at her Fire and Resilience Board on 19 March 2019 and indicated her in-principle support.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

#### Decision:

That the Deputy Mayor for Fire and Resilience approves:

expenditure of up to £750,000 for the purpose of placing orders under the London Fire Commissioner's Vehicles and Equipment Contract with Babcock Emergency Services to procure nine new box vans and five general purpose vans with nine seats and flexible stowage for the purpose of replacing the Commissioner's fleet of vans as proposed by report LFC-0124 to the London Fire Commissioner.

#### Deputy Mayor for Fire and Resilience

I confirm that I do not have any disclosable pecuniary interests in the proposed decision.

The above request has my approval.

Signature:



Date:

15/10/19

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DEPUTY MAYOR**

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

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

- 1.1. All of the current London Fire Brigade (LFB) fleet of vans identified within report LFC-0124 to the London Fire Commissioner have reached the end of their planned serviceable life. They also require replacement to ensure they comply with future emission control requirements. The report to the Commissioner outlines the process that has been undertaken to identify the most appropriate replacement vehicles and seeks permission to place orders under the Emergency Services Vehicles and Equipment Contract with Babcock Emergency Services utilising the funding for the planned FLEET capital spend programme.

#### **2. Objectives and expected outcomes**

- 2.1. Report LFC-0124 to the Commissioner seeks permission for expenditure under the Babcock Emergency Services Vehicles and Equipment contract for the replacement of the LFB fleet of vans.
- 2.2. Nine of the vehicles requiring replacement are General Purpose Vans (GPVs) currently attached to Protective Equipment Group (PEG) and Brigade Distribution Centre (BDC) and a review has been undertaken to identify the most appropriate type of replacement vehicles. The review was undertaken in preparation for both PEG and BDC combining as a single group to be called the Operations Support Group (OSG) in the new Operations Support Centre (OSC) due to come into service in January 2020.
- 2.3. The current OSG vehicles requiring replacement consist of eight Sprinter GPVs that came into service in 2010/11 and one Citroen GPV van that came into service in 2006, all of which are over the standard recognised seven-year service life. The replacement vehicles are required as part of the LFB support vehicle class, to aid OSG in transporting breathing apparatus cylinders and other related operational equipment on a daily basis. The vehicles will be used to respond to operational incidents as required. The new vehicles will be used under normal driving conditions and for Emergency Fire Appliance Driving (EFAD), both in the Greater London area and occasionally to locations outside Greater London.
- 2.4. The replacement of five of the seven Medium Personnel Carriers (MPCs) attached to the Operational Policy Urban Search and Rescue (USAR) Team, is necessary to provide a renewed fleet. The main purpose of the vehicles is to support emergency incidents where larger numbers of personnel are required. The vehicles will therefore be expected to operate under EFAD conditions whilst carrying passengers. These vehicles will also be required to support non-emergency functions where personnel and/or equipment require transportation.
- 2.5. The vehicles are expected to mainly operate in the Greater London Area, but on occasions may be required to support incidents outside of this area. The user departments have reviewed their vehicle requirements and established that the remaining two MPCs are no longer required. These assets will be disposed of with the associated provision and in-service costs. The current maintenance slot cost for these two MPCs is £5,898 per vehicle – therefore disposal will represent a revenue budget saving of £11,796 per annum.
- 2.6. The Deputy Mayor's approval is accordingly required for the London Fire Commissioner to approve the expenditure of up to £750,000 to place orders with Babcock Emergency Services for the procurement of nine new box vans and five general purpose vans with nine seats and flexible stowage.

### **3. Equality comments**

- 3.1. The Public Sector Equality Duty – and the potential impacts of this decision on those with protected characteristics – has been considered by the London Fire Commissioner and the Deputy Mayor for Fire and Resilience at the Commissioner's Board on 30 January 2019 and the Deputy Mayor's Fire and Resilience Board on 19 March 2019.
- 3.2. The Public Sector Equality Duty applies to the London Fire Commissioner when they make decisions. The duty requires the Commissioner to have regard to the need to:
- a) eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful;
  - b) advance equality of opportunity between people who share a protected characteristic and those who do not; and
  - c) foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 3.3. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 3.4. The Equality Impact Assessment undertaken found that these proposals will not have an adverse effect on any persons with a particular characteristic. This was based on the Output Based Specification (OBS), and its end-user specification. Reasonable seating position adjustments can be made in the vehicles by users. However, where required, modifications can be carried out on vehicles to cater for those with special requirements.
- 3.5. In addition, the Emergency Services Vehicles and Equipment contract with Babcock Emergency Services requires Babcock and any sub-contractor they may engage, to conform to Equality legislation and the LFB Equalities protocol. Babcock also assess all of their providers approach to Equality and Diversity prior to listing those companies as approved providers.

### **4. Other considerations**

#### *Procurement*

- 4.1. LFB has outsourced its procurement activities for vehicles and equipment to a third party, Babcock. Babcock undertook this procurement on LFB's behalf. Under the terms of the Vehicles and Equipment contract with Babcock, Babcock contracts as principal with any supplier. Procurements under the contract are carried out pursuant to the Public Contracts Regulations 2015 as applicable, with advice and consent from LFB.
- 4.2. An operational requirements specification was submitted to Babcock Emergency Services—in line with the Vehicles and Equipment contract with Babcock—who subsequently worked with the LFB Technical and Service Support workstream lead to review and determine the Brigade's requirements for safety, operational use, quality and performance for the fleet of vans. These requirements include:
- five Urban Search and Rescue (USAR) vans with four-wheel drive, nine seats and flexible stowage; and
  - nine Operations Support Group (OSG) vans with tail lift facility.

- 4.3. Babcock drew up a procurement strategy which included an evaluation process that was agreed with LFB officers before going out to tender. The evaluation scoring consisted of 70 per cent Technical and 30 per cent financial balance. Included within the evaluation factors were lead times and emission standards that played a significant role in the selection process, which consisted of Babcock identifying potential vehicles and scoring them against the above criteria.
- 4.4. Babcock's procurement team issued LFB's requirements for the USAR vans in August 2018 for total costs for the base vehicle and conversion, excluding livery and stowage costs. Livery and stowage costs could not be requested as the vehicles had not been selected. Responses were received from MAN, Mercedes, Vauxhall and Renault.
- 4.5. Babcock's procurement team issued LFB's requirements for the OSG vans to three manufacturers who could supply an automatic variant of their 3.5 tonne vehicle, which were Mercedes, Renault and MAN. A bespoke body builder was also contacted to look at an ultra-lightweight variant to achieve maximum payload.
- 4.6. Following the competitive tender process and evaluation of the tenders, Babcock has identified the preferred bidders that meet the LFB's requirements. The quotes from the preferred bidders all sit within the identified FLEET capital spend budget and details of the quote are given in Appendix A to report LFC-0124.
- 4.7. Babcock has also advised of potential additional costs that need to be considered in the instance of a 'no deal' EU Exit outcome. These impacts are outlined in Appendix A of the report to the Commissioner. Although the LFC report was drafted before the initial March 29<sup>th</sup> deadline for exiting the EU, the same costs and scenarios still apply for the 31st October deadline.
- 4.8. There will be no change to the revenue budget for the maintenance slots for these vans, as the ongoing maintenance costs for these will remain the same as the existing slots. This is because the LFB's requirements for standardising these types of vehicles has enabled Babcock to make efficiencies across the fleet. This has therefore resulted in Babcock being able to retain consistent slot prices, which represents a small efficiency saving.
- 4.9. Babcock' carried out a competitive procurement process for each of the workstreams arising from the report to the Commissioner; they do not intend to draw from a Crown Commercial Service (CCS) framework.
- 4.10. However, the bidders involved in that process included chassis prices no higher than the rates offered under an existing CCS framework. To-date, Babcock have not experienced volumes which have leveraged better rates than that framework, but the procurement processes apply a different supplier risk transfer than it offers. Under Babcock's process, holding rates represent a better value for money proposition than calling-off from the framework. There is a chassis price link between Babcock's procurement process and the CCS framework, but the CCS framework was not the procurement route taken in this instance.
- 4.11. Within Babcock's process, the right of the vehicle manufacturers to apply a price increase after they have submitted tenders would only materialise once the validity period expired (excluding assumption change or specification changes). In this instance, whilst Babcock seek further extensions without any price increase, the vehicle manufacturer have drawn Babcock's attention to the potential chassis price increase, arguing it would maintain equivalence to new CCS rates. The CCS framework will be used as a comparator for the potential price rises if final procurement agreement is not reach prior to the end-date for quote validity.

*Modifications, corporate livery and road safety markings*

- 4.12. Costs of £140k for modifications, corporate livery and road safety markings have been included in the report to the Commissioner for information purposes only. This work is being undertaken entirely

separately to the procurement of the vans and are being carried within the auspices of the existing Babcock vehicles and equipment contract.

### *Sustainability*

- 4.13. The identified vehicles will be fitted with Euro 6 engines and will comply with Ultra-Low Emission Zone regulations introduced in April 2019. This project supports both the LFB sustainability objectives and the Mayor's objectives of reducing emissions. Zero emissions capable options were considered but none were found to meet the performance and lead-time requirements.

## **5. Financial comments**

- 5.1. LFC-0124 to the Commissioner sets out plans for the replacement of vans within the LFB fleet as they come to the end of their planned serviceable life. Capital budgets of £658,000 have been allocated to these schemes in the 2019/20 capital programme as follows:

- five USAR vans – £185,000
- nine OSG vans – £333,000
- livery and Conversion for all vans – £140,000.

- 5.2. The total cost of the planned replacement is £666,246, assuming there is an EU Exit agreement. The cost is £8,000 higher than the available budget and therefore an additional budget allocation of £8,000 is included in the total budget approval being sought below. However, should the UK leave the EU without a deal there will be a potential additional cost, bringing the total cost up to an estimated £750,000 which would lead to an additional budget shortfall of £84,000. Any additional costs as a result of no deal will need to be reviewed and additional budget allocated as appropriate as part of the ongoing budget monitoring process. The expected costs in scenarios of both an agreement and no agreement are shown below:

- five USAR vans – £184,000 (up to £213,000 with an exit agreement)
- nine OSG vans – £342,000 (up to £397,000 with an exit agreement)
- livery and Conversion for all vans – £140,000.

- 5.3. Approval is therefore being sought for a budget of up to £750,000 although any additional budget required as a result of 'no deal' EU Exit will not be allocated unless required.
- 5.4. The revenue running costs of the vehicles will be met from existing departmental revenue budgets as these are replacement vehicles.
- 5.5. If this expenditure were to be funded through borrowing, the resulting capital financing costs would be £115,000 (£130,000 including the potential impact of no deal) annually, comprising £95,000 (£107,000 including the potential impact of no deal) to repay the principal and £20,000 (£23,000 including the potential impact of no deal) in interest, based on a seven-year asset life.
- 5.6. The plans do not commit the Mayor to provide additional funding to LFC and, as a result, there are no new direct financial implications for the Greater London Authority.

## **6. Legal comments**

- 6.1. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the

Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

- 6.2. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
- 6.3. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".
- 6.4. The statutory basis for the actions proposed in report LFC-0124 to the London Fire Commissioner is provided by Section 7 of the Fire and Rescue Services Act 2004, which states that fire and rescue authorities must secure the provision of the equipment necessary efficiently to meet all normal requirements.
- 6.5. The Commissioner's General Counsel confirmed the proposals in this report are in line with the provision of services provided under the Commissioner's vehicles and equipment contract (VEC) with Babcock Emergency Services and also noted that the proposed service has been procured in compliance with the Public Contracts Regulations 2015. The VEC between the London Fire Commissioner and Babcock Emergency Services Ltd was procured following a compliant OJEU procurement in accordance with the Public Contracts Regulations 2015, from which the Commissioner is able to make a compliant call-off..
- 6.6. The Deputy Mayor's approval is therefore required for the London Fire Commissioner to approve the expenditure of up to £750,000 to place orders with Babcock Emergency Services for the procurement of nine new box vans and five general purpose vans with nine seats and flexible stowage.

**Appendices and supporting papers:**

Appendix A: LFC-0124 – 'LFB Van Fleet Replacement'

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: The commercial interests of the London Fire Commissioner require the considerations of the proposed procurement to remain unpublished until after the contract has been awarded and the subsequent cooling-off period has expired.

Until what date: 1 November 2019

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

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer**

Andrew Nathan has drafted this report with input from the LFC and in accordance with GLA procedures and confirms the following:

✓

**Assistant Director/Head of Service**

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Deputy Mayor for Fire and Resilience for approval.

✓

**Advice**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 14 October 2019.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

*M. D. Blle*

Date

*14.10.19*

