

REQUEST FOR DMPC DECISION – PCD 157

Title: Contract Award for Supply of Response 4x4 Protection Extreme Off-road Vehicles

Executive Summary:

This paper requests approval to award a contract to Jaguar Land Rover (JLR) for the supply of up to a maximum of 30 Response 4x4 Protection Extreme Off-road vehicles for 24 months. The contract value is £1,644,400 and includes a 5% contingency to allow for possible future changes in the unit cost of the vehicles.

Recommendation:

The DMPC is asked to

1. Approve the contract award to JLR for the supply of up to a maximum of 30 Response 4x4 Protection Extreme Off-road vehicles for 24 months at a contract value of £1,664,400. The contract value is inclusive of a 5% contingency.

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 Hendon

Date

9/3/17

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

Decision required – supporting report

1. Introduction and background

- 1.1 In April 2016, the Counter Terrorist Capital sub-group agreed to uplift the Royalty and Specialist Protection (RaSP) fleet and the required funding. The uplift was deemed necessary due to the increased threat of terrorism and to deliver scheduled replacements via the Annual Replacement Programme.
- 1.2 The proposal supports the objectives of the One Met Model Fleet Strategy by procuring vehicles that operationally are fit for purpose. The contract also allows the MPS to make changes to suit operational requirements as well as not committing the MPS to purchase more vehicles than are needed.

2. Issues for consideration

- 2.1. Due to the confidential nature of the proposal the detail is held in Part 2

3. Financial Comments

- 3.1. The cost of £1,664,400 will be funded from the Counter Terrorist Policing Grant. The contract is structured to offer no guaranteed volumes and will allow flexibility to fulfil the demand needs shown below. The cost of the vehicles:
- Additional vehicles for the RaSP Armed Uplift – 11 vehicles values at £600k
 - Vehicle Replacement Programme – 11 vehicles valued at £600k
 - Replacement of unforeseen write offs and fleet changes – 8 vehicles valued at £400k.
- 3.2. A contingency of 5% has been included in the contract price of £1,664,400 to allow for additional surge or replacements due to write off. This will help guard against future changes in the product that may increase the unit cost.
- 3.3. The MPS is working towards improving value for money for its fleet and has developed a strategy to work closely with vehicle manufacturers. This creates greater commitment between the MPS and vehicle manufacturers and helps to ensure greater consistency of supply as manufacturers are more able to schedule the run of an existing model, or provide access to end of model versions at lower cost.
- 3.4. The result of this strategy has achieved a lower cost of £140k based on a mini competition compared to the Crown Commercial Services (CCS) price. This equates to a further discount of 7.5% on the CCS Framework.

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 – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
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

Investment Advisory Board – 9th February 2017

**CONTRACT AWARD FOR SUPPLY OF RESPONSE 4X4 PROTECTION
EXTREME OFF-ROAD VEHICLES**

**Report by Director of Centrally Delivered Support Services on behalf of the
Commissioner**

EXECUTIVE SUMMARY

The Metropolitan Police Service (MPS) are seeking to award a contract for the purchase of up to 30 Response 4x4 Vehicles via the Crown and Commercial Services (CCS) Vehicle Purchase Framework Agreement (Ref. RM1070) for a maximum aggregated value of £1,644,400 over 24 months.

- The framework period is from 2 December 2014 to 1 December 2018 and the contracts are within the technical and financial scope of the framework.
- The duration of the contract will be 24 months commencing in February 2017.
- Approval to initiate procurement action was granted by the Deputy Mayor for Policing and Crime on 23 June 2016, as part of the Response 4x4 Tender 2016 and the Royalty and Specialist Protection (RaSP) Uplift programme.
- The initial value approved was £1.30M, on completion of the commercial activity the value of the proposed contract is £1.64M and is £0.34M greater than the initial estimate.
- Only one vehicle was found to meet all mandatory and desirable technical criteria and will fulfil all aspects of the role of a Response 4x4 Protection vehicle with extreme off-road capability.
- The Commercial Director has delegated authority to approve the award of all contracts with the exception of those called in through the agreed call in procedure.
- This requirement is fully funded through the Counter Terrorism Policing Grant including the capital purchase and the future maintenance.

A. RECOMMENDATIONS – that the DMPC

1. Approves the award of a contract to Jaguar Land Rover for the supply of up to a maximum of 30 Response 4x4 Protection Extreme Off-Road vehicles:
 - a) The contract is awarded following a competitive tender process under the CCS Vehicle Purchase Framework Agreement (RM1070 Lot 1)
 - b) The total contract value is £1,644,400
 - c) The contract duration is 24 Months
 - d) Capital funding exists in the Capital Programme from Counter Terrorism Policing Grant.

B. SUPPORTING INFORMATION

Background

1. This uplift project is being managed by the Armed Uplift Programme Board, chaired by DAC Terry which will govern all aspects of the delivery of the increase in operational capacity and capability. This will form part of the corporate change governance framework, reporting to Portfolio and Investment Board.
2. In line with corporate governance, these proposed fleet increases were presented for approval at the MPS Strategic Fleet Board, chaired by AC King. The board supported these additional requirements.
3. CT Capital sub-group on 6th April 2016 supported the recommendation to uplift the Royalty and Specialist Protection fleet and agreed the funding source.
4. The initiation of this contract is in direct response to operational requirement to increase the protection fleet due to the increased threat of terrorism and deliver scheduled replacements via the annual Vehicle Replacement Programme.
5. Due to the 24 month contract length and the requirement to cater for additional surge or replacements due to write off, an additional 5% value has been included to guard against future changes in the product that may increase the unit cost

Fleet Strategy

6. The One Met Fleet Strategy was published in 2014 and set out a four year plan for the direction of the fleet. It established a number of challenges for Fleet Services relating to improving:
 - a) Cost management
 - b) Demand management
 - c) Environmental Impact
 - d) Safety
 - e) Technology
7. This procurement supports the objectives of the fleet strategy in terms of the provision of operationally fit for purpose vehicles. The contractual arrangements allows for changes in the operational requirement as well as not committing the MPS to purchase more vehicles than it needs.
8. Delivery of this requirement is out of scope of the commercial activity being undertaken within Fleet Services.
9. Fleet Services continually monitor the size and makeup of the fleet and the contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes.

Procurement Strategy Information

10. Fleet Services will procure the 30 vehicles through the Vehicle Purchase framework RM1070 that was procured by the Crown Commercial Services on behalf of the Cabinet Office in December 2014 and is valid until December 2018. The MOPAC were identified as an eligible user of the framework by reference to it in the OJEU notice 2015/S 008-009193. The requirement set out in this report is within the financial and technical scope of the framework. The MOPAC will comply with the purchasing procedures set out in the framework.
11. The Framework consists of a total of 41 suppliers split through 9 lots and allows MOPAC as a participating authority to complete a call off agreement via a direct award or through mini competitions. This allows the business to be flexible and approach each procurement activity according to fleet category and demand. Further competition against the listed lots is permissible however the Framework specifications comply and meet our needs as an MPS purchaser.
12. The Framework allows for a Direct Award to be made where there is only one suitable supplier due to technical capability.

Tendering process

13. The Invitation to Tender (ITT) was sent out to all 22 eligible suppliers on Lot 1 of the CCS Framework on 5th October 2016, with responses to be submitted by 19th October 2016.
14. Three manufacturers responded to the tender offering five models;
 - a) Audi - Q7 Quattro SE
 - b) Jaguar Land Rover - Range Rover Vogue and Range Rover Sport HSE
 - c) Mitsubishi - Shogun SG2 and Shogun SG3
15. Fleet Services undertook a desktop technical evaluation of the vehicles against the set of published technical mandatory and scored parameters. The two products offered by Mitsubishi failed the mandatory performance criteria.
16. The MPS Car and Van Evaluation Technical Standard is detailed within Part 2.

Value for Money Statement (Mandatory)

17. The initial contract volume was based on the previous CCS purchase price of the Range Rover Sport and equated to potential contract value of £1.30M. On completion of the technical considerations this model failed the extreme off-road course and the only vehicle which met all aspects of our technical requirements was the Range Rover Vogue which has resulted in a £0.34M increase to the overall contract value. Although the contingency element of £0.44M may not be incurred during the contract duration.
18. The contract is structured to offer no guaranteed volumes and will allow flexibility to fulfil the following demands;
 - a) Additional vehicles for the RaSP Armed Uplift (11) valued at £0.60M

Not Protectively Marked

- b) Continue to deliver the scheduled Vehicle Replacement Programme (11) valued at £0.60M
 - c) Establish a call off capacity to enable the replacement of unforeseen write offs and accommodate changes in fleet profile (8) valued at £0.44M
19. The MPS has made significant strides to ensure greater ongoing VfM from its fleet and the fleet operated represents a significant proportion of the national policing vehicle market. The Crown Commercial Services Framework allows for the purchase of vehicles directly from the manufacturer, which delivers significant savings over retail prices.
20. Fleet and Procurement Services have made significant efforts to consolidated definite vehicle requirements for periods which enable the MPS to make greater commitment to manufacturers. The volume not only provides a lower purchase price but also leads to a greater consistency in the vehicle model which has a positive impact on the total cost of ownership, achieved by minimising the volume of spares that need storage and the training required to service the fleet. Providing a larger commitment helps to ensure greater consistency of supply as manufactures are more able to schedule the run of an existing model, or provide access to end of model versions at a lower cost.
21. The result of this strategy has achieved a lower cost of £0.14M based on the mini competition compared to the CCS Price This equates to a further 7.5% discount on the CCS framework.
22. The fully compliant vehicle offered by Jaguar Land Rover is available at a higher cost that previously estimated. Therefore to procure 30 vehicles would increase the value of the contract by £0.34M. The Finance Business Partner for CT has confirmed that sufficient budget exists within the CT Policing Grant Medium Term Financial Plan to cover the entire contract value.

Lot name	Manufacturer	Volume (Up to)	Contract Value £
Response 4x4 - Protection SUV EOR	Jaguar Land Rover	30	£1,644,400
	Total	30	£1,644,000

Responsible Procurement - Environmental Implications

23. The carbon dioxide emissions of the vehicles purchased will be lower than the vehicles they are replacing due to advances in the automotive industry technology associated with fuel efficiency. There will therefore be positive environmental impacts associated with the renewal process which are outlined in the environmental implications Table C1 at Appendix 4.
24. As engine emissions were a part of the evaluation criteria, in order to reduce the environmental impact of the MPS fleet, a CO₂ emissions limit of 240g/km was applied and the engines will meet the latest Euro 6 air quality emission standard.
25. The successful vehicle has a CO₂ value of 182g/km offering a significant reduction in carbon emissions when compared to the highest existing vehicle which has a value of

Not Protectively Marked

299g/km and an average across the Protection SUV fleet of 238g/km. This equates to an expected reduction in emissions produced on an annual basis of 23% per vehicle for equivalent use.

26. Fleet Services is aware that the Extreme Off-Road role dictates a vehicle with a higher than normal carbon emissions and Euro standard and has developed a strategy in other areas of the protection fleet to mitigate against this by specifying hybrid technology for the following roles within RaSP;
 - a) SUV
 - b) General Purpose cars
 - c) General Purpose vans
27. The latest tender to be commissioned for Protection SUV vehicles specifies hybrid vehicles with CO₂ emissions of just 77g/km and 10 vehicles are being purchased and will enter operational service by summer 2017. The comparable diesel-only model only achieves carbon emissions of 156g/km.
28. The next batch of general purpose vehicles to be purchased will also be hybrid vehicles and the carbon emissions are expected to be less than 70g/km. The comparable petrol-only model only achieves carbon emissions of 99g/km.

General Contract Information

29. The contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes and will be managed by Fleet Services who are responsible for delivery of suitable vehicles to meet the MPS operational requirements.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact (Mandatory)

1. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Procurement Services have a contract management toolkit that contains a section on Responsible Procurement which encourages contract managers to work with their suppliers, signposting them to support services. Additionally, suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.
2. There are considered to be no negative equality or diversity implications arising from this procurement process. The approved company will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
3. Inclusion, diversity and equality screening section attached at Appendix 6

Financial Implications (Mandatory)

4. The MPS is seeking to award a 24 month contract for the supply of vehicles to the MPS. The estimated value is £1,644,400 and full funding will come from Counter Terrorism Policing Grant. The capital expenditure is within the Capital Programme.

Legal Implications (Mandatory)

5. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £164,176 or above, all contracting authorities must do so in accordance with the Regulations.
6. This report confirms the one tender detailed in Appendix 1 exceeds the above threshold. Consequently, the Regulations 2015 will apply. This report identifies the Crown Commercial Services (CCS) framework agreement as its preferred route to market. A compliantly procured framework represents a compliant route to market for contracting authorities provided the framework is still in force, the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. Paragraph 7 of this report confirms the above points are, or will be, met.
7. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above

Consultation Undertaken (Optional)

8. Discussion regarding vehicle replacement continues on a local user level as well as through relevant fleet boards which is supported as per the consultation grid below:

Consultation grid

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Head of Fleet Services	Supportive
Strategic Fleet Board	Supportive
OCU Commander RaSP	Supportive

Report author: Jiggs Bharij, Head of Fleet Services

Appendix 1

B1 Procurement Route	
Procurement Type (Part A/B/Exempt/Non OJEU Tender)	Part A
Procurement Route (Existing Met Framework/new Met Framework/External Framework/Met competitive tender/Met single Tender Action)	External framework
Is the Contract Exempt from the Public Contract Regulations 2006 (if yes please state which regulation is being relied upon and why in additional information).	No
Procurement Procedure (Open/Restricted/Competitive Dialogue /Mini-Competition/Negotiated)	Mini competition
Contract Technical Weighting (Quality)	9%
Contract Commercial Weighting (Price)	91%

B2	Framework Agreement
Name of Contracting Authority which established this framework	CCS Framework
Term of Framework (start – finish)	02.12.2014 – 01.12.2018
Are the good/services to be purchased by the MOPAC/MPS within the scope of the framework	Yes
Name in which the MPS appears as a Contracting Authority	"All law enforcement agencies and authorities"
Number of suppliers on the framework	22 on Lot 1
Method of call-off	Mini competition
Are model contract terms and conditions prescribed for use by the framework / lawfully amended within the terms of the framework and acceptable to the MOPAC/MPS	Yes
Any known previous issues with this framework (e.g. any challenges).	No

Appendix 2

B3	Tender Information
Date of Approval to Tender (Initiation Approval)	October 2015
Date Contract Notice published	N/A
Contract Notice published where	N/A
Date PQQ Issued	N/A
Date by which PQQs had to be returned	N/A
No of PQQ's responses received	N/A
Number of companies invited to tender	22 on Lot 1

Not Protectively Marked

Date ITT's sent out (including where a mini-competition has been conducted)	05/10/16
Date by which tenders had to be returned	19/10/16
Number of ITTs returned	4
Number of bids received?	4
Number of non-compliant bids (state in additional information why the bids were not compliant)	3
Number of compliant bids	1

Responsible Procurement

B6	Responsible Procurement
Number of people on NVQs, apprenticeship programmes or graduate training programmes placed from award of contract.	N/A
Number of possible ex-offenders within our supply chains as a result of the contract.	N/A
Number of people in typically low paid roles employed by the MPS and their first tier suppliers receive the London Living Wage as a minimum recorded through the contract.	N/A
Has the supplier been registered on Sedex or a similar programme?	N/A
Specific Social Value questions in the PQQ/ITT (based on the requirement)?	N/A
Has a record of the Social Value Act considerations been kept for this contract?	N/A

The MPS are using a framework established by the Crown and Commercial Services (CCS). The CCS reviewed suppliers on their social, economic and environmental performance.

Appendix 3

B7	Contract Information
Business Unit	Fleet Services
Contract Manager	Dan Widdicks
Contract Security Classification	Restricted Commercial
Tender Reference	SS3/16/96
Bluelight Reference	25469
Cost Centre	TR001001
Work Breakdown Structure Number	n/a
Total Savings Captured (BPP)	
BPP reference number	

Not Protectively Marked

Procurement lead and title	Akaash Aubeeluck
Financial Budget	
Financial budget approved by	Neil Barton

Appendix 4

C1	Environmental Implications			
	Higher	Lower	No impact	Mitigation/ management of any higher impact
Level of energy use and associated carbon dioxide emissions		X		Due to improved performance specifications of the vehicles and lower kgCO ₂ /km
Level of water consumption			X	N/A
Level of waste generation/waste requiring disposal			X	Fleet Services continue to reuse vehicle parts internally prior to external recycling and disposal, resulting in significant savings to the MPS annually
Level of travel and transport and associated emissions		X		Due to improved performance specifications (Euro Standard) of the vehicles and lower kgCO ₂ /km
Raw material use and finite resources (use of recycled materials and sustainable alternatives)	X			Where possible the use of recycled/recyclable materials and parts is encouraged

Appendix 5

Criteria	Minimum score required	Indicative Score	Comments
Business Requirement	3	4	Vehicles are replacing those that are coming to the end of their operational / economical life.
Cashable Revenue Saving	1	N/A	New vehicles will provide savings in terms of reduced CO2 emissions, reduced fuel costs due to improved miles per gallon (MPG) and reduction in repair and maintenance costs.
Return on Investment	4	N/A	The maintenance of vehicles increases with age profile and as such the replacement of vehicles would bring about reduced maintenance costs
Total	8	4	
Total exc ROI	4	4	