

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD51

Title: Scientific Services – Contract Award

Executive Summary:

Report LFC-0278 to the London Fire Commissioner seeks approval for a three-year contract for the provision of Scientific Services to Bureau Veritas UK Ltd, with an option to extend the contract for a further two years, at a total cost of up to £6,955,000 over five years

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:

The Deputy Mayor for Fire and Resilience approves the expenditure by the London Fire Commissioner of up to £6,955,000 for the purpose of approving a three-year contract for the provision of Scientific Services to Bureau Veritas UK Ltd. with an option to extend up to an aggregate of 24 months as set out in report LFC-0278 to the 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:

14/2/2020

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

Decision required – supporting report

1. Introduction and background

- 1.1 Report LFC-0278 seeks approval to award the contract for Scientific Services to Bureau Veritas UK Ltd. The proposed contract award will ensure key scientific services are provided to LFB, to support fire fighting at incidents. The services include analysing hazardous substances, supporting fire investigations, attendance at court hearings, assistance with enquires and testing new equipment.
- 1.2 The tender evaluation included rigorous evaluation of financial standing, price and quality. The quality evaluation was conducted by a cross-functional team of representatives from Hazardous Materials & Environmental Protection, Fire Investigation, Fire Safety, Special Operations, Health and Safety, Operational Policy, Protective Equipment Group and Rapid Response.
- 1.3 The report also reviews the past contract performance the consideration of the procurement options and the procurement exercise which generated the recommendation. The report also details improvements to the proposed contract and annual savings against the budget.
- 1.4 London Fire Brigade requires scientific services 24 hours a day, seven days per week and 365 days per year which includes:
 - blue light attendance at incidents to provide technical advice;
 - advice on hazardous substances, including chemical, biological, radioactive and nuclear (CBRN);
 - support to fire investigations;
 - advice on radiation protection and safety critical equipment;
 - provision of evidence and attendance at court hearings;
 - maintaining records related to hazardous materials, environmental protection, radiation protection;
 - the maintenance and calibration of LFB monitoring equipment;
 - training for the Detection, Identification, Monitoring (DIM) team and other planned seminars and exercises;
 - consultancy;
 - representation at court hearings, meetings, conferences and lectures;
 - storing evidence; and
 - a testing laboratory within the Greater London area in order to minimise the disruption to the LFB operations.
- 1.5 The current contract provided by Bureau Veritas UK Ltd started on 1 March 2014 and will expire on 29 February 2020. End users are satisfied with the contractor's performance. Bureau Veritas UK Ltd has shown willingness to work in collaboration with the LFB to provide an efficient service, sometimes exceeding their contractual obligations.

2 Objectives and expected outcomes

- 2.1 Following the completion of the procurement exercise, it is recommended that this contract be awarded to Bureau Veritas UK Ltd. Despite advertising the contract publicly in OJEU, only one tender for the contract was received. The cross functional group of stakeholders, in consultation with

Procurement, have confirmed that Bureau Veritas UK Ltd offers a service that fully meets the Brigade's requirements and the bid from Bureau Veritas UK Ltd is affordable and provides best value, including an annual saving of £66k against budget. In the event of a disruption to the provision of service by Bureau Veritas UK Ltd, a detailed contingency plan is in place. The new contract would take effect from 1 March 2020 and run to 28 February 2023, at which point the contract may be extended upon the same terms and conditions for up to a further two years provided at least three months notice is given prior to this date.

3 Equality comments

- 3.1 The recommendation in report LFC-0278 does not propose significant changes to staffing or other equality-related outcomes and the author does not anticipate any adverse impacts on any groups arising from this report. The contractor delivers equality and diversity training to all of its staff working on the LFB contract. All staff in Bureau Veritas UK Ltd are required to adhere to the company's Code of Ethics.
- 3.2 The proposed contract is compliant with s149 of the Equality Act 2010 (the Equality Act). An Equalities Impact Assessment has been completed which shows no adverse impact on groups with protected characteristics. The end users of this service will be Brigade officers and other professionals therefore it is not anticipated that the contractor and their staff will be dealing with the public.
- 3.3 Bureau Veritas UK Ltd have an Equalities policy, which all staff must comply with and which includes fair treatment of groups with a protected characteristic, equal opportunities in employment, personal conduct standards and the company's grievance procedures.
- 3.4 Bureau Veritas employees receive training and are required to sign up to the Bureau Veritas Code of Ethics, which encompasses the themes of:
 - i) integrity & ethics;
 - ii) impartiality and independence;
 - iii) respect for all individuals; and
 - iv) social and environmental responsibility.
- 3.5 The organisation also promotes its equality and diversity agenda through an online training module entitled 'equality & diversity' and there is a programme of activities agreed at regional level to support a diverse and inclusive workplace.
- 3.6 The Public Sector Equality Duty is as follows:

The London Fire Commissioner and the Deputy Mayor for Fire and Resilience must, in the exercise of their functions, have due regard to the need to:

 - a) *Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Equality Act 2010. 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.*
 - c) *Foster good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.*
- 3.7 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation.

- 3.8 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.9 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.10 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- a) tackle prejudice, and
 - b) promote understanding.
- 3.11 Bureau Veritas UK Ltd discharge their equalities obligations through various methods including policies, training, Code of Ethics and other initiatives such as the regional programme to promote diversity and inclusion in the workplace. As such, the company's practices are in alignment with the Brigade's equalities obligations to comply with the Public Sector Equality Duty.

4 Other considerations

Workforce

- 4.1 The service is widely used by LFB departments and is highly regarded by end users.

Procurement

- 4.2 As part of the procurement process, collaboration opportunities were sought, but it was found that there were no suitable frameworks or collaboration opportunities available. Therefore, the contract was procured independently by LFB via the restricted OJEU (Official Journal of the European Union) procedure.

Specification

- 4.3 A review of the current specification was conducted prior to going out to tender to identify opportunities for improvements and efficiencies. Three changes were made: the specification was updated to include recent regulatory requirements (such as the Petroleum Consolidation Regulations 2014); the provision of advice to the Commissioner's third party training contractor was included; and the previous ad hoc arrangements for item storage (for evidence purposes) were included in the requirement. Key stakeholders across user departments were consulted in the drafting of the final specification.
- i) Hazardous Materials & Environmental Protection;
 - ii) Fire Investigation;
 - iii) Fire Safety;
 - iv) Special Operations;

- v) Health and Safety;
- vi) Operational Policy;
- vii) PEG; and
- viii) Rapid Response.

Response from the market

- 4.3 The contract was advertised in the OJEU. There were initially 17 expressions of interest, however only one tenderer submitted a completed Supplier Questionnaire (SQ) and passed this stage of the procurement process. As only one supplier passed the SQ stage, this subsequently resulted in the receipt of only one bid. Officers believe that the low response rate was due to the very specialised and time-critical nature of this contract (e.g. attendance at incidents within 30 minutes).

Contingency planning

- 4.4 Given the single source nature of this contract, in 2015 officers developed a Supplier Failure Risk Plan (SFRP) for the provision of scientific services. This is still current and addresses what the Brigade should do in the unlikely event of the supplier (Bureau Veritas UK Ltd.) being unable to provide the services, including on an indefinite basis.
- 4.5 The SFRP found that there was no other supplier in the marketplace which could provide all the services. Hence, a composite approach would be taken to ensure the provision of services was maintained. This would include some in-house provision (e.g. storage of items for evidence purposes) and arrangements with external specialist organisations such as the Atomic Weapons Establishment and the National Chemical Emergency Centre for particular advice.

Tender evaluation

- 4.6 The tender evaluation was based on a quality weighting of 60 and a price weighting of 40. Members of the cross-functional group (mentioned in paragraph 1.2 above) evaluated the bid, which resulted in the tenderer being awarded an overall score of 93 out of 100.
- 4.7 A financial check was completed which showed Bureau Veritas UK Ltd as a low risk from a financial health perspective.

Quality

- 4.8 The quality evaluation was based on the criteria in the table below. The successful tenderer was awarded a quality score of 53 out of 60.

Table 1 – Quality Evaluation

Criteria	Highest Available Score	Successful Tenderer's Score
A1. Personnel	10	9
A2. Annual Management of the Commissioner's database the Computerised Index of Radiation Sources in London (CIRIL)	15	13
A3. Contract Management	5	5

A4. Bluelight Attendance	10	8
A5. Consultancy	9	8
A6. Familiarisation	3	3
A7. IT Systems	3	3
A8. Responsible Procurement	5	4
Total	60	53

4.9 The successful tenderer's proposal offers six qualified 'on call' advisers available to the LFB at all times, to provide the following:

- i) dealing safely with chemical incidents;
- ii) awareness and experience of CBRN risks in a potential terrorism context;
- iii) decontamination of Brigade equipment and personnel;
- iv) protection of the environment;
- v) investigations into the causes and spread of fires;
- vi) accident investigations;
- vii) risk assessment;
- viii) asbestos identification;
- ix) radiological protection;
- x) emergency blue light driving;
- xi) use of different levels of LFB Personal Protective Equipment (PPE) and Respiratory Protective Equipment (RPE); and
- xii) induction into Brigade procedures, customs and practices.

Price

4.10 The price mechanism for the tender includes both fixed and variable costs as separate elements. These were combined to create a total contract price which was the evaluated sum.

4.11 The fixed fee includes:

- i) Management fee covering the following services:
 - (a) radiation protection
 - (b) maintenance and calibration of LFB equipment
 - (c) weekly visits to the two stations with a Scientific Support Unit (SSU), including checking of equipment, operator familiarisation and maintenance of skills advice
 - (d) environment
 - (e) decontamination
 - (f) hazardous materials and environmental protection
 - (g) petroleum

(h) general advice.

- ii) Blue light attendance in the Greater London Area (within 45 minutes)
- iii) Blue light attendance in the Target Rich Area/ Government Security Zone (within 30 minutes of the Brigade relaying the request)
- iv) Blue light attendance in the central zone and at Heathrow Airport (within 45 minutes of the Brigade relaying the request)

4.12 The variable fee (charged on a day or hourly rate) includes:

- i) consultancy services (attendance at meetings of standing groups, committees and ad hoc working groups).
- ii) maintenance of skills (attendance at and input into planned seminars and exercises such as HMEPO seminar run twice every quarter).
- iii) familiarisation advice (familiarisation and maintenance of skills for existing and new fire investigators on techniques and equipment).

4.13 The evaluation model, prescribed in the tender documentation, awards the top mark to the lowest price and any other prices are scored on a relative basis to the lowest price. The price score awarded to successful tenderer was therefore 40 out of 40 because this was the only tender received. There were no other tenders to compare pricing to, however, an evaluation of the tender price against the previous contract price, spend and the current budget reveals that the contract achieves affordability (within budget) and provides value for money.

Value for money

4.14 The annual price of the current contract is £1,293,000; the annual price of the new contract is expected to be £1,305,000, incorporating the tendered fixed cost of £1,276,000 and the variable cost of £29,000. The annual difference is £12,000 which represents a one per cent increase compared to the current contract. However, the new contract includes all the requirements of the previous contract plus additional services, namely the provision of advice to our training provider and the storage of evidence items. The new contract price also is fixed for the first 12 months and therefore already incorporates indexation for that year. On these bases, compared with the existing contract, the new contract is cheaper in real cost terms, incorporates additional services, and therefore provides improved value for money.

Affordability

4.15 Table 2 below shows an estimate of the current budget projected over the next five years and the projected contract costs over the same period. For illustrative purposes, the budget has been based on the current budget (2019/20) and uplifted annually using the Average Weekly Earnings (AWE) index. The projected contract prices have been uplifted on the same basis. The cumulative projected savings against the forecasted budget, which total £352,000 over the five years, illustrate how the new contract will be within budget and therefore achieve affordability. An annual saving of £50,000 has already been offered in the earlier budget round (August 2019). This was intentionally conservative because the new contract price was unknown at that point. Based on these illustrations in Table 2 below, and assuming the variable element is broadly in line with the current run rate (£29,000 per annum), this £50,000 figure can now be adjusted to a £66,000 saving against the base budget for 2020/21, (and as such, which shall continue into future years, excluding inflation after 2020/21).

Table 2 – Illustration – Estimated budget and contract costs over a five-year period showing anticipated savings

Inflation index	Current contract	2020/21 Year 1	2021/22 Year 2	2022/23 Year 3	2023/24 Year 4	2024/25 Year 5	Total (Yr1 to Yr5 only)
Projected annual uplift to the budget based on the Average Weekly Earnings (AWE)			3.10%	3.10%	3.20%	3.30%	N/A
estimated budget	£1,338k	£1,371k	£1,414k	£1,459k	£1,507k	£1,557k	£7,307 k
Estimated contract cost	£1,293k	£1,305k	£1,345k	£1,389k	£1,434k	£1,482k	£6,955 k
Difference between budget and estimated contract cost will provide the following savings.	£45k	£66k	£68k	£70k	£73k	£75k	£352k

(Note: figures have been rounded)

- 4.16 The anticipated cost of the new contract will be £1,305,000 in year one, which is the sum of the tendered fixed cost of £1,276,000 and the variable cost of £29,000. The variable cost is calculated on previous contract demand and is therefore an estimated sum, subject to change.
- 4.17 The tendered price from Bureau Veritas of £1,305,000 in year one is within the 2020/21 budget for this service i.e. £1,371,000. The difference between the budget and estimated contract cost is £66,000.
- 4.18 The estimated contract cost (i.e. the sum of both the fixed and variable elements) has taken into account yearly inflation based on the index for Average Weekly Earnings (AWE). The total cost of the new contract over a five-year period is estimated at £6,955,000. The AWE is the basis upon which Bureau Veritas have calculated their bid price. Officers from LFB have used forward projections of AWE over the 5 year period according to Treasury guidelines.

Sustainability

- 4.19 Bureau Veritas UK Ltd's Responsible Procurement proposal is closely aligned with the LFC Responsible Procurement policy. This includes: reporting on the diversity of their supply chain, including how

much work is given to SMEs and paying their suppliers within 30 days. Bureau Veritas have stated that they would be willing to implement a 10-day payment term for SMEs associated with this contract.

- 4.20 Bureau Veritas have ISO 14001: 2015 Environmental Management Systems Accreditation and have committed to reducing the environmental impact of their operations. Their current waste reduction target is two per cent per annum.
- 4.21 Bureau Veritas adhere to the Modern Slavery Act 2015 and produce an annual statement which is published on their website. They have a Code of Ethics which their staff and supply chain are required to comply with.
- 4.22 The vehicles used for this contract will be ULEZ compliant hybrid electric vehicles.
- 4.23 In addition to the above they are ISO 900: 2015 accredited and have completed a Strategic Labour Needs and Training plan that will be reviewed at contract commencement.

5 Financial comments

- 5.1 Report LFC-0278 seeks approval to award the contract for Scientific Services to Bureau Veritas UK Ltd at an expected cost of £6,955,000 over a three-year period with a two year extension. This is within the available budget and the £66,000 per annum saving is included in the budget submission to the Mayor.
- 5.2 There will be no additional funding sought from the GLA for the delivery of this contract.

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 Deputy Mayor's approval is accordingly required for the Commissioner to award a contract for scientific services to the successful tenderer, following completion of a compliant OJEU procurement exercise.
- 6.5 The statutory basis for the actions proposed in this report is provided by section 5A of the Fire and Rescue Services Act 2004, under which the London Fire Commissioner, being a 'relevant authority,' may do 'anything it considers appropriate for the purposes of the carrying out of any of its functions...'
- 6.6 Furthermore, in accordance with section 7 (2)(d) of the above-mentioned Act, the Commissioner must make arrangements for obtaining information needed for the purpose of extinguishing fires in its area and protecting life and property in the event of fires in its area.

Appendices and supporting papers:

Appendix A: LFC-0278 Scientific Services – Contract Award

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 deferral of the decision until after the cooling off period for the contract award has expired.

Until what date: 1 April 2020

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

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

✓

Assistant Director/Head of Service

Martin Clarke 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 10 February 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

11.2.20

