

## DMPC Decision – PCD 1140

**Title:** Cleaning Contract Uplift and Re-procurement

### Executive Summary:

This decision seeks approval for an uplift to the existing contract to provide for on-going enhanced cleaning for a period of 13 months until the expiry of the existing contract at a value of £3.3m, and to initiate procurement for re-provision of the cleaning service for a estimated cost of upto £70.5m over a period of upto 5 years. The estimated costs will be met from within Metropolitan Police Service budgets. The proposed re-procurement will enable other GLA bodies to collaborate and join the contract.

### Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

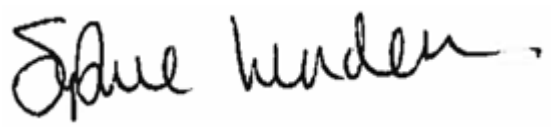
1. Approve an amendment to the current cleaning Contract to extend the reassurance cleaners and reassurance cleaning service to the full Term. This equates to 13 months of reassurance cleaning at total additional cost of £3.3m for the 13 months period noting that current guidance from PH England and the NPCC suggest additional cleaning measures are likely to remain.
2. Approve the re-procurement of the Cleaning Service Line via a Restricted Competition Procurement Procedure in line with Public Contracts Regulations 2015 (PCR2015) at a forecasted value of £42.3m for a base term of 3 years plus two optional 2-year extensions at £14.1m per annum.

### 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**



**Date**

**17/03/2022**

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

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

- 1.1. MOPAC approved the award of a cleaning contract to Servest Cleaining for the period April 2018 to April 2023. During this period due to Covid-19 pandemic an uplift in the provision of enhanced cleaning was approved through to end March 2022.
- 1.2. This paper seeks approval to extend the enhanced cleaning arrangements until the end of the current contract, and to re-procure the service for the longer term.

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

- 2.1. The extension of the enhanced cleaning arrangements will ensure compliance with Health and Safety Executive requirements and to assure officers and staff of the actions taken to maintain their health and safety while at work. The current guidance from Public Health England and the National Police Chiefs Council suggest that even in 'recovery' from the pandemic the additional 'reassurance' cleaning routines are likely to be recommended to remain.
- 2.2. With the expiry of the contract in April 2023 there is a need to initiate the actions to re-procure and mobilise the cleaning service.

### **3. Financial Comments**

- 3.1. The total budget requirement for this service is £3.3m for the uplift for the 13 months until the end of the current contract. The estimated contract value for the re-procurement is £14.1m p.a., which equates to a total of £70.5m over the potential 5 years of the contract.
- 3.2. The costs will be funded from within the MPS budget.

### **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). The Regulations require (amongst other things) that contracts above the value of £213,477 for goods/service generally needs to be subject to an open, advertised procurement.
- 4.2. The MPS Directorate of Legal Services assure that the proposed uplift to the current contract and the proposed re-procurement are compliant with Public Contracts Regulations 2015.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months.

- 4.4. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve all requests to go out to tender for contracts of £500,000 or above.

## **5. Commercial Issues**

- 5.1. This paper proposes the continuation of an enhanced cleaning capacity and re-procurement of cleaning services for the longer term. The service includes planned routine and reactive cleaning, periodic planned cleaning and consumables used for cleaning.
- 5.2. The uplift is for the period of 13 months until the end of the current contract. The re-procurement is anticipated to be based on a initial term of three years and two optional 2-year extensions, using a single lot approach. The proposed procurement route is via a compliant restricted competition procedure.
- 5.3. As part of the Estates and Facilities Management Collaboration Working Group the proposed procurement arrangements will enable GLA and functional bodies to access a compliant contract for this service.
- 5.4. In terms of evaluation criteria and weightings, the social value elements including both responsible procurement and Anchor Institutions objectives, will have a weighting of 10%+ of the overall score.

## **6. GDPR and Data Privacy**

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## **7. Equality Comments**

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. By extending the uplift work there is the avoidance of a potential redundancy situation which will mitigate potential impact(s) to minority and low paid workers. This contract includes the MOPAC commitment to guarantee payment of the Mayors London Living Wage.

## **8. Background/supporting papers**

- Appendix 1 MPS Report Initiation of the procurement for Cleaning Services via a Restricted Competition Procurement Procedure in Line with Public Procurement Regulations 2015

**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

If yes, for what reason:

Until what date: N/A

**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

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**Financial Advice:**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice:**

The MPS legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Commercial Issues**

Commercial issues are covered in the body of the report.

✓

**GDPR/Data Privacy**

GDPR compliance issues are covered in the body of the report.

✓

**Drafting Officer**

Alex Anderson has drafted this report in accordance with MOPAC procedures.

✓

**Director/Head of Service:**

The MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**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**



**Date 11/03/2022**



## Initiation of the procurement for Cleaning Services via a Restricted Competition Procurement Procedure in Line with Public Procurement Regulations 2015

**MOPAC Investment Advisory & Monitoring meeting – 3 February 2022**

**Report by Director of Property Services on behalf of the Chief of Corporate Services**

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

### *EXECUTIVE SUMMARY*

Cleaning on the Authority's estate is contracted to Servest Cleaning via the Property FM Integrator model. This is a 5 year + optional 2-year contract awarded in 2018

In Spring 2020, in response to the coronavirus pandemic and the need to provide COVID Secure workspaces, Property Services Directorate via its FM Integrator and 2nd Tier supply chain identified and brought on board approximately 100 additional cleaning operatives from other business sectors to carry out reassurance cleans.

The additional cleaning has provided the required reassurance, concerning our COVID Secure workspaces, to all of our building users and particularly those working on the front line; ensuring we have been compliant and enabling a positive response to challenges from the Health and Safety Executive and the Police Federation, Staff Associations and Trade Unions.

The key elements the Portfolio and Investment Board are asked to approve include:

- The extension of the reassurance cleaning services to be continued to the end of the Contract base term to 29th April 2023 noting that current guidance from Public Health England and the NPCC suggest that even in 'recovery' from the pandemic the additional 'reassurance' cleaning routines are likely to be recommended to remain.
- Re-procurement of the cleaning services Via a Restricted Competition Procedure compliant with Public Contracts Regulations 2015 (PCR2015).
- The transition to a hybrid specification with specified levels of appropriate cleaning services to meet the MPS business and future estate requirements which takes learning having responded to Government legislation in the fight against Covid
- And approve the lot approach to package the requirement for market.

## **Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to approve in principle:

1. Approve an amendment to the current cleaning Contract to extend the reassurance cleaners and reassurance cleaning service to the full Term. This equates to 13 months of reassurance cleaning at total additional cost of £3.3m for the 13 months period noting that current guidance from PH England and the NPCC suggest additional cleaning measures are likely to remain.
2. Approve the re-procurement of the Cleaning Service Line via a Restricted Competition Procurement Procedure in line with Public Contracts Regulations 2015 (PCR2015). At forecasted value of £42.3m for a base Term of 3 years plus two optional 2 year extensions at £14.1m per annum

## **Noting that:**

- i. The additional funding required for these services is within the 2022/23 MPS budget

## **Time sensitivity**

A decision is required from the Deputy Mayor by 04/03/2022. This is because the procurement process commences in April 2022 and will allow the Authority to reprocure the Cleaning Services prior to the end of the base term of the incumbent contract.

## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

### **Introduction and background**

1. Cleaning on the Authority's estate is contracted to Servest Cleaning via the Property FM Integrator model. This is a 5 year + optional 2 year contract awarded in 2018
2. Cleaning services costs are predominantly (80%) labour with 10% attributed to consumables.
3. In spring 2020, in response to the coronavirus pandemic and the need to provide COVID Secure workspaces, Property Services Directorate via its FM Integrator and 2nd Tier supply chain identified and brought on board additional cleaning operatives from other business sectors to carry out reassurance cleans.
4. The additional cleaning has provided the required reassurance, concerning our COVID Secure workspaces, to all of our building users and particularly those working on the front line; ensuring we have been compliant and enabling a positive response to challenges from the Health and Safety Executive and the Federation, MET-TUS and Staff Associations.

5. Current guidance from Public Health England and the National Police Chiefs Council suggest that even in 'recovery' from the pandemic the additional 'reassurance' cleaning routines are likely to be recommended to remain. MPS Covid Gold has flagged the removal or reduction of 'reassurance' cleaning services as a high impact to the MPS.
6. The Cleaning contract covers the entire estate of 234 locations (per the Authority's building service matrix – treating location as a single entity even if there are several buildings at that location), covering:
  - Planned routine cleaning
  - Reactive cleaning
  - Periodic planned cleaning
  - Provision of consumables
  - Provision of consumables via Call-Off by the Authority's business groups

### **Issues for consideration**

#### **Continuation of Reassurance Services to full current Contract Term:**

The additional level of cleaning is necessary due to the uplift of workforce numbers, the new estate strategy, and increased utilisation of buildings. It is also necessary to maintain the expected hygiene standards due to change in environmental circumstance (i.e. COVID19). Sustainment of security cleared cleaning staff which in turn enables increased efficiency, service continuity and mitigates risk of redundancy costs.

It is not considered to economically or technically feasible for the Reassurances Services to be supplied separately from the cleaning services set out at paragraph 4. Having a separate contractor supplying the services would present challenges in terms of efficiency of performance and result in the duplication of costs for the authority.

#### **Incumbent Contract Base Term:**

The end of the incumbent Contract base term is 29th April 2023 therefore initiation of a procurement process is required no later than 18<sup>th</sup> March 2022 to allow sufficient time to reprocure the cleaning services.

#### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

This is a cleaning services contract specifically to provide cleaning to welfare facilities, office locations, custody areas etc in support of critical frontline policing activities. All these are priority activities in which this contract supports on a 24/7/365 basis.

---

<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)



## Financial, Commercial and Procurement Comments

**Reassurance Cleaning Services Extension:** Extend the current Reassurance Cleaning Services for a period from 1st April 2022 to 29th April 2023, at £252K per month with a total extension value of £3.3m for the 13 months period. This extension represents a 7.3% uplift on the original contract value for the base Term.

**Re-procurement of the Cleaning Services:** via a Restricted Competition Procurement Procedure in line with Public Contracts Regulations 2015 (PCR2015). At forecasted value of £42.3m for a base Term of 3 years plus two optional 2-year extensions at £14.1m per annum. This will not reduce collaboration. Commercial Services will engage and ensure a framework is available to all GLA Parties, as committed to in the GLA Collaborative procurement group

The evaluation criteria will be based on the appropriate weightings of technical capability, commercial compliance & pricing competitiveness.

Supporting the Anchor Charter this procurement will deliver to the five key objectives agreed by the London Recovery Board:

- To reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of Covid-19
- Narrow social, economic and health inequalities
- Help young people to flourish with access to support and opportunities
- Support our communities, including those most impacted by the virus
- Accelerate delivery of a cleaner, greener London

It is recommended that the Procurement is for a base Term of 3 years with two optional 2 years extensions

Further information is contained in the restricted section of the report.

## Legal Comments

The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). The Regulations require (amongst other things) that contracts above the value of £213,477 for goods/service generally needs to be subject to an open, advertised procurement.

## Recommendation to amend current cleaning contract:

Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the DMPC must approve "all unforeseen variations and extensions to contracts with an original value of £500,000 or above".

Regulation 72 of the Regulations provides a safe harbour for the modification of contracts where the terms of a contract provide for such modifications to take place. Regulation 72(1)(b) of the Regulations permits modifications contracts where additional works, services or supplies “have become necessary” and a change of supplier would not be practicable (for economic, technical or interoperability reasons) and would involve substantial inconvenience/duplication of costs (limited to 50% of original contract price)”.

On the basis of the content of the paper it is noted that: (1) that the continuation of the Reassurance Services is necessary as a result of the ongoing concerns resulting from COVID and it is not technically feasible to provide those service separately; and (2) the provision of the Continuations Services by a separate contractor would result in duplicated costs.

### **Recommendation to procure new contract**

The report confirms a new procurement would be undertaken in line with the Regulations. The MOPAC Scheme provides the DMPC has delegated authority to approve:

- a) Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
- b) All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure.

### **Equality Comments**

Minimal impacts and any identified are positive - Avoidance of a redundancy situation will mitigate potential impact(s) to minority and low paid workers (who tend to populate these roles by the nature of scope) thus at least maintaining equality status at current levels. Due diligence of any provider is always undertaken to maintain the highest levels of equality and noting the MOPAC commitment across all contracts to guarantee payment of the Mayors London Living Wage.

### **Privacy Comments**

The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

### **Environmental Implications**

There are no additional environmental risks arising from this request.

KBR has worked closely with the Authority’s Environment and Sustainability Team to ensure that a supply chain is procured which has an environmental capability relating to service delivery aligned to Authority’s sustainability programmes.

KBR and the Authority have developed a set of contractual provisions for suppliers working with the Authority, including a set of robust requirements relating to sustainability embedded in the contracts. In addition, KBR has developed a Contract Health, Safety and Environment plan which sets out how the contract will be delivered in a way which meets the Authority's sustainability standards and environmental compliance, and where applicable, industry best practice.

### **Background/supporting papers**

There are no supporting papers included in part 1

Report author: [Vince Fihosy – Director of Property Services](#)

### **Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

The Government Security Classification marking for Part 2 is:  
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Initiation of the procurement for Cleaning Services via a Restricted Competition Procurement Procedure in Line with Public Procurement Regulations 2015 is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure, for example:
  - Commercial Interest Section 43
  - Legal Professional Privilege Section 42

The paper will cease to be exempt until April 2029 – 6 years after the contract award.