

## REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD96

### Title: Fire Rescue Units - Portable Power Units

#### Executive Summary:

This report recommends that the Deputy Mayor for Fire and Resilience gives approval for the London Fire Commissioner (LFC) to commit capital expenditure of up to £275,000 for the purchase of 37 Portable Power Units from Holmatro UK Limited, who are the manufacturers of these units. The capital expenditure will be payable to Babcock Critical Services Limited, who are responsible for procurement under the terms of the 2014 Vehicles and Equipment contract, on behalf of the London Fire Brigade.

The Fire Rescue Unit (FRU) Vehicles carry specialist equipment to respond to incidents, such as Road Traffic Collisions and emergencies that require specialised heavy cutting equipment, which is more powerful than that which is carried on the Pumping Appliances.

As these FRU power units are nearing the end of their serviceable life, the London Fire Brigade (the Brigade) propose to replace these petrol units with battery operated portable power pumps. Holmatro UK are the manufacturer who supply the kit the FRU crew currently use; such as spreaders, cutters and core tech hose and it is proposed that they supply the battery powered Portable Power Unit.

In order to be cost effective the replacement of these power units needs to be compatible with the remainder of the current Holmatro UK kit the Brigade use, therefore only Holmatro UK have been approached by Babcock Critical Services Limited to provide a like for like battery replacement of these Portable Power Units (PPUs). The purchase of these units needs to align with the FRU vehicle replacement due by June 2021, so that stowage can be built into the vehicle during the build phase, avoiding extra vehicle modification costs. PPUs are an integral and critical item of equipment in delivering an operational response and are vital to the service the LFB provides to London.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire Commissioner to seek prior consent before '*[a] commitment to expenditure (capital or revenue) of £150,000 or above*'. The Direction also provides the Deputy Mayor with the authority to '*give or waive any approval or consent required by [the] Direction*'.

#### Decision:

The Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner to commit capital expenditure of up to £275,000 for the purchase of 37 Portable Power Units from Holmatro UK, who are the manufacturers of these units. The capital expenditure will be payable to Babcock Critical Services Limited, who are responsible for procurement under the terms of the 2014 Vehicles and Equipment contract on behalf of the London Fire Brigade.

#### 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:

18 January 2021

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1 Report LFC-0436 explains that Babcock Critical Services Limited are LFB's maintenance and service provider and manage the Vehicles and Equipment contract on behalf of the Brigade. This contract was awarded in 2014 and runs until 2035. As part of this contract Babcock Critical Services Limited replace, service and repair all items listed within the Vehicle and Equipment contract. All vehicles and equipment have a life schedule, at the end of which they must be replaced. Extensions to the life of vehicles and equipment can be agreed by the Brigade's Engineering Fleet Manager, if it is possible for these vehicles, or equipment to be safely maintained. All additional asset life costs remain constant and will be managed via the 2014 Vehicles and Equipment contract provided by Babcock.
- 1.2 The Portable Power Unit (PPU) is the power generator for the Brigade's hydraulic cutting and spreading tools. Currently, there are 77 PPUs. As part of an operational review of the Brigade's current capabilities, these are now being reduced to 37 units. Therefore, approval is being sought for 37 units to be purchased at a cost of £275,000 (including a 10% contingency). The PPUs are nearing the end of their serviceable life and are due replacement in 2021, which will be in line with the replacement of the FRU heavy vehicle delivery schedule. Meeting this replacement timeframe will allow for these units to be replaced before the vehicle build, so that the stowage for them can be incorporated into the new vehicle build and avoid costly vehicle modifications.
- 1.3 As part of the Brigade's sustainable development strategy the Brigade proposes to reduce emissions and provide a safer system of work by removing petrol operated power units and replacing with a like for like electric battery option. This will also limit the training required as the new battery powered units are the same in operation as the petrol units and will still support the current Holmatro UK hydraulic cutting and spreading tools.

#### 2 Objectives and expected outcomes

- 2.1 The objective of this proposal is to seek authority for the London Fire Commissioner to incur expenditure so that orders can be placed under the 2014 vehicles and equipment contract with Babcock Critical Services Limited, for the replacement of the 37 PPUs at a cost of up to £275,000. This will permit the Brigade to meet its statutory obligation to provide a rescue capability to the people of London.
- 2.2 Holmatro UK have advised that there is currently a 20-week lead time for the PPUs, however this could take up to 25-weeks depending on how busy the factory is at the time of ordering. It is the Brigade's intention to order the PPUs to align with the delivery of the FRU which is due in June 2021.

*Project Combined Cost Summary Table*

Asset	No. required	Total est. value	10% Contingency	Total (inc. 10%)
Portable Power Unit	37	£250,000	£25,000	<b>£275,000</b>

- 2.3 The total of £250,000 includes Babcock Critical Services Limited's Pre-delivery inspection (PDI) costs. This involves Babcock Critical Services Limited undertaking a visual and performance check of each unit, allocating each unit with a unique barcode and adding them to their database.
- 2.4 A 10% contingency to allow for the price risk due to current economic climate will be applied to the total of £250,000. As such an approval to spend up to £275,000 has been requested.

*Alternative Options Considered and Consultation*

- 2.5 An alternative option to purchasing these new PPUs with Holmatro UK and going out to a full tender for other companies to compete would have huge training and cost implications. The LFB would have to replace not only the PPUs, but also the tools that they power (cutters, spreaders and core tech hose, which are still serviceable). An estimated value of replacing the tools as well as the unit would be an additional £700k, plus costs to modify the appliance from its current specification, which at this stage are unknown as this would be dependent on the chosen solution. The current Holmatro UK solution has been factored into the new FRU build, which is due to be completed in June 2021. Any changes to the Holmatro UK unit would require an additional modification to the appliance adding to cost and time delay. The current tools that the PPU powers are serviceable for many years and therefore it would not be value for money to replace these at the current time.

### **3 Equality comments**

- 3.1 The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when exercising our functions and taking decisions.
- 3.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3 The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, and Sexual orientation.
- 3.4 The Public Sector Equality Duty requires us, in the exercise of all LFC functions (i.e. everything the LFC does), to have due regard to the need to:
- a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
  - b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
  - c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 Officers from the Technical and Commercial department have completed an Equalities Impact Assessment (EIA). The battery powered PPU is as easy to use as the current petrol model, more efficient, quieter and produces no emissions.
- 3.9 In addition, the Babcock Critical Services Limited contract requires Babcock Critical Services Limited and any sub-contractor they may engage, to conform to equality legislation and LFB equalities protocol. Babcock Critical Services Limited also assess all their providers' approaches to equality and ensure they are satisfied that they meet appropriate protocols, prior to them listing those companies as approved providers. Therefore, it is considered that there is an appropriate approach to equalities right through the supply chain in respect of this procurement.

## **4 Other considerations**

### *Sustainability*

- 4.1 The existing PPUs will be recycled by Babcock Critical Services Limited under the provisions of the Vehicle and Equipment Contract. If the equipment items are to be scrapped, or broken up for parts, the V&E Contractor will provide full details relating to the disposal of the component parts and will ensure that the LFC's obligations are documented and adhered to.
- 4.2 Holmatro UK are committed to reducing their environmental impact wherever possible, recognising their obligation of compliance with relevant environmental legislation and the duty of care that exists around pollution, emissions and waste. This duty extends to their suppliers, who are also expected to act in a similar manner. Holmatro UK offer a take-back policy on packaging materials.
- 4.3 By closely monitoring their overall energy consumption Holmatro UK are constantly searching for ways to reduce their energy consumption and thereby limit the CO<sup>2</sup> emissions. They have installed solar panels on the roof of the factory and offices, producing power which is then used throughout the organisation and by installing a wind turbine which produces electricity offsetting the company's carbon footprint.
- 4.4 Holmatro UK products have a life span of at least ten years. When the product is taken out of production, they guarantee that parts for repairs can still be delivered for another ten years. This helps to keep products in the marketplace being used for the maximum amount of time.

### *Strategic drivers*

- 4.5 The replacement of the existing petrol powered PPU with battery operated PPUs is consistent with the LFBs requirement to serve and protect the people of London, by providing an effective heavy rescue capability.

## *Procurement*

- 4.6 FEP2237, the 2014 vehicles and equipment contract with Babcock Critical Services Limited provides for the capital replacement of fleet and equipment throughout the contract period of 21 years. Under the contract, Babcock Critical Services Limited procure the new vehicles and equipment and replace the existing assets at their life expiry. This is done in accordance with the specifications and approvals issued by the LFB.
- 4.7 This project will be managed as a single tender process as the PPU needs to be compatible with the current power tools held on the FRU. Therefore, Holmatro UK have been approached to tender for this item as the associated costs with moving to a different supplier would not represent value for money, i.e. LFB operational training requirements and the need for replacement of all tools that use this power unit. Therefore, to ensure best value for money to the LFC, Babcock Critical Services Limited have been able to secure a 32% discount with Holmatro UK. The cost to buy these units without this agreed discount would be £366,000 therefore saving the LFC £116,000.
- 4.8 Holmatro UK procure responsibly and have audits in place to ensure this is in line with their policies. They are committed to preventing acts of modern slavery and human trafficking from occurring within their business and supply chain, and imposes the same high standards on their suppliers, ensuring they are aware of their policies and adhere to the same high standards.

## **5 Financial comments**

- 5.1 This report recommends the purchase of 37 Portable Power Units (PPUs) at a cost of up to £275,000. The cost of the replacement PPUs will be charged to capital programme. The approved capital budget currently in the capital programme is £262,500.
- 5.2 The estimated costs of the replacements in this report are £250,000 with an additional 10% contingency of £25,000, which has been added to take account of price risk due to the economic climate. This total estimated cost, of £275,000, is therefore £12,500 above the current budgeted costs. If the contingency is required, it will be funded from the capital receipts generated from vehicle disposals. There isn't currently a budget for the vehicle disposal capital receipts, however it is now forecasted that in the financial year 20/21 they will be in excess of £100,000 which will also fund contingency in the previous ladders report (LFC- 0416Y).
- 5.3 The cost of the works already included in the Capital Programme budget (£262,500) will incur annual capital financing costs on the revenue budget of £26,000, with £18,000 of this for the provision to repay debt (minimum revenue provision), based on a 15 year asset life and £8,000 for annual interest, at a rate of 3%. These capital financing costs have already been included within the proposed revenue budgets.
- 5.4 The running costs of the PPUs are covered by the slot price in the current budget for the equipment that the PPUs are replacing.

## **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 Section 1 of the Fire and Rescue Services Act (FRSA) 2004 states that the Commissioner is the fire and rescue authority for Greater London.  
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 purchase the Portable Pumping Units at a cost of £275,000.
- 6.5 The statutory basis for the actions proposed in this report is proposed by section 8 of the Fire and Rescue Services Act 2004 under which the Commissioner must make provision for rescuing people in the event of road traffic accidents in its area; and must secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements.
- 6.6 The General Counsel also notes that the proposed procurement will be conducted through the Babcock Vehicles and Equipment Contract.

**Appendices and supporting papers:**

Appendix 1 - LFC-0436 – 'Fire Rescue Units - Portable Power Units'

**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**

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

✓

**Assistant Director/Head of Service**

Niran Mothada 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**

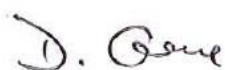
This decision was agreed by the Corporate Investment Board on 18 January 2020.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

**Date**



19 January 2021