

## REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD115

### Title: Hose Layer Unit Modification & Service Life Extension

#### Executive Summary:

This report recommends that the Deputy Mayor for Fire and Resilience gives approval for the London Fire Commissioner (LFC) to commit expenditure up to £275,000 in order to modify five Hose Layer Units (HLUs), specialist heavy vehicles that facilitate relay water pumping operations at large fires.

A budget of £1,100,000 (including contingencies) was originally approved in Deputy Mayor for Fire and Resilience Decision (DMFD) 52 Specialist Heavy Fleet decision, for the replacement of these five vehicles. Following the tender response received after market engagement, only one supplier remained in the bidding and the bid they provided was significantly higher than the budgeted amount.

In light of this, the London Fire Brigade recommends that the vehicles be modified by adding an aftermarket Selective Catalytic Reduction (SCR) exhaust emission filter treatment. This approach would cost up to £275,000 including contingency. This would enable LFB to meet commitments to reducing vehicle emissions, including compliance with the Low Emission Zone requirements.

LFB would defer its capital spend on the full replacement of the Hose Layer Units until 2025/26, giving LFB a longer period to review its bulk water capability at incidents, and potentially allowing the market to mature and offer more affordable options for replacement vehicles.

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 gives approval for the London Fire Commissioner (LFC) to commit expenditure up to £275,000 in order to modify five Hose Layer Units.

#### 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:**

29 June 2021

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

### Decision required – supporting report

#### 1. Introduction and background

- 1.1. Report LFC-0515 to the London Fire Commissioner explains that London Fire Brigade's (LFB/'s) Hose Layer Units (HLUs) are a specialist heavy vehicle used to support large fires; they deploy 90-millimetre fire hose to facilitate relay water pumping operations with minimal delay and can deploy hose up to four kilometres. The current HLUs came into service between August 2010 and March 2011, with a 12-year life and are categorised as Euro 5; making them non-compliant against the current London Low Emission Zone (LEZ) requirements, which will apply to all LFB vehicles from October 2021.
- 1.2. The new HLUs were required to be in service prior to October 2021, which means they were going to be replaced ahead of the planned replacement cycle. Babcock Critical Services Limited, the contractor who provide our asset replacement programme and replace and maintain all of our vehicles and the majority of our operational equipment, formally recommended to the LFB via a procurement strategy that four suppliers were to be included in the procurement process. Two of these suppliers stated that they would not be participating as HLUs are not something they particularly specialise in. The remaining two suppliers were active throughout the entire tender period, but one of these suppliers did not tender. In response to this the HLU replacement project was put on hold in September 2020, whilst the capability and options were reviewed strategically by LFB.
- 1.3. On 12 November 2020, Babcock Critical Services Limited were instructed to issue a Best and Final Offer (BAFO) to the only remaining supplier, who was the only interested party left. On 30 November 2020, BAFO response was received from this supplier, which stated, in summary, that the prices quoted and build programme remained the same. As the price quoted was significantly higher than budgeted for, LFB has decided to propose keeping and modifying its existing HLUs.

#### *Project Cost Summary Table*

##### *LFC-0284y Specialist Heavy Fleet*

Project code	Project & Payment description	Staged payment £	No. vehicles	Total per vehicle £	Total for project £	10% contingency £	Total project value £
RV140	Hose Layer Unit Stage 1	£80,000	5	£200,000	£1,000,000	£100,000	£1,100,000
	Hose Layer Unit Stage 2	£120,000					

#### *Proposed Modification*

Project code	No. vehicles	Total per vehicle £	Total for project £	10% contingency £	Total project value £
RV140	5	£50,000	£250,000	£25,000	£275,000

- 1.4. 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. This contingency will only be used for unforeseen rises in costs.

## *Modification Details*

- 1.5. The main modification will be to achieve certified 2021 LEZ compliancy, via the Selective Catalytic Reduction (SCR) route. This is an advanced active emissions control technology system that injects a liquid-reductant agent through a special catalyst into the exhaust stream of a diesel engine.
- 1.6. A pre-assessment of the vehicle is required to be carried out prior to the installation of the retrofit system. The pre-assessment should include, but not be limited to, an engine out smoke test, a performance test of the AdBlue system and a check to ensure the AdBlue lines are clear. Details of this will be provided before installation.
- 1.7. As part of the project and in response to health and safety factors additional lighting inside the hoppers (storage compartment for the hoses) and high-level lighting will be fitted to the HLUs. This will improve the working environment for the operatives by illuminating objects which could strike the operatives within the hoppers such as trees or street furniture.
- 1.8. The HLUs' current one-star Direct Vision Standard rating will be mitigated by the fitting of a 360 degree CCTV safety system.<sup>1</sup> This will support the certification of the HLUs' up to a three-star Direct Vision Standard rating which will permit the use of these vehicles beyond 2024.
- 1.9. At the beginning of the asset replacement programme for the LFB heavy vehicle fleet, exhaust modifications were considered as a way of potentially extending the life of older vehicles. This was discounted on the grounds that the technology was in its infancy and at that time the suppliers in the market could not guarantee achieving Euro 6 compliance. Equally, an exhaust modification that extended the life of the wider, heavily used, aging appliance fleet would have been likely to have led to significant additional maintenance charges and was not considered cost effective.
- 1.10. Subsequently the market has matured, and the suppliers of this service are able to meet the Euro 6 standard. The HLUs, whilst approaching their end of life, are comparatively infrequently used, are a smaller fleet of vehicles and are better suited to having their working life extended with the SCR modification.

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

- 2.1. The objective of this proposal is to seek the approval for 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 modification of the five HLUs, at a cost of up to £275,000, via the SCR filter route.
- 2.2. To extend the life of the HLUs will defer full replacement costs to 2025/26. By deferring this cost until 2025/26, it is hoped that the heavy vehicle market will have matured enough to be able to also offer an off-the-shelf product that complies with the GLA London Environment Strategy plan for its GLA fleet by 2030, for zero emission capable vehicles over 3.5 tonnes.
- 2.3. By keeping the same vehicle, it will limit the training required as the vehicle will still be operated in the same manner.
- 2.4. Extending the life of the HLUs will give further time for the LFB to review its bulk water capability. The LFB currently has two bulk water capability options: the HLUs and High-Volume Pumps (HVPs). These two assets perform similar functions and a review into streamlining this capability was started in 2020 in response to budget pressures. This review was previously stopped because insufficient time

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<sup>1</sup> For information on the Direct Vision Standard: <https://tfl.gov.uk/info-for/deliveries-in-london/delivering-safely/direct-vision-in-heavy-goods-vehicles>

was available to conduct the detailed review and develop a new bulk movement of water operational strategy in time to meet the LEZ emissions deadline for the HLUs.

### *Alternative Options Considered*

2.5. Two alternatives to the proposal were considered and discounted:

- Re-engage with Emergency One Limited and pay uplift in costs for new HLUs totalling £1,553,874.70. This equates to over £100,000 per vehicle, which is more than expected and reported in the DMFD52 and its appendix LFC-0284y Specialist Heavy Fleet Report.
- No modification and extend the life of the HLUs until the heavy vehicle market delivers an off-the-shelf product for the 2030. This will not deliver a compliant vehicle for the LEZ and would attract charges from TfL, which would be detrimental to the reputation of the GLA and LFB.

## **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; and
  - 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; and
  - 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 LFC's Technical and Commercial department have completed an Equalities Impact Assessment (EIA). The modification will offer no change to the current use of the vehicle.
- 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.
- 3.10. The provision of additional lighting inside the hoppers (storage compartment for the hoses) and high-level lighting will improve accessibility and ease of use for operational staff.
- 3.11. The extension of the life of the HLU will give LFB the time to explore further additional mechanical assistance, to reduce the manual handling demands on end user.

#### **4. Other considerations**

##### *Procurement*

- 4.1. 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.

##### *Strategic drivers*

- 4.2. The modification of the existing HLUs is consistent with the LFBs requirement to serve and protect the people of London, by providing an effective bulk movement of water capability and also minimise the environmental impact of the LFB's operational fleet in line with the GLA London Environment Strategy.

#### **5. Financial comments**

- 5.1. This report requests approval for capital expenditure of up to £275,000 for the modification of HLUs in 2021/22. This is a change to the Capital Programme, which currently anticipates the replacement of HLUs at a cost of £1,100,000 which includes a 10% contingency and was approved by the Deputy Mayor in DMFD52, and by the LFC in the Specialist Heavy Fleet report LFC-0284y.
- 5.2. The estimated costs of the proposed modification in this report are £250,000 with an additional 10% contingency of £25,000, which has been added to take in to account the price risk associated with the current economic climate.
- 5.3. As a result of this change, the report recommends the remaining £825,000 expenditure in the Capital Programme for this project is delayed until 2025/26.
- 5.4. The cost of the modification which already has budget allocated in the Capital Programme will incur annual capital financing costs on the revenue budget of £61,875, with £55,000 of this provision to

repay debt (minimum revenue provision), based on a 5 year asset life and £6,875 for annual interest, at a rate of 2.5%.

- 5.5. Annual Capital financing costs of £100,833 have already been included within the approved revenue budgets (£73,333 provision to pay debt and £27,500 for annual interest), This would mean a lower than budgeted financing cost requirement of £38,958 until 2025/26, when the anticipated remaining capital spend would occur.

## **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.
- 6.3. 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").
- 6.4. 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.
- 6.5. The Deputy Mayor's approval is accordingly required for the Commissioner to modify the current HLUs at a cost of up to £275,000.
- 6.6. 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.
- 6.7. The General Counsel also notes that the proposed procurement will be conducted through the Babcock Vehicles and Equipment Contract.

## **Appendices and supporting papers:**

LFC-0515 – Hose Layer Unit Modification & Service Life Extension

**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 October 2021

**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**

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.

✓

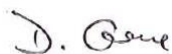
**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 21 June 2021.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**



**Date**

22 June 2021