

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD8

Title: Mechanical, electrical, plumbing and building fabric contracts for the London Fire Commissioner

Executive Summary:

The existing contracts for mechanical, electrical and plumbing (MEP) services and fabric services (which covers the main elements of the building such as roofs, floors, walls and doors) across the London Fire Commissioner's estate expire in November 2018.

These services are required to maintain the Commissioner's estate and ensure the properties are fit for purpose and safe for occupation. The tender process was competitively conducted by the FM Integrator Kellogg, Brown and Root (KBR) and the contracts will be awarded to the bidders who offered the most economically advantageous tenders as outlined in the confidential Appendix 1 to this report.

The London Fire Commissioner Governance Direction 2018 sets out a requirement at Part 2, paragraph b for the London Fire Commissioner to seek prior consent from the Deputy Mayor for Fire before '*[a] commitment to expenditure (capital or revenue) of £150,000 or above...*'.

This decision seeks approval of the Deputy Mayor for the London Fire Commissioner to award the three contracts for mechanical, electrical and plumbing services and contract for fabric services, each for a period of three years with an option to extend for a period of two further years, to the preferred bidders for the sums as set out in the confidential Appendix 1 to the report to the Commissioner LFC-0045.

Decision:

The Deputy Mayor for Fire and Resilience gives consent to the London Fire Commissioner to:

Award the three contracts for mechanical, electrical and plumbing services and contract for fabric services, each for a period of three years with an option to extend for a period of two further years, to the preferred bidders for the sums as set out in the confidential Appendix 1 to the report to the Commissioner LFC-0045.

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:

13/08/18

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

Decision required – supporting report

1. Introduction and background

- 1.1. The existing contracts for mechanical, electrical and plumbing (MEP) services and fabric services (which covers the main elements of the building such as roofs, floors, walls and doors) across the London Fire Commissioner's estate expire in November 2018. These services are required to maintain the Commissioner's estate and ensure the properties are fit for purpose and safe for occupation. The tender process was competitively conducted by the FM Integrator Kellogg, Brown and Root (KBR) and the contracts will be awarded to the bidders who offered the most economically advantageous tenders as outlined in the confidential Appendix 1 to report LFC-0045 to the Commissioner.
- 1.2. The services that the Commissioner proposes to contract are:
- Mechanical systems including but not limited to air ventilation, air conditioning, heating and cooling systems, pumps and dehumidifiers;
 - Electrical systems including but not limited to lightning protection, internal and external lighting systems, emergency lighting systems, call lighting, vehicle chargers and standby electrical generators;
 - Plumbing including but not limited to hot water system and cold-water system storage and distribution systems, sanitary appliance and toilet and drainage systems including waterless urinals;
 - Surface and foul drainage systems;
 - Catering equipment including but not limited to range cookers and grills, combination ovens, dishwashers, microwaves, cooker extraction hoods and ducting and hot water boilers;
 - Renewables including but not limited to solar power (photovoltaic arrays), ground source heat pumps, combined heat and power boilers, wind turbines and solar hot water;
 - The building and energy management systems;
 - Diesel storage and supply systems; and
 - Fire protections systems including but not limited to firefighting equipment, fire detection systems, sprinkler systems and wet and dry risers.
- 1.3. Fabric services include roofs and gutters, balconies and canopies, walls and fences, driveways and yards, windows, doors (not including appliance bay doors), internal floor coverings and carpets, locks, deep lift pit and interceptor cleaning, safety systems (eyebolts and fall arrest equipment), external drainage, Lambeth pontoon fabric, drop down beds and radio mast inspections.
- 1.4. The services comprise planned preventative maintenance which includes statutory testing and inspections and regular maintenance and servicing to ensure assets are maintained in a prime condition and reactive services which are repairs in response to breakdowns and faults. There are specified response times for reactive services according to the impact of the issue which are similar to the existing contracts.
- 1.5. The existing contracts have not delivered as expected in terms of performance and compliance with the requirements and as a result the strategy for delivery of the services was reviewed and amended by KBR and LFC Property officers. A number of options were considered by officers in conjunction with market testing to ensure the correct strategy was adopted to achieve the objectives outlined above and ensure a successful re-procurement.

- 1.6. The sourcing strategy for the services was developed by KBR and collaboration with other public sector bodies was explored and considered. KBR investigated the options and recommended that prices were sought from the Mayor's Office for Policing and Crime (MOPAC) service providers for these services. However, the returns did not demonstrate value for money and the scope of services was not in line with LFC's requirements. It was therefore agreed that the services should be tendered competitively as a standalone arrangement.
- 1.7. The market testing consisted of approaching interested parties and outlining some of the key proposals for the contracts to ensure they were acceptable to the market and seek feedback on how the market would approach specific issues. A questionnaire was issued to gain a more comprehensive understanding of their business and seek feedback on KBR's proposed sourcing plan. The questionnaire focused on how the contracts were proposed to be split and procured, operational capacity and capability to deliver, form of contract and performance monitoring and response and rectification times. 24 responses were received and the strategy was tweaked to ensure the procurement exercise would be successful and result in acceptable proposals. The services were procured using an open procedure in compliance with the Public Contracts Regulations 2015.
- 1.8. The full consideration for the Commissioner in appointing a successful tenderer is made in the appended report to the Commissioner LFC-0045.

2. Objectives and expected outcomes

- 2.1. This Decision ensures that the services required to maintain the Commissioner's estate, and which ensure the properties are fit for purpose and safe for occupation, are available within a strategic and affordable framework.

3. Equality comments

- 3.1. The Public Sector Equality Duty – and the potential impacts of this decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) – has been considered by the London Fire Commissioner and the Deputy Mayor for Fire and Resilience. No impacts have been identified.

4. Other considerations

- 4.1. None.

5. Financial comments

- 5.1. Report LFC-0045 to the Commissioner recommends that contracts for the MEP and fabric services are awarded for three years, with new services starting to be delivered from 1 December 2018. The confidential Appendix 1 to the report sets out the anticipated financial pressure as a result of this. The impact in this financial year will be reported on as part of the 2018/19 Financial Position reporting, and the ongoing implications which will be considered as part of the budget process for 2019/20. The report also notes that the reactive work figures are estimates at this time and may need adjustment following the first year of operations.
- 5.2. The expenditure is to be funded through sums available to the Commissioner. There are no direct financial implications for the GLA.

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. This decision seeks the Deputy Mayor's approval for the Commissioner to award the three contracts for mechanical, electrical and plumbing services and contract for fabric services, each for a period of three years with an option to extend for a period of two further years, to the preferred bidders for the sums as set out in the Part 2 advice to the Deputy Mayor and the accompanying Appendix 1 to the report to the Commissioner LFC-0045.

Appendices and supporting papers:

- Report to the Commissioner LFC-0045 (part 1 with confidential information in Part 2)

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? NO

If YES, for what reason:

Until what date: (a date is required if deferring)

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 – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer

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

✓

Assistant Director/Head of Service

Tom Middleton 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 13 August 2018.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Bell

Date

13.8.18

