

REQUEST FOR DMPC DECISION – PCD 301**Title: Facilities Management - Gym Equipment - Contract Award****Executive Summary:**

The current contract for the inspection, maintenance and occasional supply of gym equipment expires on 31 January 2018. This paper seeks approval for the award of a framework agreement for a 4 year period, and a call-off contract for these services for a period of three years with two one-year optional extensions. The estimated value of the framework is £4.83m, and the call-off contract value is £2.826m which can be met from within the MPS budget.

Recommendation:

The DMPC is recommended to approve

1. the award of a four year single supplier framework for the inspection, maintenance and occasional supply of gym equipment, and
2. the award of a call-off contract for the inspection, maintenance and occasional supply of gym equipment.

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**

15/12/17

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. MPS operates 66 gym facilities across its estate with a view to providing officers and back office staff the ability to maintain a high level of fitness, enabling them to perform their duties to the highest standards. The current contract to inspect, maintain and supply gym equipment expires in January 2018. MOPAC approved the initiation of the procurement route in June 2017.

2. Issues for consideration

- 2.1 The MPS considered the use of alternative existing frameworks for the supply of these services but not all services could be met by the suppliers on the frameworks, and/or there was potential for 2 different suppliers which would make contract management less efficient. The MPS undertook its own tender process for an integrated service. This framework is available to other GLA functional bodies.
- 2.2 The MPS tender resulted in 4 bidders for the service, although one bidder submitted a non-compliant bid. The bidder which scored highest in both the technical and commercial elements of the evaluation is recommended for approval.

3. Financial Comments

- 3.1 The award of the framework does not commit MOPAC to any financial expenditure. The award of the MOPAC contract call-off has an estimated value of £2.826m. These costs will be met from within the existing MPS budget.

4. Legal Comments

- 4.1 There are no reported legal implications arising from this report.

5. Equality Comments

- 5.1 There are no equality or diversity implications arising from this report.

6. Background/supporting papers

MPS Report

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:

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

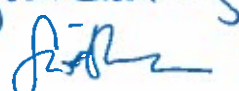
ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: Legal advice is not required	✓
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Executive**

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

with delegated authority

CFO

Date

14/12/17

Facilities Management Services – The Inspection, Maintenance and Occasional supply of Gym Equipment

EXECUTIVE SUMMARY

Award of a Framework Agreement in support of the requirement for 'The Inspection, Maintenance and Occasional supply of Gym Equipment'. The Framework Agreement will be open to the Greater London Authority (GLA).

The current Contract for Gym Equipment will expire 31st January 2018, and a new Framework Agreement is required to maintain the current service. The Framework Agreement will be open to the Greater London Authority (GLA).

A. RECOMMENDATIONS - That

1. The award of a four year single supplier framework agreement for Inspection, Maintenance and Occasional Supply of Gym Equipment, accessible to all members of the GLA family, valued at £4,830,000.
2. The award of a MOPAC call-off contract for a period of three years with two one-year optional extension periods; called-off under the aforementioned FM Service framework agreement at a total contract value of £2,826K.
3. The revenue funding to support this contract is allocated within Property Services budget lines. Capital expenditure will be funded with the Property Capital Programme.

B. SUPPORTING INFORMATION

Background

4. MOPAC's expenditure over the five year term is anticipated to be £2,826K dependent on the volume of reactive works, changes to the estate and the volume of new gym equipment purchased.
5. The expected reduction in the size of the Estate may impact the provision of inspection and maintenance and occasional supply of gym equipment in the areas of:
 - An increase in the volume of work in locations that are subject to an increase in occupancy and use of equipment
 - A reduction in the volume of work overall due to a fewer number of in-scope locations

Procurement Route

6. A full OJEU open tender has been undertaken in accordance with Public Contract Regulations 2015. The current OJEU threshold for Services is £164,176 which this framework exceeds in terms of financial capacity. A total of four suppliers (including the incumbent) submitted tenders, however one of these was non-compliant.

Value for Money

7. Bidders were requested to submit rates for planned and reactive works which are fixed for the first three contract years and subsequently, subject to negotiated increases capped at inflationary indexation for the remaining of contract period. There is no exclusivity or guaranteed volumes / spend levels.
8. Rates for a 3+1+1 and 5+1+1 contract term were requested at tender to establish which offered best value for MOPAC.

Contractual Considerations

9. Appointment to the framework / call-off agreement does not guarantee any specific volume of work or fee income, nor will any minimum volume guarantee be given.

Equality and Diversity

10. There are no negative equality or diversity implications arising from this procurement process. All bidders were evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as a supplier to MOPAC. The evaluation exercise considered their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
11. MOPAC have the ability to procure disability friendly equipment (where required) through this contract.

Responsible & Sustainable Procurement

12. MOPAC is a signatory and contributor to the GLA's Responsible Procurement Policy and its six key commitments confirmed below:
13. "We will strive to ensure that decisions taken by members of the GLA Group on the procurement of goods, works or services and/or in relation to the provision of grant funding or financial assistance are undertaken in line with our commitments set out in this document under the six following themes:
 - Enhancing social value
 - Encouraging equality and diversity
 - Embedding fair employment practices
 - Enabling skills, training and employment opportunities
 - Promoting ethical sourcing practices
 - Improving environmental sustainability.
14. Wherever possible commercial relationships will be formed and nurtured with partnering and contracting organisations who share our values on responsible procurement".
15. Throughout the tendering process all of the above themes were communicated, tested and evaluated as part of each companies bid. The key themes from the GLA Responsible Procurement Policy were incorporated into the procurement process through use of specific questions that were evaluated by subject matter experts.
16. Some examples of this include:
 - Publication of various MPS policies
 - GLA (draft) & MPS Responsible Procurement Policy

- MPS Health & Safety Policy
- Environmental & Sustainability Management Framework
- Discretionary Exclusion Questions relating to breach of certain obligations under Public Contract Regulations 2015 (Reg. 57) at SSQ stage.
- Questions in relation to Modern Slavery Act 2015 and Equalities Act 2010.
- Questions in relation to The Public Services (Social Value) Act 2012, Responsible Procurement, Living Wage, Ethical Sourcing, Supplier Diversity & Apprenticeships, Skills & Training at ITT stage.

Small and Medium Enterprises (SME)

17. Two of the three companies that submitted a compliant tender response were classed as an SME, and the recommended supplier for this framework is an SME.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. The sourcing strategy builds on, and brings opportunity to attract Local and SME providers into the Authority's supply chain. All contracts will meet the requirements of the Equalities Act 2010.

Financial Implications / Value for Money

2. The MPS currently spend on average £365K p.a. on the inspection, maintenance and purchase of gym equipment (as per Appendix 2). Costs are met from the property services budget.
3. Through investing £837M capital (excluding Optimum Bias), the Estates Transformation Plan will enable the rationalisation of the estate, generating capital receipts of £396M, and delivering revenue savings of £56M as part of the overall financial strategy.
4. It is anticipated that the contract will be for three years plus the two one year optional extensions, and that prices are fixed for the first three years and subsequently, subject to negotiated increases capped at inflationary indexation for the remaining contract period. The total contract value includes an additional anticipated inflationary increase of 2.7% for years four and five of the contract.
5. Whilst the level of inspection and maintenance is expected to reduce in line with the shrinking estate there is an anticipated increase in demand for gym equipment due to future investment in the estate.
6. All MPS costs incurred will be met from existing provision within property services revenue and capital projects.

Legal Implications

7. The Integrator does not believe that the MPS Department of Legal Services needs to be consulted in the award of this contract due the lack of contention from a legal standing.

Consultation undertaken

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Design Authority	Supportive
Your Finance Business Partner	Supportive
Strategic Secretariat	Supportive
Portfolio Transformation Office for Benefits	Supportive
Strategic Diversity & Inclusion	Supportive
Business Change	Supportive
Property Services / Environmental Management	Supportive
Director of Strategic Procurement	Supportive
Director of Commercial and Finance	Supportive

Risk (including Health and Safety) Implications

8. The Health and Safety requirements for the Inspection and Maintenance and Occasional Supply of Gym Equipment are:

- Health and Safety at Work Act
- Management of Health and Safety at Work Regulations,
- Work at Height Regulations
- Additional guidance includes but not limited to:
- ACOP L113 (Safe use of lifting equipment),
- ACOP L22 (Safe use of work equipment)
- BS EN 913:1996 (Gymnastic Equipment – General Safety),
- BS EN 12346:1999 (Gymnastic Equipment),
- BS EN 12572:1999 (Artificial Climbing Structures),
- Provision and Use of Work Equipment Regulations 1998 (PUWER).

Real Estate and Environmental Implications

9. There are no additional environmental risks arising from this request.

10. The Integrator 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.

11. The Integrator 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, the Integrator has developed a Contract Health, Safety and Environment plan which sets out how the Integrator contract will be delivered in a way which meets the Authority's sustainability standards and environmental compliance, and where applicable, industry best practice.

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