

GREATER LONDON AUTHORITY

REQUEST FOR DEPUTY MAYOR FOR FIRE & RESILIENCE DECISION – DMFD21

Title: London Fire Brigade – Portable Hygiene Unit Provision

Executive Summary:

Report LFC-0096x to the London Fire Commissioner seeks approval to award a contract for the purchase of two Portable Hygiene Units (PHUs) and associated services to Site-Equip Limited.

The London Fire Commissioner Governance Direction 2018 sets out a requirement for the London Fire 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...”.

Decision:

The Deputy Mayor for Fire and Resilience consents to the London Fire Commissioner’s decision to:

Spend up to £470,321 on services from Site-Equip Limited for the provision of two portable hygiene 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:

12/3/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. In December 2014, London Fire Brigade (LFB) contracted Euroloos Limited to provide toilet and welfare facilities for use at operational incidents. A working group established by the Commissioner concluded that single cubicle portable toilets which had been provided under this contract did not meet the requirements for the workforce. In particular, the working group recommended that dedicated male and female facilities should be provided with appropriate lighting, heating, running water and sanitary facilities. Following a Commissioner's Board (CB) report in August 2017 the contract with Euroloos Limited was terminated on the 30 November 2017.
- 1.2. A new supplier named Newship Ltd (trading as Qdos Event Hire Limited) was appointed by accessing a single-supplier framework set up by the Mayor's Office for Policing and Crime (MOPAC) to deliver the service from 31 October 2017. The appropriate facility identified at that time took into consideration the 2017 working group's recommendations. These trailer-based units were equipped with dedicated male and female facilities, with appropriate lighting, heating and wash facilities.
- 1.3. LFB contracted Qdos Event Hire Limited to provide two Portable Hygiene Units (PHUs) and towing vehicles, and trained staff on a retainer basis. Within six months it became apparent that the terms and conditions agreed with Qdos Event Hire Limited were not sustainable for Qdos, and they were unwilling to renegotiate terms to remedy this.
- 1.4. As a result, Qdos Event Hire Limited gave notice in June 2018 of their intention to terminate their contract with the LFB as of 2 July 2018. This short notice termination resulted in a review by Operational Policy and Assurance, in consultation with Technical and Commercial Services, to establish options for continuation of services.
- 1.5. As an interim measure, a three-month contract to maintain services has since been signed with Site-Equip Limited, with an optional extension clause. This interim contract has ensured service continuation with a number of successful deployments already recorded. This interim contract has been extended three times to allow for the longer-term solution to be approved and implemented.
- 1.6. After considering alternative options as set out further in this report, a procurement process was run to find a new service provider and the successful bidder was Site Equip Ltd. Approval is therefore required for expenditure of up to £470,320 to enter a contract with Site Equip Ltd for three years for the provision of two PHUs built to LFB's specification.

2. Objectives and expected outcomes

- 2.1. LFB have a recognised need to supply adequate hygiene and sanitary facilities at operational incidents. Under the Workplace (Health, Safety and Welfare) Regulations 1992, an employer must, as far as reasonably practicable, provide adequate and appropriate welfare facilities for staff while they are at work.
- 2.2. Since December 2014 LFB has provided PHU facilities to discharge this function. Prior to that time there was no formal way of providing hygiene and sanitary facilities at incidents. Staff would therefore have to improvise by utilising facilities at homes and businesses in relative proximity to the incident, if available. This informal approach could have resulted in liability issues for damage to property as well as cross-contamination issues in relation to dirty firefighting Personal Protective Equipment (PPE). Awarding the contract proposed is proportionate and practical and will secure the necessary services to satisfy the necessary hygiene and sanitary facilities.

2.3. The expected outcome of the procurement was to appoint a supplier able to construct bespoke PHUs to LFB specification, host, deliver and provide an interim measure while in the construction phase.

3. Equality comments

3.1. Under Section 149 of the Equality Act 2010, the London Fire Commissioner must have 'due regard' of the need to:

- Eliminate unlawful discrimination, harassment and victimisation; and
- Advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

3.2. The Public Sector Equality Duty has been considered by the London Fire Commissioner in the consideration of report LFC-0096x and the Deputy Mayor for Fire and Resilience through this report. The provision of appropriate welfare facilities for staff at the incident ground is in direct response to the requirements of the workforce and the Equality Duty.

3.3. Health and Safety Executive (HSE) guidance relating to minimum facility requirements has been used as a minimum benchmark for each PHU. The PHUs themselves will be designed to LFB's specification, notably to ensure parity between male and female facilities. The provision of welfare facilities for all staff attending operational incidents supports the objectives outlined within the London Safety Plan (LSP) by "Valuing Staff and Using Resources Wisely" (LSP, Page 48). Acceptance of the Brigade's Equalities Protocol will be a condition of the contract award, detailing the Commissioner's requirements of the supplier. These requirements include the provision of assurances relating to the supplier's own equalities policies and arrangements; and the appropriate support to the Commissioner in the achievement of their own equalities outcomes.

3.4. The provision of appropriate welfare facilities at incidents support the Brigade's Inclusion Strategy by ensuring appropriate and equal provision for a diverse workforce.

3.5. The PHU design specification accommodate the needs of individuals protected by the nine protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) within the Equality Act 2010. Examples of this include incorporation of disabled access within the design of the PHUs, and a gender-neutral design solution is incorporated within the final design process. All configuration options will be considered against the desire to maximise the number of facilities within each PHU due to the limited trailer footprint, maximising operational effectiveness. The design will also ensure full alignment with relevant industry standards for temporary toilet/welfare facilities, meeting all Health and Safety and Equalities requirements.

4. Other considerations

Procurement

4.1. A number of options were available for the future provision hygiene and sanitary facilities. Options considered within this report are:

- 1) Identify a third-party supplier to provide PHU services to the Brigade;
- 2) Establish mutual aid agreements with neighbouring fire and rescue services (FRS) or partner agencies;

- 3) Create an in-house PHU provision; and
 - 4) Purchase two PHUs built to LFB specification, hosted with a third-party supplier (recommended option).
- 4.2. After consideration of each option, on the 13 August 2018 procurement initiation consent was granted by the LFB Director of Corporate Services under delegated authority to commence the procurement for the purchase of two PHUs and the associated services—option (4).
 - 4.3. A specification was developed by Operational Policy and Assurance taking into consideration stakeholder requirements based on option (4). Market research was undertaken to develop this specification and ensure there was adequate interest in the market. A three-year contract was deemed the most appropriate considering the high service level requirement and to provide the Brigade with future flexibility if needed.
 - 4.4. The contract value for this requirement exceeds the EU procurement threshold. Market research indicated that there were a limited number of providers who would be able to deliver this requirement for the Commissioner, notably being able to meet the three-hour response time requirement. Following consultation with Corporate Procurement Services, it was considered the most appropriate route to market to source this requirement was an Open procurement process (one stage) in the Official Journal of the European Union (OJEU).
 - 4.5. On 17 August 2018 the Invitation to Tender was issued to the market, and an advert was published in the OJEU. A tender deadline of the 17 September 2018 was set. The Commissioner received a total of two tenders, from E-Toilet Solutions Limited and Site-Equip Limited. Site-Equip Limited provided a compliant tender scoring 48% out of a potential 50% for quality and 100% of the price score.

Collaboration

- 4.6. The Brigade will explore collaborative opportunities presented for partner agency working by the sharing of the PHU assets, for example, by providing welfare facilities for the Metropolitan Police Service, which is a provision they currently outsource. Opportunities with local services may also present themselves, for example supporting business continuity for schools and hospitals. Such potential opportunities will be considered within the design phase of the PHUs to incorporate disabled access to improve the flexibility and usability of the assets at operational incidents as well as other collaborative environments (supporting Strategic Objective 5 of the Inclusion Strategy). Brigade-owned PHUs could also be used for internal business continuity events such as fire stations or other Brigade facilities that have lost water supplies.

Sustainability

- 4.7. In accordance with the GLA Responsible Procurement Policy, the procurement of Portable Hygiene Units will reduce the impact of this service compared to the current service. The criteria required by the Commissioner included:
 - Low energy and high-water efficiency of PHU;
 - Low environmental impact hand drying hand drying facilities;
 - Proposals from bidders regarding generator size and fuel type and how this will support low emissions of air pollutants;
 - Compliance with the Ultra Low Emission Zone (ULEZ) for delivery and collection, and any use of ultra-low emission vehicles; and
 - Use of cleaning products and services that comply with best sustainability practice.

- 4.8. The procurement exercise undertaken has given due regard to the Brigade's sustainability objectives, with the preferred supplier demonstrating appropriate environmental policies including ULEZ compliance and relevant waste carriage licences. The supplier was also required to demonstrate further social value by confirming they do not operate zero-hour contracts within their business model.
- 4.9. A working group established by the Commissioner in 2017 highlighted deficiencies with the toilet facilities provided at operational incidents at that time. The working group identified an appropriate alternative trailer-based solution to be used by the Brigade. These trailer-based units were equipped with dedicated male and female facilities, with appropriate lighting, heating and wash facilities. This report proposes the continuation of this provision by purchasing comparable assets that were previously hired via a third-party supplier.

Risk/Contract management

- 4.10. Robust contract management procedures will be in place to ensure that the supplier delivers what they are required to under the contract. Operational Policy and Assurance at LFB will be responsible for the day-to-day running of the contract, and Operations Directorate Support Services will be responsible for the commercial contract management of the agreement.
- 4.11. A strong relationship will be developed with the supplier to ensure key elements of the specification are met. A KPI regime has been developed on phone response time, delivery time, collection time, maintenance and turnaround time to ensure the service meets requirements and poor performance will result in a financial penalty.
- 4.12. A financial risk assessment was undertaken by Contract Management Group. This showed Site-Equip Limited have a very low risk score. Contract Management Group will continue to monitor the company's financial standing throughout the life of the contract.

5. Financial comments

- 5.1. LFC-0096x to the London Fire Commissioner sets out four different options with regard to the future provision of Portable Hygiene Units and recommends Option 4 – to purchase two PHUs built to LFB specification, hosted with a third-party supplier.
- 5.2. The total cost of the proposal is up to £470,321 comprising of an annual revenue cost of approximately £126,400 for three years and a one-off capital cost for the two custom Portable Hygiene Units at £91,000, which will be incurred in 2019/20 financial year. If the capital purchase is funded by external borrowing, the annual debt charges would be £32,000 per annum, being £30,000 debt repayment based on a three-year life and £2,000 interest payable based on an interest rate of 2%.
- 5.3. The previous permanent contract was provided at an annual cost of £54,000. The annual revenue costs for this new contract will be approximately £126,400 resulting in an annual budget pressure for the Commissioner of £72,400 after adjusting for the existing budget of £54,000. This pressure is included in the Budget Submission 2019/20 report from the Commissioner to the Mayor and has been included in the Mayor's Final Budget for 2019/20.
- 5.4. As the costs associated with the decision are contained within proposed revenue and capital budgets in the 2019-20 Final Budget, the Commissioner is not requesting any additional funds from the Greater London Authority.

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 will provide the Commissioner with approval to incur expenditure of up to £470,321 for the provision of portable hygiene units to incident grounds, satisfying the delivery timeframe requirements of the Commissioner and the requirements of the workforce.
- 6.5. Officers have indicated in paragraph 4 of this report that the services in respect of which it is proposed that a contract is to be awarded have been procured in accordance with the Public Contracts Regulations 2016 and in accordance with the Commissioner's Scheme of Governance.
- 6.6. Officers must ensure that appropriate contract for services documentation is put in place and executed by LFB and the successful bidder(s) before the commencement of any required services.

Appendices and supporting papers:

LFC-0096x – Portable Hygiene Units Contract Award (with a confidential Appendix 1 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? YES**

If YES, for what reason: To protect the commercial interests of bidders to an open tender placed by the London Fire Commissioner until the standstill period has expired.

Until what date: 1 June 2019

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 11 March 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date 11.3.19