

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1411

Title: Corporate Travel Management Company – Extension of Contract

Executive Summary:

Travel services now fall within the scope of the GLA Group Collaborative Procurement arrangements and a procurement strategy to procure services for the GLA Group is currently being finalised. Pending the outcome of tendering for new contracts, approval is sought for the GLA to extend the agreement it has with Reed & Mackay as a non-exclusive supplier of travel services from 1 October 2015 to 31 July 2016.

Decision:

That the Director approves:

1. The extension of its current non-exclusive, temporary agreement with Reed & Mackay as a supplier of travel services to the GLA 1 October 2015 to 31 July 2016; and
2. A related exemption from the requirements of the GLA's Contracts and Funding Code to competitively procure or call of such services from a framework for that period of time.


AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Martin Clarke

Position: Executive Director, Resources

Signature:



Date:

1.10.15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1 Overall the GLA Group spends around £3m a year on travel services and currently five main suppliers are being used. These services now fall within the scope of the GLA Group Collaborative Procurement arrangements which were established with effect from 1 April 2015. The Collaborative Procurement Team are currently pulling together an analysis of the options available in the market with a view to tendering for new contracts on a collaborative basis, using the combined weight of the GLA Group as leverage to ensure better value for money in future.
- 1.2 A major user of travel services within the GLA is the International Relations Team in the Mayor's Office. This team is responsible for delivering the Mayor's programme of international visits to key overseas markets and this requires the sourcing and booking of hotels, flights and rail tickets. At present the GLA has a contract with Reed & Mackay provide on a non-exclusive basis travel services which expires on 30 September 2015. This arrangement was approved under DD1197.
- 1.3 Pending the conclusion of the work of the Collaborative Procurement Team and new contracts being in place, it is intended to extend the Reed & Mackay contract to the end of July 2016. This will ensure that the International Relations Team continues to have access to a travel company for the remainder of the Mayoral term. Other teams in the GLA would also have access to the services provided through the contract although it is not envisaged that this will have a major impact on usage levels.
- 1.4 Forecast expenditure with Reed & Mackay for the proposed extension period is in the range £50,000 to £60,000. This level of expenditure would mean that total expenditure under the contract would continue to be below the relevant OJEU threshold. In addition, Section 5 of the GLA's Contracts Code provides that 'previous involvement in a specific current project or continuation of existing work which cannot be separated from the new project/work', meaning that an exemption from the competitive procurement requirement can be granted in this case while work on a new arrangement progresses (as noted above).

2. Objectives and expected outcomes

- 2.1 The objectives and expected outcomes of this decision are that there will be continuity in the availability of international travel services for Mayor's Office personnel for the remainder of the Mayoral term.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010 (the "Equality Act"), as public authorities, the Mayor and TfL must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act comprise age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (the duty in respect of this last characteristic is to eliminate unlawful discrimination only).
- 3.2 No particular effects of this proposed decision, positive or negative, are foreseen on persons with a protected characteristic under the Equality Act.

4. Other considerations

- 4.1 The key risk of not extending the current agreement with Reed & Mackay is that the GLA could miss out on advantageous rates that are not available online (as otherwise the GLA would have to revert to sourcing and prices via the internet).
- 4.2 The Mayor's international programme supports the Mayor's key jobs and growth agenda as set out in his Vision 2020 document. The programme includes official visits by the Mayor, Deputy Mayors and other Mayor's Office personnel to key international markets in order to promote London as the world's leading destination for business, FDI, tourists and students. Each visit typically promotes several of London's key sectors, including finance, professional services, creative services, technology, life sciences and further education.
- 4.3 Further analysis of the options available in the market is being undertaken in order to inform a future recommendation on the provision of travel services.

5. Financial comments

- 5.1 Approval is sought to extend the contract with Reed and Mackay as a non-exclusive supplier of travel services. The major user of this company is the International Relations Unit within the Mayor's Office Directorate and would be responsible for managing this contract and ensuring that all associated expenditure complies with the Authority's Financial Regulations, and Contracts and Funding Code. Other GLA teams will also be able to access the contract. GLA expenditure on travel falls across a number of GLA budget lines.

6. Legal comments

- 6.1 Under section 30 of the Greater London Authority Act 1999 (the 'Act'), the GLA is entitled to do anything that it considers will further the promotion, within Greater London, of economic development and wealth creation, social development and the improvement of the environment.
- 6.2 Furthermore, section 34 of the Act allows the GLA to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA. In this case, the GLA's contract with Reed & Mackay for travel services may be viewed as being calculated to facilitate and conducive and incidental to all of GLA's various functions.
- 6.3 Section 4.1 of the GLA's Contracts and Funding Code ("Code") requires that contracts with values of this level be called off from a framework or procured competitively. However, section 5 of the Code also provides that an exemption from this requirement may be approved where previous involvement in a specific current project or continuation of existing work cannot be separated from the new project/work. Officers have indicated in section 1 that this is the case. Therefore, the director may approve the proposed variation and exemption if satisfied with the content of this report.
- 6.4 Officers must ensure that appropriate variation documentation is put in place and signed by the GLA and Reed & MacKay before the commencement of the extended provision of services proposed.

7. Planned delivery approach and next steps

| Activity | Timeline |
|---|-----------------|
| Extension of existing contract to end July 2016 | Immediate |

Appendices and supporting papers

None

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

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:

Tom Middleton has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Tom Middleton has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

m. j. ellie

Date

1.10.15