

## DMPC Decision – PCD 1569

**Title: Provision of Front of House, Grounds Maintenance and Pest Control Services – Contracts Uplift and Re-procurement**

### **Executive Summary:**

This paper seeks approval for uplifts in the value of existing awarded contracts for the front of house, grounds maintenance and pest control services. The total contracts value uplift is £2,928,890. The reasons for the uplifts are inflation, and additional demand driven by the retention of more buildings than expected and the police officer uplift. The paper also seeks approval to initiate the re-procurement of these services at a total estimated contract value of £85,200,000 over upto 7 years.

### **Recommendation:**

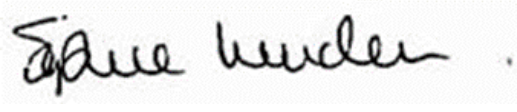
The Deputy Mayor for Policing and Crime is recommended to:

1. Approve uplifts in current contract values to maintain service provision to end of current contract term.
  - a) Front of House (FoH) – Uplift of £698,941, increasing current approved contract value of £65,844,920 to £66,543,861 (6.45% over original contract value).
  - b) Grounds Maintenance – Uplift of £1,793,179, increasing current approved contract value of £5,334,719 to £7,127,898 (43.2% over original contract value).
  - c) Pest Control – Uplift of £436,770, increasing current approved contract value of £1,647,963 to £2,084,733 (27.41% over original contract value).
2. Approve the re-procurement and award of the following service lines within a 10% tolerance of the values outlined in this paper, to be signed off by the MPS Commercial Director under delegated authority;
  - a) Procurement of Front of House Contract through a restricted tender procedure with a proposed total contract value of £70.51 Million. Based on a proposed contract length of 3+1+1 years
  - b) Procurement of Grounds Maintenance Contract through a restricted tender procedure with a proposed total contract value of £12.12 Million. Based on a proposed contract length of 3+2+2 years.
  - c) Procurement of Pest Control Contract through a restricted tender procedure with a proposed total contract value of £2.57 Million. Based on a proposed contract length of 3+2+2 years

**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 19/01/2024

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. MOPAC awarded contracts for the front of house, grounds maintenance, and pest control services with effect from April 2018, for an initial term of 5 years for each contract, with optional two 1-year extensions – see PCD 303.
- 1.2. The MPS implemented the two 1-year extensions and for the pest control service under delegated authority extended by a further 6 months.

### **2. Issues for consideration**

- 2.1. These contracts provide the following services:
  - Front of house – planned and reactive services in relation to physical security, mail services, portage and front of house at selected locations within the MOPAC estate
  - Grounds maintenance – planned and reactive services for the maintenance of grounds at MOPAC property, hard and soft landscape works, maintenance of mature trees and maintenance of any internal planting
  - Pest control - planned and reactive services for the control and eradication of pests in and on MOPAC property
- 2.2. The existing contracts are spending higher than expected values due to retention of buildings, officer uplift, and current inflationary increases. This has driven the need for the increase in the current contract values.
- 2.3. The MPS has assessed the potential for directly providing the services rather than re-tendering. Due to a range of reasons including the specialist nature of the services, demand variability over a year, specialist equipment and training needs, and the ability to reach into the supply chain for periods of higher demand the MPS has concluded that re-tendering of the functions is the most effective way forward. The proposed contracts would be let for an initial term of three years providing the opportunity to keep the option for in-sourcing under review.
- 2.4. The contracts are due to expire in March 2025 (front of house and grounds maintenance) and October 2025 (pest control). MPS seek approval to initiate the re-procurement of these services from these dates in order to ensure the continuity of services. Further detail on the procurement process is set out at paragraph 5 below.

### **3. Financial Comments**

- 3.1. The MPS assure that the increase in the values for the contracts being uplifted, a total of £2,928,890 over the remaining term of the contracts, will be met from within existing budgets.

- 3.2. The MPS has estimated contract values for the re-procurement exercises at a total of £85,200,000 over the potential for upto seven years. These figures include allowances for predicted inflationary uplifts together with potential additional costs from Property Services capital budgets, other MPS cost centres, and the anticipated increase in demand as a result of expenditure associated with the New Met for London Plan.
- 3.3. These values for the re-procurements are contract values and not budget requirements. The MPS assure that the costs incurred will met from within existing budgets.

#### **4. Legal Comments**

##### Recommendations 1 a) – c)

- 4.1. Regulation 72(1)(a) PCR 2015 provides that contracts and framework agreements may be modified without a new procurement procedure:
- (a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—
    - (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and
    - (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement;
- 4.2. The MPS Directorate of Legal Services has confirmed that the contracts in question allow for the requested increases and they can lawfully be approved on this basis.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation provides that the Deputy Mayor of Policing and Crime (DMPC) has delegated authority to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and / or is for a period of more than 12 months.

##### Recommendations 2 a) – c)

- 4.4. MOPAC is a contracting authority as defined in the Public Contract Regulations 2015 (the Regulations). All awards of public contracts for goods and/or services valued at £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold. This report confirms the MOPAC's routes to market is compliant with the Regulations.
- 4.5. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
- Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
  - All requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).

4.6. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call-in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

## **5. Commercial Issues**

5.1. The services covered by this request are set out above at paragraph 2.1.

5.2. The existing contracts' uplift in value will be implemented by way of a contract change notice.

5.3. In respect of the re-procurements the MPS has assessed

- the potential for the use of existing frameworks (e.g. Crown Commercial Services (CCS), Eastern Shires Purchasing Organisation (ESPO), and National Health Service (NHS) North of England Commercial Procurement Collaboration (NOECPC) ) to re-provide these services. No frameworks were identified that met MPS operational requirements.
- that the contract lengths should be for an initial 3-year term with two 2-year optional extensions for pest control and grounds maintenance and two 1-year optional extensions for the front-of-house tender. The MPS assure that these are in line with the market engagement and industry standards, in order to enhance as far as possible to obtain the best commercial outcome for the authority.
- Collaboration opportunities with the wider GLA family identified that there are no suitable framework agreements in existence that meet operational requirements. MPS assure that they will continue to review the availability of collaboration in the period up to the start of the tender.

5.4. The MPS recommend that the services are procured through a restricted tender process. The competitive tension of a market tender process will demonstrate value for money. The restricted tender process will address requirements around security/vetting and some of the specialist nature of the MPS estate whilst ensuring the most relevant organisations have the opportunity to apply.

5.5. The evaluation of bids will be assessed on a combination of price and quality and in addressing the London Anchor Institute Charter will include obligations to deliver local employment and their innovation in doing so; have inclusion and diversity values that are reflected within their workforce; work towards achieving 80% recycling; have apprenticeship schemes in place; and bring innovations into reducing their carbon footprint whilst working towards carbon net-zero.

## **6. GDPR and Data Privacy**

- 6.1. MOPAC will adhere to the Data Protection Act (DPA) 2018 and ensure that any organisations who are commissioned to do work with or on behalf of MOPAC are fully compliant with the policy and understand their GDPR responsibilities.
- 6.2. The MPS assure that these contracts do not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

## 7. **Equality Comments**

- 7.1. MOPAC is required to comply with the public sector equality duty set out in section 149(1) of the Equality Act 2010. This requires MOPAC to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations by reference to people with protected characteristics. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 7.2. The MPS assure that there are no negative equality or diversity implications arising from this process. Any approved suppliers will be evaluated for acceptable equality and diversity statements, as well as their ability to meet the MPS requirements under the Equality Act 2010 as suppliers to MOPAC.

## 8. **Background/supporting papers**

- Appendix 1 MPS Report - The Provision of Front of House, Grounds Maintenance and Pest Control Services

**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

<b>ORIGINATING OFFICER DECLARATION</b>	<i>Tick to confirm statement (✓)</i>
<b>Financial Advice:</b> The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
<b>Legal Advice:</b> The MPS legal team has been consulted on the proposal.	✓
<b>Equalities Advice:</b> Equality and diversity issues are covered in the body of the report.	✓
<b>Commercial Issues</b> Commercial issues are covered in the body of the report.	✓
<b>GDPR/Data Privacy</b> GDPR compliance issues are covered in the body of the report.	✓
<b>Drafting Officer</b> Alex Anderson has drafted this report in accordance with MOPAC procedures.	✓
<b>Director/Head of Service:</b> The interim MOPAC Chief Finance Officer and Director of Corporate Services has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓

**Chief Executive Officer**

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**

*Hanahuchford.*

**Date** 15/01/2024