

DMPC Decision – PCD 579

Title: Pegasus Programme – Next Generation of MPS ICT Outsourced Contracts and Partnering Arrangements May 2019

Executive Summary:

The current MPS ICT outsourced partnering arrangements are due to terminate over the next 2-3 years. The Pegasus Programme has been set up to review and re-compete these contracts to ensure better value for money and an improved user experience to meet the needs of the MPS up to 2030.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to approve:

- The mobilisation of the Pegasus Programme, including external resources, bought in expertise and circa five existing key MPS DP people released and backfilled to support the programme to ensure the programme is Met led. This will ensure that those responsible for running and managing future services and contracts define requirements, associated schedules and transition planning.
- Further that MPS are asking approval up to a total value of £6.7m to initiate and award contracts for the mobilisation of the Pegasus Programme, in line with MPS procurement guidance and MOPAC Contract regulations.

The Deputy Mayor for Policing and Crime is recommended to note:

- The associated revenue cost of £6.7m over the next two years is fully funded from the DP budget approved by MOPAC.
- The schedule of governance steps which will provide further assurance on the proposed approach to the delivery of MPS ICT outsourced partnering arrangements, to Portfolio and Investment Board and to the DMPC.

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

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Date

10/6/19

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

1. Introduction and background

- 1.1. Current IT contracts provide critical IT capability to the MPS and underpin the Digital Policing (DP) operating and service operating model with spend of circa £500m over five-years. These contracts (Towers) cover Service Integration & Management, Networks, Telephony, Data Centres, Data Centres Management, Hosting, End user computing and Applications management.
- 1.2. Since the award of these contracts, there have been a number of changes in the IT sourcing market. This coupled with stronger MPS experience in managing current arrangements and maturing MPS contract management capabilities provides real opportunities for improvements in both service quality and value for money through future contracts.
- 1.3. Additionally, there is a much better understanding of existing IT systems and architecture within the MPS together with the knowledge and ability to take advantage of a cloud first strategy.

2. Issues for consideration

- 2.1. The total contract value of the existing tower services is circa £500m over five years, included within the total DP budget of circa £1bn (£200m/year) over a similar period. The procurement will look at opportunities to consolidate as much of this spend.
- 2.2. The proposed way forward is to develop the requirements, carry out further market engagement activity to conclude how best to take these requirements to market and then, following receipt of responses to the tender documents, return in the first quarter of 2020 with a Full Business Case for approval to award new contracts. Additionally, a Full Business Case will be submitted in May 2021 for approval of further contracts, covering applications management services.

3. Financial Comments

- 3.1. The total revenue funding of £6.7m required to resource the Pegasus programme is fully funded from the Digital Policing approved budget.

4. Legal Comments

- 4.1. The Mayor's Office for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £181,302 or above will be procured in accordance with the Regulations.

- 4.2. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
- 4.3. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve the procurement strategy for all revenue and capital contracts of a total value of £500,000 or above, such determination to include decisions on the criteria and methodology to be adopted in the tendering process, any exemptions from procurement requirements, and any necessary contract extensions.

5. Commercial Issues

- 5.1. The proposed way forward is to develop the requirements, carry out further market engagement activity to conclude how best to take these requirements to market and then, following receipt of responses to the tender documents, return in the first quarter of 2020 with a Full Business Case for approval to award new contracts. Additionally, a Full Business Case will be submitted in May 2021 for approval of further contracts, covering applications management services.
- 5.2. In respect of the £6.7m to mobilise the Pegasus programme, independent consultants would be used as this represents better value for money than consultancy organisations. Bloom is the standard route to market for independent resource, which lowers our IR35 risk to the MPS and provides the ability to secure outcome-based services. There are also existing arrangements for legal support through the National Legal Services Framework (NLSF).

6. GDPR and Data Privacy

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
- 6.4. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. As part of the evaluation criteria in selecting future suppliers the programme will comply with all Met equality and diversity policies as identified by the Strategic Diversity and inclusion team, and seek advice where appropriate.

8. Background/supporting papers

- 8.1. None

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>
Financial Advice The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Legal Advice Legal advice is not required.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report	✓
Public Health Approach Due diligence has been given to determine whether the programme sits within the Violence Reduction Unit's public approach to reducing violence. This has been reviewed and supported by a senior manager within the VRU.	✓
Commercial Issues The proposal is in keeping with the GLA Group Responsible Procurement Policy.	✓
GDPR/Data Privacy <ul style="list-style-type: none"> • GDPR compliance issues are covered in the body of the report. • A DPIA is not required. 	✓
Director/Head of Service The Chief Finance Officer 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

R. Lawrence

Date

10/6/19





MOPAC

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

MOPAC Investment Advisory & Monitoring meeting 23/05/19

Report by Angus McCallum on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

The current MPS ICT outsourced partnering arrangements are due to terminate over the next 2-3 years.

The Pegasus Programme has been set up to review and re-compete these contracts to ensure better value for money and an improved user experience to meet the needs of the MPS up to 2030

The purpose of this paper is to update Portfolio Investment Board and MOPAC on the approach of the programme, and the challenges and opportunities for the organisation.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to approve:

- The mobilisation of the Pegasus Programme, including external resources, bought in expertise and circa five existing key MPS DP people released and backfilled to support the programme to ensure the programme is Met led. This will ensure that those responsible for running and managing future services and contracts define requirements, associated schedules and transition planning.
- Further that MPS are asking approval up to a total value of £6.7m to initiate and award contracts for the mobilisation of the Pegasus Programme, in line with MPS procurement guidance and MOPAC Contract regulations.

The Deputy Mayor for Policing and Crime is asked to note:

- The associated revenue cost of £6.7m over the next two years is fully funded from the DP budget approved by MOPAC.
- The schedule of governance steps which will provide further assurance on the proposed approach to the delivery of MPS ICT outsourced partnering arrangements, to Portfolio and Investment Board and to the DMPC.

Time sensitivity

A decision is required from the Deputy Mayor by 07/06/19. This is to ensure the programme team has the resources to prepare for the first phase of going to market in September 2019.

Introduction and background

1. Current IT contracts provide critical IT capability to the Met and underpin the Digital Policing (DP) operating and service operating model with spend of circa £500m over five-years. These contracts (Tower's) cover Service Integration & Management, Networks, Telephony, Data Centres, Data Centres Management, Hosting, End user computing and Applications management.
2. Since the award of these contracts, there have been a number of changes in the IT sourcing market. This coupled with stronger MPS experience in managing current arrangements and maturing MPS contract management capabilities provides real opportunities for improvements in both service quality and value for money through future contracts.
3. Additionally there is a much better understanding of existing IT systems and architecture within the Met together with the knowledge and ability to take advantage of a cloud first strategy.

Issues for consideration

4. The total contract value of the existing tower services is circa £500m over five years, included within the total DP budget of circa £1bn (£200m/year) over a similar period. The procurement will look at opportunities to consolidate as much of this spend.
5. Our proposed way forward is to develop the requirements, carry out further market engagement activity to conclude how best to take these requirements to market and then, following receipt of responses to the tender documents, return in the first quarter of 2020 with a Full Business Case for approval to award new contracts. Additionally a Full Business Case will be submitted in May 2021 for approval of further contracts, covering applications management services.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

6. The Met direction sets out to seize the opportunities of data and digital technology to become a world leader in policing. Seizing these opportunities is critical to equipping our police force and staff with the best technologies and so free up their time to focus on business priorities and take the best decisions possible. The Pegasus programme delivers against our vision by ensuring our people are well equipped and supported through improved technology and data.
7. It is only through having fit for purpose and flexible contracts, which capitalise on the near exponential advancement and commoditisation of technology services that we can access services that meet our objective of a transformed

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

and modern Met, enabled by IT that delivers mobility, flexibility and interoperability across our business processes.

Financial, Commercial and Procurement Comments

8. The total revenue funding of £6.7m required to resource the Pegasus programme is fully funded from the DP approved budget.
9. The discovery phase has highlighted opportunities for improvements to the cost, quality, responsiveness in our IT services provision, and through this our users will benefit from;
10. Today we have six major contracts in place for key services across four suppliers. In addition, we have other contracts (e.g. mobile, printers, and devices) which could be consolidated. Our current view is this could be greatly simplified and that the resulting reduction in service touchpoints would greatly enhance the user experience (e.g. less handoffs and single points of accountability) and reduce cost and complexity. Simplifying the number of suppliers and consolidating contracts whilst ensuring competition exists across the supplier base is a key enabler for improvements
11. Improved service management contracts: Contracts need to reflect the maturing IT market in what is essentially a more commodity based 'as a service' world across applications, infrastructure and service. This presents significant opportunities for reframing the services contracts; from documenting outcomes based requirements, customer focussed performance management metrics and transparency of supplier ecosystems.
12. Increased Met control of service management: As we move to a simplified structure the Mets ability to take more control of the service management and integration capability will be a key driver of improved responsiveness to front line policing, ensuring improved fulfilment, right first time and faster issue resolution. Improved tooling to increase visibility of supplier performance and orchestrate services is a key enabler for improved control.
13. Our proposed way forward is to develop the requirements, carry out further market engagement activity to conclude how best to take these requirements to market and then, following receipt of responses to the tender documents, return in the first quarter of 2020 with a Full Business Case for approval to award new contracts. Additionally a Full Business Case will be submitted in May 2021 for approval of further contracts, covering applications management services.
14. In respect of the £6.7m to mobilise the Pegasus programme, independent consultants would be used as this represents better value for money than consultancy organisations. Bloom is the standard route to market for independent resource, which lowers the IR35 risk to the MPS and provides the ability to secure outcome based services. There are also existing arrangements for legal support through the National Legal Services Framework (NLSF).

Legal Comments

15. The Mayor's Office for Policing Crime is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £181,302 or above will be procured in accordance with the Regulations.
16. Paragraph 4.8 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve business cases for revenue or capital expenditure of £500,000 or above.
17. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent provides that the Deputy Mayor for Policing and Crime (DMPC) has delegated authority to approve the procurement strategy for all revenue and capital contracts of a total value of £500,000 or above, such determination to include decisions on the criteria and methodology to be adopted in the tendering process, any exemptions from procurement requirements, and any necessary contract extensions.
18. In the two future Full Business Cases there may be specific legal implications, and to that end we are engaging in this phase with one of the companies on our legal framework to lead on the identification and mitigation of any legal implications, risks, issues or concerns.

Equality Comments

19. As part of the evaluation criteria in selecting future suppliers we will comply with all Met equality and diversity policies as identified by the Strategic Diversity and inclusion team, and seek advice where appropriate.

Privacy Comments

20. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
21. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
22. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the programme meets its compliance requirements.
23. The programme does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

24. There are no changes to the estate associated with this request. Our current estate strategy will inform our evaluation criteria for selection of vendors and our future Full Business cases.

Environmental Implications

25. There are no environmental implications associated with this request. The Mayor's London Environment Strategy will form part of the evaluation criteria for selection of vendors.

Background/supporting papers

26. NONE .

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Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Pegasus programme is exempt from publication for the following reasons:

- The relevant sections under the FOIA that would exempt this information from disclosure, for example:
 - Commercial Interest Section 43

For advice, please contact the FoIA team.

The paper will cease to be exempt until 2025 by which time the contracts within the scope of this programme would have been completed, further FBC documented.

