

**DMPC Decision – PCD 865**

**Title: Police Officer Uplift - Commercial Contracts Ceiling Value Increase**

**Executive Summary:**

This paper seeks approval for uplifts in contract values to support the additional officers and staff expected from the national uplift in police officer numbers. The paper does not seek approval for spend, and any contract value uplift will be subject to confirmation of funding. The maximum expected contract uplift across the 33 contracts and over 4 years is £109.3m which is 6.84% of the existing contract value. In addition the paper seeks the approval to initiate a re-procurement of DNA Sampling Kits at a estimated value of £737k over a 4 year period, and to delegate the completion of the contract value uplifts to the MPS Director of Commercial Services.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

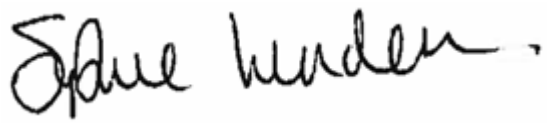
1. Approve the increase in the value of Contracts listed at part 2 of this paper at a total increase of £109,308,618 over 4 financial years equating to 6.84% of the total value of the 33 listed contracts.
2. Approve the initiation of procurement for the requirement for DNA Sampling Kit listed at part 2 of this paper. The requirement is for 4 years at value of £737K.
3. Delegate authority for the Director of Commercial Services to complete each of the contract extensions during 2020/21 to 2022/2023 within the limits detailed in the contract summary

**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 01/02/2021

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

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

- 1.1. In anticipation of additional police officers and staff arising from the national programme to increase police officers by 20,000 over the period 2020/21-2022/23 the MPS are seeking the approval to increase contract values in order that additional demand can be met.

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

- 2.1. Where the increase in demand is directly related to officer and/or staff numbers the uplift values have been based on the ambition to grow by 6,000 officers and 2,000 staff. Other contract value uplifts are based on anticipated additional demand.
- 2.2. The contract value uplifts will only be implemented when the additional funding to support the additional officers is approved. At the point of contract value uplift the MPS will seek to drive out further benefits from the supplier. No contract value uplift will be implemented where there is a performance issue with the supplier without appropriate achievable remedial actions being put in place. The MPS assure that the uplifts will not adversely affect the performance of the suppliers.

### **3. Financial Comments**

- 3.1. The estimated total contract value increase over the four year period 2019/20-2022/23 for the 33 contracts is £109.3m. This equates to an average of 6.84% of the current contracts' value. Individual contract increases range from one at 0.4% to one at 31% of their approved contract value.
- 3.2. Contract values will not be increased until the necessary funding and budget are in place.
- 3.3. The MPS has confirmed the budget is in place for the proposed procurement of DNA Sampling Kits.

### **4. Legal Comments**

- 4.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Regulations.
  - All awards of, and modifications to, public contracts for goods and/or services valued above £189,330 shall be subject to compliance with the Regulations.
  - Regulation 72 permits modifications to public contracts during their term in a limited number of scenarios.
  - Specifically, 72(1)(a) may be used to modify an existing contract for additional works, services or supplies by the original contractor

- 4.2. The MPS assure that all contracts have been subject to appropriate consultation and advice from Directorate of Legal Services and where appropriate external solicitors. The output of the legal consultations have been built into all individual appendices. All proposed increases in value of all the contracts are compliant with Public Contracts Regulations 2015 and all planned activities such as increase in values will be conducted in line with the requirements of Public Contracts Regulations 2015 with necessary contract transparency publications.
- 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 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.
- 4.4. 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 all requests to go out to tender for contracts of £500,000 or above.

## **5. Commercial Issues**

- 5.1. The current value of the 34 contracts for which contract value uplift is sought is £1,597,376,688 which represents contract values over multiple years. The estimated maximum contract value uplift across all the contracts is £109,308,618 which equates to an average 6.84% increase.
- 5.2. The detail of the contracts is set out in Part 2. As funding is approved and the existing contract value is diminished the MPS will seek improved contract benefits as a consequence of the contract value being uplifted.
- 5.3. The proposed initiation of procurement for DNA Sampling Kits is to be via a mini-competition or call off from a national framework or via an open procedure tender under the Public Contracts Regulations.

## **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. As this is an extension of existing services this programme does not change any aspects relating to Data Privacy.

## **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. As this is an extension of existing services this programme does not change any aspects relating to equality or diversity.

**8. Background/supporting papers**

- Appendix 1 Officer Growth Programme 15 – Commercial Contracts Ceiling Value Increase

**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: N/A

**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>Director/Head of Service:</b> The interim MOPAC 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



Date **2/12/2020**



## Officer Growth Programme 15 – Commercial Contracts Ceiling Value Increase

### MOPAC Investment Advisory & Monitoring meeting October 2020

#### Report by Mark Roberts 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*

This Business Justification concerns Commercial impact of the Central Government's September 2019 announcement of funding of an additional 20,000 Police Officers nationally over three financial years of 2020/2021 to 2022/2023. The Met's allocation from the first tranche of officer growth is confirmed by the Home Office reflects Met's allocation of 22.8% of the national growth. Whilst future officer growth numbers are not confirmed, the Met continue to plan based on an ambition to grow by 6,000 officers during this period.

All affected contracts are assessed and evaluated together under the same strategic, economic, and management cases which enables unity and consistency in approach. This option also enables holistic approach to identification of potential risks and application of mitigations.

This approach benefits from reduced administrative burden; whilst it considers commercial and financial cases of each affected contract individually and recommends a decision for each contract individually. The qualitative and quantitative benefits for each contract remain unchanged from their original business cases. With the additional advantage of all identified benefits being extended to the increased level of demand.

#### **Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM) is asked to, subject to release of fund availability and budget release on an annual basis:

1. **Approve** the increase in the value of Contracts listed at part 2 of this paper at total increase of £109,308,618 over 4 financial years equating to 6.84% of the total value of the 33 listed contracts.
2. **Approve** the future option to go to tender for the requirement for DNA Sampling Kit listed at part 2 of this paper and at point 9 herein. The requirement is for 4 years at value of £737K.

- 3. Delegated authority** for the Director of Commercial Services to complete each of the contract extensions during 2020/21 to 2022/2023 within the limits detailed in the contract summary

### **Time sensitivity**

A decision is required from the Deputy Mayor by 30 October 2020. This is in line with the current indicated timescales required for the approval of a paper from the date of submission.

## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

### **Introduction and background**

1. This Business Justification concerns Commercial impact of the Central Government's September 2019 announcement of funding of an additional 20,000 Police Officers nationally over three financial years of 2020/2021 to 2022/2023. The Met's allocation from the first tranche of officer growth is confirmed by the Home Office reflects Met's allocation of 22.8% of the national growth. Whilst future officer growth numbers are not confirmed, the Met continue to plan based on an ambition to grow by 6,000 officers during this period.
2. This Business Justification assesses all impacted contractual agreements that the Met has in place with third party providers and seeks to identify the financial increase or extensions of the time that are necessary on each Contract to enable and support the Met's growth ambitions and operational priorities. This paper also assesses the need for any necessary procurement/tender activity for the identified requirements.

### **Issues for consideration**

3. Not approving this business case will result to:
  - o Failure to deliver the growth in officer numbers; and
  - o Supply Chain's inability to meet demand for both goods and services

### **Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

4. It is anticipated that the following objectives will be achieved:
  - o Delivering the Officer Growth per Central Government's September 2019 announcement;
  - o Delivering Met's corporate strategies in deployment planning and managing the movement of experience across the Met;
  - o Enabling the Met's Supply Chain to meet and deliver Met's business needs; and
  - o Met having already achieved of the anticipated growth numbers for FY 2019-2020, including volumes per both the Home Office and the Mayoral directives.

### **Financial, Commercial and Procurement Comments**

5. Part 2 sets out the expected uplift in the value of the identified contracts relating to officer uplift. At present, there is no further funding available. Therefore, the

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

paper sets out the required value uplift to meet the demand of Officer Growth on the identified contracts. Additional expenditure on these contracts, beyond that already agreed, will only be approved and increased once: a) The Home Office confirms uplift FTE targets for future years; and b) Associated funding for any uplift is confirmed.

6. Value for money is achieved by extending the benefits identified at the original business cases to the increased volume of demand within the identified Contracts.
7. As an extension to an existing service this work does not change any aspects relating to responsible procurement.
8. The identified impacted contracts are specified at part 2 of this paper. The total value of the all identified impacted contracts is per below:

<b>TOTAL VALUES</b>				
<b>Total Number of Contracts</b>	<b>Total Starting Value of all Contracts prior to the Growth Programme</b>	<b>Financial Years</b>	<b>Total Increase</b>	<b>Average % increase across all Contracts</b>
33	£1,597,376,688	FY 19/20 To FY 22/23	£109,308,618	6.84%

Note: Above values are for multiple contracts and multiple years

9. Below table provides detail of the intended procurement action that is also listed at part 2 of this paper.

Requirement	<b>DNA Sampling Kits</b>
Value	£737,000
Term	4 years
Procurement Method	Mini competition / call off from a national framework (being let by the FCN)
Timeline	Expected Commencement Date: 4 <sup>th</sup> February 2021
Further information	Should the national framework, for any reason, not be suitable or available for the MPS, an Open Procedure tender will be run in accordance with the PCR 2015

### Legal Comments

10. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Regulations.



- All awards of, and modifications to, public contracts for goods and/or services valued above £189,330 shall be subject to compliance with the Regulations.
  - Regulation 72 permits modifications to public contracts during their term in a limited number of scenarios.
  - Specifically, 72(1)(a) may be used to modify an existing contract for additional works, services or supplies by the original contractor; and
  - **All Contracts at Part 2 of this paper have been assessed against the requirements of Regulation 72 and all of its applicable sub-clauses and have been confirmed to have met and to have been compliant with the requirements of Procurement Regulations 2015 in the proposed increases in their values.**
11. All identified contracts have been assessed to be compliant with the Public Contracts Regulations 2015 (the Regulations). There are no significant legal implications
12. All identified Contracts have been subject to appropriate consultation and advice from Directorate of Legal Services and where appropriate external solicitors. The output of the legal consultations have been built into all individual appendices. All proposed increases in value of all the contracts are compliant with Public Procurement Regulations 2015 and all planned activities such as increase in values will be conducted in line with the requirements of Public Procurement Regulations 2015 with necessary Contract Transparency publications.

### **Supplier Performance**

13. The performance of Suppliers across all impacted Contracts are and continue to be actively performance managed by the Met to ensure satisfactory and adequate provision of services. There is absolute confidence that the proposed increases to the respective contracts will not adversely impact the performance of these contracts and that appropriate performance measures are in place. Contract values shall not be uplifted in cases where there are any performance issues with the Supplier, unless achievable remedial actions are in place.

### **Value for Money**

14. Achieving value for money and benefits analysis is a Business As Usual (BAU) and continuous activity by Met's commercial function. This is typically ensured by below as well as other commercial procedures available:
- Applying the strategic levers in the existing agreements
  - Taking advantage of existing contractual relationships and goodwill with suppliers
  - Taking advantage of offers and special pricing given by suppliers
  - Negotiating price reductions and preferential terms in order to achieve the best possible outcomes for the MPS

- Benchmarking
- Open Book Accounting

15. The contract values are not increasing at this point in time, and any increases in the value of each contract will happen once the total current value is exhausted and subsequent to the year-by-year review and approval of funding. Negotiations to achieve Value for Moany for each contract will take place at the point in time when the contract value uplifts are necessary. Through these activities Therefore bullet activity is not achievable at this point in time.

### **Equality Comments**

16. As this is an extension of existing services this programme does not change any aspects relating to equality or diversity.

### **Privacy Comments**

17. As this is an extension of existing services this programme does not change any aspects relating to Data Privacy.

### **Real Estate Implications**

18. This programme has no Real Estate Implications.

### **Environmental Implications**

19. This programme has no Environmental Implications.

### **Background/supporting papers**

20. Part 2

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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 “Officer Growth Programme 15 – Commercial Contracts Ceiling Value Increase and /or Extension of Term” paper is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

For advice, please contact the FoIA team.

The paper will cease to be exempt until December 2027.