

REQUEST FOR DMPC DECISION – PCD 267

Title: Ultra-Low Emission Response Cars

Executive Summary:

The Metropolitan Police Service (MPS) are seeking to award contracts for the purchase of Ultra-Low Emission vehicles via the Crown and Commercial Services (CCS) Vehicle Purchase Framework Agreement for an aggregated value of £2.92M, over 24 months.

Recommendation:

The DMPC is asked to

- Approve the award of four contracts for the supply of 125 Ultra-Low Emission Cars:
 - a) The contracts are awarded following a competitive tender process under the CCS Vehicle Purchase Framework Agreement (RM1070 Lot 1)
 - b) The total contract value is £2.92M
 - c) The contract duration is 24 Months
 - d) Capital funding exists in the approved Capital Programme

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

Spive Under

Date

14/11/17

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

Decision required – supporting report

1. Introduction and background

- 1.1. The introduction of 125 Ultra Low Emission vehicles into the fleet is in support of commitments to improve air quality in London. Vehicles supplied from these contracts will be used to replace 125 non-compliant vehicles currently being used within the fleet.
- 1.2. The fuel and emission strategy adopted for this tender stipulated that compliant vehicles would need to utilise hybrid technology and must be capable of traveling in zero emission mode, meet the latest Euro 6 emission standard and have a Co2 of below 50g/km.

2. Issues for consideration

- 2.1. Charging infrastructure points will be installed across the estate as part of this project. In conjunction with the MPS Estates Engineering Team, sites are being surveyed and installation work completion is planned to coincide with delivery of operational vehicles.

3. Financial Comments

- 3.1. The purchase of vehicles and charging infrastructure is fully funded from within the approved Fleet Capital Programme
- 3.2. Further detail is in Part 2

4. Legal Comments

- 4.1. There are no legal implications arising from this proposal.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Report

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

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 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

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

Head of Unit: The Head of Strategic Finance and Resource Management has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	N/A
Financial Advice: The Chief Financial Officer has been consulted on this proposal.	✓
Equalities Advice: No Equality and Diversity issues identified.	✓

OFFICER APPROVAL

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 07/11/17



Part 1

Investment Advisory Board

12th September 2017

CONTRACT AWARD FOR SUPPLY OF ULTRA-LOW EMISSION CARS

**Report by Assistant Commissioner Helen Ball, Professionalism Directorate
on behalf of the Commissioner**

EXECUTIVE SUMMARY

The Metropolitan Police Service (MPS) are seeking to award contracts for the purchase of Ultra-Low Emission vehicles via the Crown and Commercial Services (CCS) Vehicle Purchase Framework Agreement for an aggregated value of £2.92M, over 24 months.

- The framework period is from 2nd December 2014 to 1st December 2018 and the contracts are within the technical and financial scope of the framework (Ref. RM1070).
- The duration of the contracts will be 24 months commencing in October 2017.
- Approval to initiate procurement action was granted by the Deputy Mayor for Policing and Crime on 12th November 2015, as part of the MPS Vehicle Replacement Programme 2016/17.
- The total contract is valued at £2.92M and is £0.02M above the initial approved tender value of £2.9M. This remains affordable within the overall Fleet Capital Programme for 2017/8.
- The Commercial Director has delegated authority to approve the award of all contracts with the exception of those called in through the agreed call in procedure.

Time Sensitivity

A decision is required by 1st October 2017 to allow sufficient time to complete the required commercial activity and award contracts to facilitate the timely replacement of the fleet.

A. RECOMMENDATIONS – that the DMPC

1. Approves the award of four contracts, detailed in Part 2 (Para **Error! Reference source not found.** Table 1), for the supply of 125 Ultra-Low Emission Cars:
 - a) The contracts are awarded following a competitive tender process under the CCS Vehicle Purchase Framework Agreement (RM1070 Lot 1)
 - b) The total contract value is £2.92M
 - c) The contract duration is 24 Months
 - d) Capital funding exists in the approved Capital Programme

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B. SUPPORTING INFORMATION

MOPAC Police and Crime Plan 2017-2021

1. The MPS operates a fleet of 5,108 cars, vans, minibuses, motorcycles, large goods vehicles, marine vessels, along with items of plant and equipment. The fleet is supported by 2,056 pedal cycles which are predominantly allocated to Territorial Policing.
2. The fleet profile and distribution across operational business groups supports the Police and Crime plan and enables the MPS to have a mobile workforce which is capable of: responding to incidents, protecting victims and vulnerable people, transporting officers and equipment across London and the UK.
3. In order to ensure a better police service for London the MPS is committed to;
 - Delivering policing where and when Londoners need it, in their communities, on the move, online at night and work
 - Increase protection for victims and vulnerable people
 - Ensure the MPS meets its national and international strategic policing requirements
 - Keeping children and young people safe
 - Tackling violence against women and girls
 - Standing together against hatred, intolerance and extremism

Air Quality Strategy

4. Fleet Services are soon to publish an Air Quality Strategy 2017-2020 which will support the Mayor's commitment to improve air quality in London and compels the MPS to deploy over 550 ultra-low emission vehicles across the fleet by 2020. It is recognised that due to the varied and fast pace nature of policing, there is no single technology type that will meet all our requirements, as a result we have developed a mosaic approach and all fuel types and propulsion methods will be considered.
5. The introduction of the 550 ultra-low emission vehicles will be implemented in three phases and the first will target the five Mayor's Low Emission Neighbourhoods so that the MPS will contribute to tackling local air quality issues.
6. The fuel and emission strategy adopted for this tender stipulated that compliant vehicles would need to utilise hybrid technology and must be capable of traveling in zero emission mode, meet the latest Euro 6 emission standard and have a Co2 of below 50g/km. The result of the tender is as follows;
 - a) 65 Petrol Range Extender Hybrid Vehicles with a Co2 of 12g/km
 - b) 40 Petrol Hybrid Vehicles with a Co2 of 40g/km
 - c) 20 Petrol Hybrid Vehicles with a Co2 between 46g/km to 49g/km
7. As part of this strategy, 184 electric charge points will be installed across the estate over a two year period, at a cost of £2.10m. In conjunction with the Estates

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Engineering Team, work is underway to have Phase 1 sites surveyed and installation work is expected to commence shortly and will be planned to coincide with delivery of operational vehicles. Funding of the infrastructure will be met from the Fleet Services approved Medium Term Financial Plan and further funds will be sought as part of the annual capital planning process which is due to commence in September 2017.

a)

Fleet Strategy

8. The One Met Fleet Strategy was published in 2014 and set out a four year plan for the direction of the fleet. It established a number of challenges for Fleet Services relating to improving:
 - a) Cost management
 - b) Demand management
 - c) Environmental Impact
 - d) Safety
 - e) Technology
9. This procurement supports the objectives of the fleet strategy in terms of the provision of operationally fit for purpose vehicles. The contractual arrangements allows for changes in the operational requirement as well as not committing the MPS to purchase more vehicles than it needs.
10. Fleet Services continually monitor the size and makeup of the fleet and the contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes.

Procurement Strategy Information

11. Fleet Services will procure the vehicles through the Vehicle Purchase framework RM1070 that was procured by the Crown Commercial Services on behalf of the Cabinet Office in December 2014 and is valid until December 2018. The MOPAC were identified as an eligible user of the framework by reference to it in the OJEU notice 2015/S 008-009193. The requirement set out in this report is within the financial and technical scope of the framework. The MOPAC will comply with the purchasing procedures set out in the framework.
12. The Framework consists of a total of 41 suppliers split through 9 lots and allows MOPAC as a participating authority to complete a call off agreement via a direct award or through mini competitions. This allows the business to be flexible and approach each procurement activity according to fleet category and demand. Further competition against the listed lots is permissible however the Framework specifications comply and meet our needs as an MPS purchaser.
13. The Framework allows for Direct Awards to be made.

Tendering process

14. The Invitation to Tender (ITT) was sent out to all 22 eligible suppliers on Lot 1 of the CCS Framework on 5th May 2017, with responses to be submitted by 26th May 2017.

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15. Five bidders responded to the tender offering fifteen models across three lots.
16. Fleet Services undertook a desktop technical evaluation of the vehicles against the set of published technical mandatory and scored parameters. Out of the vehicles offered, one vehicle was not available to evaluate and six failed to meet one or more mandatory elements and were eliminated from the tender.
17. Following the technical evaluation, Procurement Services released the commercial responses to Fleet Services.

Value for Money Statement (Mandatory)

18. The contract is structured to offer no guaranteed volumes and will allow flexibility to fulfil the operational demand.
19. The MPS has made significant strides to ensure greater ongoing value for money from its fleet and the fleet operated represents a significant proportion of the national policing vehicle market. The Crown Commercial Services Framework allows for the purchase of vehicles directly from the manufacturer, which delivers significant savings over retail prices.
20. Fleet and Procurement Services have made significant efforts to consolidated definite vehicle requirements for periods which enable the MPS to make greater commitment to manufacturers. The volume not only provides a lower purchase price but also leads to a greater consistency in the vehicle model which has a positive impact on the total cost of ownership, achieved by minimising the volume of spares that need storage and the training required to service the fleet. Providing a larger commitment helps to ensure greater consistency of supply as manufactures are more able to schedule the run of an existing model, or provide access to end of model versions at a lower cost.
21. As a result of this both manufacturers offered a further discount totalling £308K, when compared to the standard CCS prices offered.

Responsible Procurement - Environmental Implications

22. We recognise that our operations impact on London's air quality. Therefore, through a new Fleet Services Air Quality Strategy, we are actively seeking to reduce our environmental footprint through the use of Ultra-Low Emission and alternatively fuelled vehicle markets and introducing new technology into the fleet, whilst embracing hybridisation and electrification of our assets. This approach has taken into account the Mayor's Low Emission Neighbourhoods and has placed particular emphasis on these areas.
23. The carbon dioxide emissions of the vehicles purchased through the CCS framework will be significantly lower than the vehicles they are replacing due to advances in the automotive industry technology and the technical criteria of this tender stating that vehicles must be below 50g/km. There will therefore be positive environmental impacts associated with the renewal process which are outlined in the environmental implications in Part 2, Appendix 2 Table C1.

General Contract Information

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24. The contract is structured to offer no guaranteed volumes to ensure flexibility to achieve future fleet profile changes and will be managed by Fleet Services who are responsible for delivery of suitable vehicles to meet the MPS operational requirements.
25. Due to the twenty four month contract length, a number of roles are covered within each contract to enable demand aggregation. To ensure the contracts are fit for purpose over the longer term, Fleet Services need to purchase manufacturer fitted equipment, for example auxiliary batteries, CANbus interfaces during the term of the contract so vehicles can be adapted for specific operational roles. An additional 5% value has therefore been included to ensure this is possible.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

1. Suppliers will be assessed prior to entering into agreements to ensure they comply with relevant legislation. It will be the responsibility of user departments to ensure that the MPS Equality and Diversity policies are adhered to through the life of the contract. Procurement Services have a contract management toolkit that contains a section on Responsible Procurement which encourages contract managers to work with their suppliers, signposting them to support services. Additionally, suppliers may be asked to sign up to the Diversity Works for London Programme which assesses suppliers against the Equality and Diversity framework.
2. Equalities considerations have been taken into account particularly concerning the vehicle manufacturer's cabin space design, which includes seat and seat belt adjustments and steering column adjustments. These considerations are further enhanced through being able to request detailed purchase specifications. The approved company 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 a supplier to MOPAC. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.
3. Fleet Services acknowledges its responsibilities towards its staff and the members of London's diverse communities and will engage with, and value the contributions of, communities and our partners and continue to nurture positive relationships of constructive support.

Financial Implications

4. The MPS is seeking to award four 24 month contracts for the supply of vehicles to the MPS. The estimated value is £2.92M for the purchase of 125 vehicles as set out in Part 2 (Para 1 Table 1) and funding exists in the approved Fleet capital programme. Within the overall fleet capital programme for 2017/18 of £29.0M, there is £5.0M estimated for Ultra-Low Emission vehicles.

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5. The total contract is valued at £2.92M and is £0.02M above the initial tender value of £2.9M, approved by the Deputy Mayor for Policing and Crime on 12th November 2015. This remains affordable within the overall Fleet Capital Programme for 2017/18.

Legal Implications

6. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (the Regulations). When awarding public contracts for goods and services valued at £164,176 or above, all contracting authorities must do so in accordance with the Regulations.
7. This report identifies the Crown Commercial Services (CCS) framework agreement as its preferred route to market. A compliantly procured framework represents a compliant route to market for contracting authorities provided the framework is still in force, the MOPAC is identified as an eligible user of the framework, the MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed
8. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent ('the Scheme') requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above. The report confirms approval was obtained on the 22 September 2016.
9. Paragraph 7.23 of the Scheme states the Strategic Procurement Director may award all contracts with the exception of those called in through the agreed call in procedure.

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Real Estate and Environmental Implications

- 10. The Fleet Services Air Quality Strategy 2017-2020 is aligned to the MPS corporate strategy "Environmental & Sustainability Management Framework 2016-2020" and specifically objective 3 "Reduce Air Quality emissions associated with the estate and the transport fleet". The framework be re-launched shortly as the "Environmental and Sustainability Strategy 2017-2021", although the objectives to reduce air quality emissions will remain unchanged.
- 11. Mayors Climate Change Mitigation and Energy Strategy to address the target to reduce carbon emissions by 60% by 2025 compared to 2005/06 emission levels.

Consultation Undertaken

- 12. Discussion regarding vehicle replacement continues at a local user level as well as through relevant fleet boards which is supportive as per the consultation grid below:

Consultation grid

Key stakeholder engagement (up to what level)	Supportive / Supportive with concerns / Not supportive / Not affected
Director Centrally Delivered Support Services	Supportive
MPS Strategic Fleet Board	Supportive

Report author: Jiggs Bharij, Head of Fleet Services

