

DMPC Decision – PCD 1261

Title: Re-Procurement of Mechanical & Electrical, General Building Works & Locksmiths Services

Executive Summary:

This paper seeks the approval to initiate procurement for the re-provision of Mechanical & Electrical, General Building Works & Locksmiths services. The proposed contract term is for an initial term of four years with two optional 2-year extensions. The estimated contract value over the potential 8 years is £339,000,000, an average of £42,449,863 p.a. The Metropolitan Police Service will contain the spend against this contract from within its budget.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve to re-procure the Service line through a Call off Mini Competition under CCS Framework Agreement RM6232, at a forecast value of £339,598,905 for the full eight year term (4 years base term plus two, two-year optional extensions) at £42,449,863 per annum (this contract value figure includes an allowance for inflation of 4% over the contract period); and
2. Approve to award the contract to the to the most economically advantageous bid, following the compliant mini competition procedure of the CCS Framework Agreement within a 10% tolerance of the values outlined in this paper to be signed off by the MPS Commercial Director.

Deputy Mayor for Policing and Crime

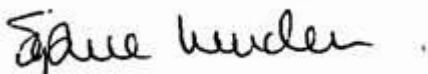
I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

Date

15-9-22



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

1. Introduction and background

- 1.1. The current contracts expire on 29 April 2024. A re-procurement is sought now to enable the tender process to be completed and leave sufficient time for the mobilisation of the successful bidder.

2. Issues for consideration

- 2.1. This re-procurement is for the provision of Mechanical & Electrical, General Building Works & Locksmiths services and consist of planned, statutory, reactive maintenance and small project works.
- 2.2. The procurement will be via one lot to cover all of the MPS estate. The proposed contract term is for an initial term of four years with two optional 2-year extensions. A single lot approach will deliver economies of scale, reduce MPS contract management activity and optimise help desk arrangements and back of house support functions.
- 2.3. The meter reading service included in the existing contract will be removed from this re-procurement in order to enable a separate procurement which will enable greater participation of Small Medium Enterprises (SMEs).
- 2.4. This procurement ensures that property occupied by MPS officers, staff and visitors is maintained in a compliant, secure and fully functioning way which is paramount to supporting operational requirements.

3. Financial Comments

- 3.1. The estimated annual contract value of the proposed awards is £42,600,000 over the upto potential eight contract years this would be £339,000,000. The MPS has assured that it will manage the spend against this contract from within existing planned and reactive budgets.

4. Legal Comments

- 4.1. The Mayor's Office for Policing and Crime ("MOPAC") 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 £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.
- 4.2. MPS Legal Services assure that the MOPAC's route to market is compliant with the Regulations.
- 4.3. 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).

4.4. 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 selection of a single lot approach and upto 8 year term follows a review of the market and industry standards.

5.2. The procurement will be via a mini-competition from the Crown Commercial Services Framework - Facilities Management Marketplace Framework (RM6232). The MPS report that the opportunity for collaboration with the GLA Group was explored but no suitable GLA frameworks were in existence, and that the nature of the functional bodies requirements and their contract timelines did not make collaboration a viable option.

5.3. The mini-competition will include bidders competing based on obligations informed by the London Anchor Institution Charter and GLA Responsible Procurement objectives including compliance with statutory and social obligations of the Modern Slavery Act 2015; payable hourly rates of minimum London Living Wage; deliver local employment within the M25; measured inclusion and diversity ratios within their workforce and meet appropriate D&I thresholds; work towards achieving 80% recycling; have apprenticeship schemes in place; and bring innovations into reducing their carbon footprint whilst working towards carbon net-zero and ensuring they are moving towards and have a plan in place for a vehicle fleet consisting of ULEZ compliant vehicles.

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 there is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

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 consider there to be no negative equality or diversity implications arising from this process, and that 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

9. Appendix 1 MPS Report - Mechanical & Electrical, General Building Works & Locksmiths (MEGBW) – Re-procurement

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: The MPS legal team has been consulted on the proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓
Commercial Issues Commercial issues are covered in the body of the report.	✓
GDPR/Data Privacy GDPR compliance issues are covered in the body of the report .	✓
Drafting Officer Alex Anderson has drafted this report in accordance with MOPAC procedures.	✓
Director/Head of Service: 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

Sanakuchford.

Date 13-9-22

Mechanical & Electrical, General Building Works & Locksmiths (MEGBW) – Re-procurement

MOPAC Investment Advisory & Monitoring meeting – 18th August 2022

Report by the Director of Property Services 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 contracts for the provision of Mechanical & Electrical, General Building Works & Locksmiths services (MEGBW), which consists of planned, statutory, reactive maintenance and small project works have been in place since 2018 and expire on the 29th April 2024.

This paper concerns the re-procurement these (MEGBW) services. The new contract will be procured as 1 Lot to cover the entire MPS Estate but will decouple a single specialist service line (Meter Reading) historically included in this service, to be provided under a separate procurement to enable participation of SME's and achievement of Anchor Institution's objectives.

Approval is sought from Investment Advisory and Monitoring meeting (IAM) to commence re-procurement of this service.

Budget for delivery of this contract will be managed from existing Property Services budget lines so no additional funding is being requested.

Recommendations

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

1. Approve to re-procure the Service line through a Call off Mini Competition under CCS Framework Agreement RM6232, at a forecast value of **£339,598,905** for the full eight year term (4 years base term plus two, two-year optional extensions) at **£42,449,863** per annum (this contract value figure includes an allowance for inflation of 4% over the contract period); and
2. Approve to award the contract to the to the most economically advantageous bid, following the compliant mini competition procedure of the CCS Framework Agreement within a 10% tolerance of the values outlined in this paper to be signed off by the MPS Commercial Director.

Time sensitivity

A decision is required from the Deputy Mayor by 01/09/2022. This is to enable procurement activity to complete before expiry of the existing arrangements.

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

Introduction and background

- a) Contracts for the provision of MEGBW South and North Services were awarded to Equans and Servest respectively in 2018 for a five-year term with options to extend each Contract by two 1-year extensions (5+1+1). The Contracts' initial 5 years terms expire on 29th April 2023; both contracts have been extended by 1 year each to new expiry date of 29th April 2024; during which time a re-procurement exercise will take place.
- b) The outcome of extensive category strategy and market sounding exercises lead to the following recommendations:
 - a. Procure the new contract as 1 Lot to cover the entire MPS Estate; and
 - b. Decouple a single service line (Meter Reading) to be procured under a separate procurement to enable participation of SME's and achievement of Anchor Institution's objectives
 - c. This paper is not requesting additional budget as the contract will be managed within existing PSD Budget

Issues for consideration

The Deputy Mayor for Policing and Crime (DMPC) to take into consideration:

1. The anticipated contract value is based on the historic spend against this service line including contractually provided for Average weekly earnings (AWE) uplifts in the later years and an allowance for continued inflation over the contract period. The value is included to ensure there is headroom in the contract value should inflation continue during the term and are separate from budgets. Full details are included in part 2.
2. **The following benefits are anticipated from the single lot model with single service being removed for separate procurement.**
 - Reduction in helpdesks through transition to one estate wide Helpdesk with an optimised labour pool and structure.
 - Reduction in overall estate wide management structure (Duplication of resources costs mitigated).
 - Back of house support functions optimised (e.g., Health & Safety HS&E, Finance, Commercial, and Supply Chain team etc.)
 - Ability for reduced Governance with one set of monthly meetings, one reporting approach and one monthly consolidated Balanced Score Card.
 - An overall lower administration burden.
 - Reduced costs for subcontractors through economies of scale.
 - Reduction in Authority overheads
 - Reduced risk of TUPE claims / complexity
 - Economy of scale
 - Leaner organisational structure leading to more efficient delivery
 - Small specialist services can be separately provided via SME
3. Contract term/duration of 4 years base term and 2 optional 2 year extensions has been recommended following extensive analysis of the industry standards and The Smart Cube report (The Smart Cube are a specialist provider of market and supply chain analysis).
4. The recommendation from this analysis was that procuring as one lot with the separation of a single service line (meter reading) would ensure quality of service,

good supplier engagement and administrative ease and that it will be strategically, commercially, and economically more effective.

5. The current approach of splitting the MPS Estate into two lots to provide resilience has not resulted in any greater benefit to the Authority; with the additional time and cost of performance management of suppliers there is little or no business case to split the MPS Estate into two lots. The potential option of re-procuring in one lot still enables SME involvement in two ways. The removed single specialist service line with mandated SME involvement will ensure direct SME involvement in that new contract but additionally within the procurement approach to ensure alignment to the Central Government SME action plan providing flexibility and encouraging SMEs to bid and support through the larger main provider as subcontracted specialist delivering specific services within the wider contract. It will furthermore, enable SME supplier continuity with a single supplier in comparison to the condensed service under two lots.
6. In addition, with two lots the Authority loses the benefit of economies of scale whilst incurring duplication of management costs, increased supplier overheads, increased Authority overheads, and the potential for further TUPE complexity & claims.
7. The comprehensive analysis of the lotting strategy, provided a recommendation that the utility meter reading service previously included in the wider scope would be ideal for delivery by a single specialist provider. This recommendation delivers the benefits of improved environmental monitoring and compliance with statutory requirement to report accurately on fuel use, and enables delivery of this service element directly by a SME. It will also allow the Property Services Environmental Team and the Utilities Suppliers to streamline the meter recordings which is essential for MPS's energy reduction strategy.
8. There are several available procurement routes open to the Authority. Following a detailed review of these options the recommended route is to re-procure through a Call Off Mini Competition on the existing CCS RM6232 Framework Agreement.

Contributes to the MOPAC Police & Crime Plan 2022-251

This provision ensures that property occupied by MPS officers, staff and visitors is maintained in a compliant, secure and fully functioning way which is paramount to supporting operational requirements. The provision covers the 32 boroughs of the Greater London area, and a number of other locations outside the geographical area of the MPS.

Financial, Commercial and Procurement Comments

Commercial

The Service line will undergo a mini competition process, and the evaluation criteria will be based on a blend of:

- Technical capability including Responsible Procurement
- Commercial compliance
- Pricing competitiveness

1 <https://www.london.gov.uk/publications/building-safer-london>

This criterion will be adopted on a Call off Competition under CCS Framework Agreement RM6232 to drive value for the Authority.

The Authority will undertake a further review on the evaluation weighting percentages linked to the service being procured to ensure the optimum split between quality and price is included within the tender process. For example, where the service line is more commodity-driven, the Authority may wish to increase the weighting for the pricing evaluation section. In addition, The Authority will review a specific set of tailored technical questions applicable to the procurement of the service line.

Contract term/duration of 4 years base term and 2 optional 2 year extensions has been recommended subsequent extensive analysis of the industry standards and The Smart Cube report. Various contract durations were analysed and compared, this recommendation allows the appropriate length of time (18 months) for the new contract to be mobilised, and to allow an economically viable period for stable delivery of services (30 months) before an optional extension can be considered. Each optional extension period is also recommended to be 24 months so that it maximises involvement from the supplier and enhances their ability for service continuity whilst encouraging a high level of performance (i.e. 12 months gives no incentive to the provider and beyond 24 months risks complacency).

The Deputy Mayor is requested to approve the recommendations in this paper to enable commencement of procurement activities under the Public Contract Regulations (PCR 2015).

Legal Implications

The Mayor's Office for Policing and Crime ("MOPAC") 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 £213,477 or above shall be procured in accordance with the Regulations. This report confirms the value of the proposed contract exceeds this threshold.

The business Justification Paper associated with this re-procurement confirms in section 4 that the MOPAC's route to market is compliant with the Regulations.

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).

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.

Financial Case

Tables indicating full financial summaries are included in the part 2 document which is the full business justification paper.

This paper is not requesting additional budget as the contract will be managed within existing PSD Budget.

The total contract value costs excludes anticipated efficiencies/economies of scale associated with moving to a 1 Lot approach while decoupling a single service line. These potential efficiencies will only be realized following completion of a competitive tender process which will seek to optimise the opportunity for the Authority to secure the benefits identified in paragraph 2 of this paper.

Equality Comments

There are considered to be no negative equality or diversity implications arising from this process negating the requirement to present any mitigation. 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. The evaluation exercise will consider their ability to act as a responsible employer and meet employment obligations deemed commensurate with wider GLA objectives.

In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Inclusion, Diversity and Equality, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

Collaboration

As a public sector contracting body, the Authority is encouraged by central government to collaborate where feasible with other public sector organisations to fulfil their respective requirements.

For the proposed service lines, in order to ensure that all options are considered before approaching the market, numerous reviews were undertaken to ascertain whether collaboration would be possible with another public sector organisation or via an existing Framework Agreement.

Framework agreements available for use by the following organisations have been reviewed:

- Eastern Shires Purchasing Organisation (ESPO)
- North of England Commercial Procurement Collaborative (NHS)
- National Framework Partnership
- Crown Commercial Services (CCS)

Collaboration opportunities were also carefully considered, reviewed, and discussed with the:

- GLA Group

Extensive discussions with the GLA collaboration project team and with LFB highlighted that no suitable framework agreements currently exist within the GLA member organisations that meet the specific operational demands of this contract supporting front line policing. These discussions also highlighted that the nature of the individual requirements and each individual organisation's timelines deemed a collaboration at this specific procurement not a viable option.

Corporate Social Responsibility (CSR) / Social Value (Responsible Procurement)

Corporate and Social Responsibility and achieving Social Value will be of focus on this requirement; to name a few activities of CSR:

- Contractual obligations and close audit of full compliance with statutory and social obligations as at Modern Slavery Act 2015
- Building into the contract payable hourly rates of minimum London Living Wage
- Engaging with suppliers within the local communities within underrepresented groups
- Engaging with London Business Forums
- Adherence with the overriding MPS Environment and Social Policy
<https://www.met.police.uk/SysSiteAssets/foi-media/metropolitan-police/policies/strategy--governance---environmental-policy-ems-002>

Anchor Institution Charter

The following five key objectives agreed by the London Recovery Board shall be considered in this procurement:

- To reverse the pattern of rising unemployment and lost economic growth caused by the economic scarring of Covid-19
- Narrow social, economic and health inequalities
- Help young people to flourish with access to support and opportunities
- Support our communities, including those most impacted by the virus
- Accelerate delivery of a cleaner, greener London

This will be achieved through ensuring that the bidders compete for this contract based on obligations to:

- deliver local employment within the M25;
- measured inclusion and diversity ratios within their workforce and meet appropriate D&I thresholds;
- work towards achieving 80% recycling;
- have apprenticeship schemes in place; and
- bring innovations into reducing their carbon footprint whilst working towards carbon net-zero
- Ensuring they are moving towards and have a plan in place for a vehicle fleet consisting of ULEZ compliant vehicles

Within the procurement exercise the bidders responses will be evaluated on above criteria which will form an integral part of MOPAC's intended contract obligations on the supplier with a

minimum weighing of 10% in line with Procurement Policy Note – Taking Account of Social Value PPN 06/20 and Carbon Reduction Plan PPN 06/21.

The Responsible Procurement elements (including the anchor institution charter) will be worked through together with MOPAC colleagues to be built into the scope of service.

Privacy Comments

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. There is no use of personal information in regard to staff or public within this contract, so there are no GDPR issues.

Real Estate Implications

The maintenance of the estate provided by this contract is critical to the delivery of operational policing from an estate point of view ensuring the safety and health of staff and officers but also complying with statutory obligations for the health safety and welfare of MPS Officers, Staff, Detainees and Visitors as well as others effected by our actions or omissions in this area.

Background/supporting papers

There are no supporting papers included in part 1

Report author: David Field – MPS Property Services

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 Mechanical & Electrical, General Building Works & Locksmiths (MEGBW).
Re-procurement 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).
- The relevant sections under the FOIA that would exempt this information from disclosure,:
 - Commercial Interest Section 43

The paper will cease to be exempt in April 2024