

Decision title

Pumping Appliances Replacement Project – Third Batch

Recommendation by

Assistant Director, Technical and Commercial

Decision Number

LFC-0053-D

NOT PROTECTIVELY MARKED

Summary

This report sets out the process that has been followed for the on-going project to replace the pumping appliance fleet of vehicles and seeks approval for the third batch of 62 appliances to be procured.

Decision

The London Fire Commissioner authorises the Assistant Director Technical and Commercial to place orders under the Vehicles and Equipment Contract with Babcock Critical Services (Babcock) to procure the third batch of sixty-two replacement pumping appliances for £15,324,223.80.

Dany Cotton QFSM
London Fire Commissioner



Date

17 / 8 / 18

Access to Information – Contact Officer

| | |
|-----------|--|
| Name | Steven Adams |
| Telephone | 020 8555 1200 |
| Email | governance@london-fire.gov.uk |

Report title

Pumping Appliances Replacement Project – Third Batch

Report to

London Fire Commissioner

Date

1 August 2018

Report by

Assistant Director, Technical and Commercial

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Summary

This report sets out the process that has been followed for the on-going project to replace the pumping appliance fleet of vehicles and seeks approval for the third batch of 62 appliances to be procured.

Recommendation

The London Fire Commissioner authorises the Assistant Director Technical and Commercial to place orders under the Vehicles and Equipment Contract with Babcock Critical Services (Babcock) to procure the third batch of sixty-two replacement pumping appliances for £15,326,682.19

Background

1. For reasons of age replacement and so as to comply with the Ultra Low Emission Zone (ULEZ) vehicle emission requirements including the Memorandum of Understanding (MoU) with Transport for London (TfL), the London Fire Brigade (LFB) fleet replacement programme includes a project to replace all 188 pumping appliances. This was split into three batches of: 53 in batch one, 73 in batch two, and 62 in batch three.
2. Batch one was completed with all 53 appliances delivered by the end of 2017. The batch two deliveries are on-going, with 19 of the 73 appliances successfully delivered and the remaining appliance deliveries due to be completed by August 2019.
3. Babcock's original tender and supply contract with Emergency One Ltd was for batches one and two, leaving the option for the third batch via a supply contract variation between Babcock and Emergency One Ltd for a further 62 new replacement pumping appliances.

Future Option

4. In relation to procuring the third batch of replacement pumping appliances, at the end of April 2018, Babcock informed LFB of their preferred option, this being a contiguous delivery to be dealt with commercially via change control note to their existing contract with Emergency One Ltd. This was then to supply 62 further new pumping appliances to the same specification as the

batch two appliances. They were also looking to hold the price on the cab conversion and at that time, the Mercedes chassis price needed to be confirmed.

5. LFB's Fleet, Procurement and General Counsel's departments have reviewed Babcock's proposal and agree that Babcock's proposed preferred option is an acceptable procurement process within the terms set out in the overarching Vehicles and Equipment Contract. Subsequently, Babcock were informed that an assured price confirmation was required before a decision could be made.
6. On 27 June 2018, Babcock confirmed to officers that the batch three appliances would be manufactured to the same specification as the batch two new pumping appliances and at the 2017 purchase price of £243,218.02.
7. However, as batch one and two have had additional modifications requested and paid for by LFB, Babcock have advised that these modifications for batch three can be undertaken prior to delivery, but that this will take the price up to £247,164.90 per appliance. The costs of these modifications have already been included in the capital budget.

Advantages

8. The preferred option to supply the 62 further new pumping appliances, a contiguous delivery to be dealt with commercially via change control note contract between Babcock and Emergency One Ltd, provides the following significant advantages to LFB:
 - a. Assurance that the whole pumping appliance fleet will be replaced with EURO VI engined ULEZ compliant vehicles within the timescales of the MoU with TfL and supports LFB's emissions reduction targets. It is anticipated that this proposal would see the 62 appliances in batch three delivered by the end of December 2020, giving a comfortable nine months to protect against any potential slippage in delivery affecting our ability to comply with the ULEZ MoU.
 - b. All structured operator familiarisation for the Series 3 pumping appliances will be completed within the batch two rollout, so no further familiarisation sessions will be required for batch three.
 - c. Consolidated specification across the whole pumping appliance fleet, needing no additional operator training, simplifies and reduces future training needs across all firefighters.
 - d. Known, proven and acceptable performance, capabilities and design across the whole pumping appliance fleet achieves consistency for managing future pumping appliance issues.
 - e. Purchase prices held at 2017 batch two levels provides good value for money for LFB and the value is factored into the Brigade's capital programme.
 - f. Achieves the replacement of the pumping appliance fleet in line with their lifing policy of 12 years. It also releases overstretched engineering resources in both LFB and Babcock to concentrate on other vehicle replacement projects.
 - g. Avoids any expensive short-lived modifications to existing pumping appliances for ULEZ compliance,

- h. Provides consistent repair and maintenance requirements, making the best use of maintenance staff experience and reducing their future training requirements.

Finance comments

- 9. This report seeks approval for the third batch of 62 pumping appliances to be procured. This at a total cost of £15.3m, which is included in the capital programme in 2019/20 and 2020/21.
- 10. This expenditure will be funded through borrowing and the resulting capital financing costs are forecast at £1.6m annually, including £1.3m in repayments of principal and £0.3m in interest payments.

Workforce comments

- 11. Peoples Services have reviewed this paper and do not consider it to raise any perceived workforce issues nor require any Representative Bodies (RBs) consultation, as the proposal is to procure the third batch of appliances with the same specification as previous batches. The RBs will be notified of the proposal.

Legal comments

- 12. General Counsel has reviewed this report and has no comments.

Sustainability implications

- 13. This proposal does not compromise the Zero Emission Pumping Appliance project that was recently approved, as it is based on developing a prototype that is an additional vehicle to the 188 pumping appliances in the fleet.

Equalities implications

- 14. No equalities implications identified.

List of Appendices to this report:

Not applicable.

Consultation [Note: this section is for internal reference only – consultation information for public consideration should be included within the body of the report]

| Name/role | Method consulted |
|--|-------------------------|
| David O'Sullivan - Finance | E-mail |
| Dominic Johnson – Peoples Services – Workforce | E-mail |
| Miles Smith – Legal | E-mail |
| Saminara Rahman – Legal | E-mail |
| Nicole Fletcher | E-mail |
| Paul Davies – Equalities Implications | E-mail |
| Mark Atkinson | E-mail |