

Decision title

CAFM, Helpdesk and Management Information Services

Recommendation by

Assistant Director Property Services

Decision Number

LFC-0371y-D

Protective marking: **OFFICIAL**

Publication status: Published with redactions

Summary

Report LFC-0381y seeks approval of expenditure to procure and award a new contract for a Property Helpdesk, Computer Aided Facilities Management (CAFM) and Management Information (MI) service. This service is required to support the new Target Operating Model for the delivery of Property and Facilities Management (FM) services to the LFB estate following the exit of the current FM Integrator contract with Kellogg, Brown and Root (KBR). Report LFC-0381y follows on from the Property Services Transformation report presented in April 2019 (LFC-0164). The new structure will be supported by the Strategy for Facilities Management Service Provision presented in March 2020 (LFC-307/FRB-0108) which sets out the delivery model proposed.

Collaboration options have been considered for the delivery of this service but no immediate opportunities were identified. Consideration was given to collaborating with the other GLA bodies but MOPAC is considering an alternative broader strategic property arrangement, TfL's existing contracts are part of a TFM offering and do not have the financial bandwidth for LFB to join and GLA utilise TfL's arrangements. None of these options align to LFB's delivery model or are available for use in the required timescales and no suitable frameworks were identified so the service will be sourced through a new procurement. The service is required to go live in March 2021 to coincide with the exit from the KBR contract. The costs for the new service will be met from the existing budget assigned to this element of the current FM Integrator contract.

This proposed change is an integral part of the wider re-structuring and re-organisation of the Property and FM support teams. The new contract will support transformation by delivering a step-change in the management and administration of the FM supply chain, with real time management information, and improved engagement with stations. The proposed model requires significant engagement with LFB IT and Finance to ensure a smooth transition. This will be managed by establishing a working group to deliver the mobilisation of the new service and demobilisation of the KBR contract.

Decision

That the London Fire Commissioner:

1. Approves the expenditure of [REDACTED] for the procurement of a helpdesk and CAFM service contract for a period of 5 years with an option to extend for up to a further two years (i.e. 5 years plus 1 year + 1 year); and
2. Approves to delegate the decision to award the contract referred to in (i) above, following the tender exercise, to the Assistant Director of Technical Services.



Andy Roe

London Fire Commissioner

This decision was remotely
Date signed on Tuesday 03 November

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Report title

CAFM, Helpdesk and Management Information Services

Report to

Corporate Services DB
Commissioner's Board
Deputy Mayor's Fire and Resilience Board
London Fire Commissioner

Date

9 June 2020
17 June 2020
21 July 2020

Report by

Assistant Director Property Services

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Summary

The report seeks approval of expenditure to procure and award a new contract for a Property Helpdesk, Computer Aided Facilities Management (CAFM) and Management Information (MI) service. This service is required to support the new Target Operating Model for the delivery of Property and Facilities Management (FM) services to the LFB estate following the exit of the current FM Integrator contract with Kellogg, Brown and Root (KBR). This report follows on from the Property Services Transformation report presented in April 2019 (LFC-0164). The new structure will be supported by the Strategy for Facilities Management Service Provision presented in March 2020 (LFC-307/FRB-0108) which sets out the delivery model proposed.

Collaboration options have been considered for the delivery of this service but no immediate opportunities were identified. Consideration was given to collaborating with the other GLA bodies but MOPAC is considering an alternative broader strategic property arrangement, TfL's existing contracts are part of a TFM offering and do not have the financial bandwidth for LFB to join and GLA utilise TfL's arrangements. None of these options align to LFB's delivery model or are available for use in the required timescales and no suitable frameworks were identified so the service will be sourced through a new procurement. The service is required to go live in March 2021 to coincide with the exit from the KBR contract. The costs for the new service will be met from the existing budget assigned to this element of the current FM Integrator contract.

This proposed change is an integral part of the wider re-structuring and re-organisation of the Property and FM support teams. The new contract will support transformation by delivering a step-change in the management and administration of the FM supply chain, with real time management information, and improved engagement with stations. The proposed model requires significant engagement with LFB IT and Finance to ensure a smooth transition. This will be managed by

establishing a working group to deliver the mobilisation of the new service and demobilisation of the KBR contract.

Recommended decisions

That the London Fire Commissioner

1. Approves the expenditure of [REDACTED] for the procurement of a helpdesk and CAFM service contract for a period of 5 years with an option to extend for up to a further two years (i.e. 5 years plus 1 year + 1 year); and
2. Approves to delegate the decision to award the contract referred to in (i) above, following the tender exercise, to the Assistant Director of Technical Services.

Background

1. The need to procure and award a new Helpdesk/CAFM/MI service is determined by the exit of the existing FM Integrator Contract with KBR which has been mutually agreed as ending in March 2021. KBR currently provides the Helpdesk/CAFM/MI service as part of a wider FM related contract which was originally procured utilising the MOPAC Framework in 2016.
2. A wider transformation process is underway for the LFB Property and FM function which includes the delivery of a new Target Operating Model and streamlined supply chain services. These are subject to separate reports but this service aligns with that transformation process and will enable the realisation of a number of benefits to the services. This includes improved data transparency, better stakeholder communications and engagement and improved service delivery.
3. A Property Helpdesk and CAFM service is essential for the delivery of all FM related services to the LFB estate and is the common operating methodology utilised by the property and FM sector to conduct business operations. The new service will:
 - provide a means of contacting the LFB Property and FM function and its associated supply chain (on a 24/7/365 basis) to report and record property related faults and issues and collate other related requests. This could be via a number of means including telephone, email and apps;
 - provide a system for the communicating and recording of issues and faults across the LFB estate with the supply chain (on a 24/7/365basis) so as to instruct their services in a timely manner and in accordance with contractual obligations – the Help Desk and CAFM service enables LFB to ensure the supply chain are delivering the contracted obligations which then provides an audit mechanism by which supply chain payments can be made;
 - capture data relating to faults and issues and planned requirements across the estate to ensure a timely and cost effective response by the relevant property and FM supply chain and to use the management information arising to inform future improvements in both service and cost efficiency over time;
 - provide an asset database for the accurate recording of all maintained assets including facilitating the provision of this information to the supply chain;
 - enable the management and monitoring of planned and statutory maintenance obligations of the maintenance supply chain across the LFB estate;
 - provide visibility of compliance status including the ability to evidence compliance through certification and documentation;

- enable payment of invoices to the supply chain – this will be a continuation of the current invoice and payment process which is routed through the KBR CAFM system; and
 - provide a document repository facility to ensure up to date documentation is held in a single place which can be used by any relevant stakeholder e.g. statutory documentation.
4. The intention for this new service is to align the core internal processes of the new provider to the current IT and finance structures in place at present to reduce disruption and enable a smooth transition to a new service provider. This will be implemented by reutilising the existing service plans and ways of working that LFB developed for the FM Integrator contract as the interface between LFB and the supplier currently works well. The new service will also comply with LFC's ICT security, technical and data access policies.
 5. There is however an opportunity to greatly enhance the interface between LFB Property and other stakeholders and to take advantage of any technological developments that have become available since the service was last procured. These will include the improved accessibility of data and reporting and sharing of this with stakeholders and the use of apps to improve communication and access to data. The service is also expected to provide improved MI and the ability to utilise data effectively to inform future decision making.
 6. One of the key issues with the FM Integrator contract with KBR has been the restricted access to data due to the security restrictions. This issue will be addressed through this new service with access to live performance data and dashboards for licensed users which will include premises users being able to access data for their premises. The system will also facilitate sharing of updates on the status of repairs and services and receipt of feedback on the quality of the services; all of these will create an improved customer experience across the LFB estate.
 7. In reviewing the sourcing options for this service, collaboration opportunities have been considered but no immediate opportunities have been identified. The current situation for each of the relevant bodies are detailed below:
 - MOPAC: are currently engaging with other parties but in broad terms are seeking a strategic property solution following the imminent expiry of their Integrator Contract – the scope will include a Helpdesk/CAFM service but only as part of a wider property offer;
 - TfL: have two contracts with an FM provider incorporating a CAFM/Helpdesk/MIS service, but only as part of a wider TFM offer – LFB's operating model is not TFM and therefore the two TFM contracts utilised by TfL are not appropriate. In addition, there is no financial bandwidth in the TfL TFM contracts to permit another London Authority to utilise those agreements;
 - LFB contacted LAS, but there were no opportunities that could be identified to work collaboratively for the distinct service requirement of LFB; and
 - GLA: utilise the TfL arrangements.
 8. In the absence of potential collaborative solutions, alternative sourcing options were considered for the service to determine if there were any options that would provide the required solution. Consideration was given to negotiating an alternative solution with KBR or utilising an existing supply chain contract to provide these services. Neither of these options were viable due to both cost and concerns about compliance with the public contract

regulations. Public sector frameworks were also considered alongside traditional public procurement routes but none were identified that matched the scope of services or provided access to LFB to utilise. As no suitable frameworks were identified it has been determined that a procurement exercise will be necessary to secure these services.

9. Due to the anticipated value of the contract it will be advertised on the Official Journal of the European Union (OJEU) and the procurement will be run via the bluelight portal. A restricted competitive tender procedure is being progressed to ensure all parties that progress have relevant experience of delivering similar requirements.
10. A working group is being formalised for selected LFB stakeholders (primarily Property, Finance, IT, Procurement and Legal) who are required to input into the technical specification and key performance measures of the new contract to ensure all LFB requirements are documented thoroughly.
11. As part of the selection process there will be a mandatory pass /fail questions to ensure any bidders who progress to be invited to return a competitive tender have a proven track record of having already delivered these services. The tender evaluation criteria and weightings will include both a technical evaluation to assess competencies and approach to the delivery of the services and a pricing evaluation for costs and an element to reflect LFB's Responsible Procurement Policy .
12. In order to meet the timetable for award of the contract before the existing provision expires the opportunity will be issued in late July 2020. Tenders will be submitted in September and evaluated in accordance with the published criteria to allow the contract to be awarded in October 2020 following the mandatory standstill period. This allows for a sufficient mobilisation period to enable the system to be populated and processes agreed and communicated ready for the services to go live in March 2021.
13. The proposed term for the new contract is five years with two optional extension years. It is the intention to utilise these two extensions providing service delivery is being achieved and market rates at the time of the extension show value for money is being achieved from the contract. Benchmarking will be included within the contract conditions to enable this to be tested.
14. The estimated costs for this service have been evaluated utilising existing costs relating to the same element of the current KBR contract as well as other external costs provided through benchmarking. The contract will be let on a fixed cost basis for the scope of services. The cost is estimated to be [REDACTED] per annum which results in a total contract cost of [REDACTED] which includes for inflation by 5% compound interest in the 2 potential extension years. This cost aligns with the current costs from the FM Integrator contract for these service elements and can be met from the funding assigned to these services as part of the current FM Integrator contract.
15. In order to ensure a smooth transition to the new service the working group for this procurement will oversee the demobilisation of the FM Integrator Contract and the mobilisation of the new supplier for these services. Various stakeholders will be included in this working group including representative from procurement, general counsel, IT, finance, communications and operational delivery. Part of the responsibilities of the working group will be to ensure the data transfer from the current to new system is completed effectively and that the new system is mobilised and ready for go live in March 2021.

Finance comments

16. The report requests approval for [REDACTED] of expenditure for the procurement of the Property Helpdesk, Computer Aided Facilities Management (CAFM) and Management Information (MI) service by the successful bidder. The proposed contract is for five years with two optional 12-month extensions, and approval is sought for the full seven years.
17. The total contract over five years is has been estimated at [REDACTED] and this has been estimated using external benchmarking data and reviewing existing costs incurred under the current contract. An inflationary increase estimated at 5% compound interest has been included for the two optional extensions. The costs align with the current FM Integrator contract for these service elements and can therefore be met from existing property budgets.

Workforce comments

18. There are no direct implications associated with this report requiring consultation. This report recommends a service currently provided by a third party is procured to be provided by a new service partner. TUPE implications from this change in service will be addressed within the tender process in the usual way, and captured as necessary in the contract documentation.

Legal comments

19. The reports seeks approval of expenditure in order to procure and award a contract for Computer Aided Facilities Management and Management Information Services.
20. Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office.
21. Section 1 of the Fire and Rescue Services Act 2004 (the "2004 Act") states that the Commissioner is the fire and rescue authority for Greater London. Under section 7 (2)(a) of the 2004 Act, the Commissioner has the power to secure the provision of personnel, services and equipment necessary to efficiently meet all normal requirements for firefighting. The procurement of the contract is in keeping with the above and the Commissioner's powers under section 5A of the Fire and Rescue Services Act 2004 to procure services they consider appropriate for purposes incidental to their functional purposes.
22. Section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, states the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.
23. By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").
24. Paragraph (b) of Part 2 of the said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...". Based on

the values set out in this report, the Deputy Mayor's approval is accordingly required for the London Fire Commissioner to procure and award this contract.

25. The report confirms various routes to market were explored with relevant stakeholders including General Counsel's Department prior to recommending the preferred route through advertisement in OJEU. Procurement experts and relevant stakeholders will continue to be involved in relation the tender process, and this will ensure the conduct of the procurement exercise, and the subsequent contract award is compliant with the Public Contract Regulations 2015. TUPE Regulations 2006 (as amended) may also be relevant. This will be taken into account during the re-procurement process.
26. In accordance with the LFC's Scheme of Governance (1 May 2020) ("Scheme"), the approval of expenditure in excess of £0.5m for a non-routine contract must be approved by the Commissioner. However, it is of note, a commitment of expenditure of £150k and above still requires the prior approval of the Deputy Mayor under the London Fire Commissioner Governance Direction ("Mayoral Direction, 2018").
27. The decision to delegate the contract award following the tender exercise to the Assistant Director of Technical Services falls within the Commissioner's powers to make specific or general delegations under section 1.2 of the LFC's Scheme of Governance (1 May 2020).

Sustainability implications

28. The contract will be procured in line with our Responsible Procurement policy including the application of employment and skills requirements.

Equalities implications

29. The London Fire Commissioner and decision takers are required to have due regard to the Public Sector Equality Duty (s149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
30. It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
31. The protected characteristics are: Age, Disability, Gender reassignment, Pregnancy and maternity, Marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), Race (ethnic or national origins, colour or nationality), Religion or belief (including lack of belief), Sex, Sexual orientation.
32. The Public Sector Equality Duty requires us, in the exercise of all our functions (i.e. everything we do), to have due regard to the need to:
 - a) Eliminate discrimination, harassment and victimisation and other prohibited conduct.
 - b) Advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.

- c) Foster good relations between people who share a relevant protected characteristic and persons who do not share it.
 - d) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - e) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic;
 - f) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - g) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
33. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
34. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—
- a) tackle prejudice, and
 - b) promote understanding.
35. An Equality Impact Assessment (EIA) will be completed by the working group as required to ensure any impacts are captured and addressed.

List of Appendices

Appendix	Title	Protective Marking
	None	