
Procurement of Estates Professional Services

Report to

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

Date

9 November 2021
17 November 2021
7 December 2021

Report classification

For Decision

The subject matter of this report deals with the following LFB strategic priorities

Delivering excellence
The Best People and the Best Place to Work
Outward Facing

The procurement of new Estates Professional Services (EPS) consultancy contract will enable the provision of estate management services to optimise the value and potential of the London Fire Commissioner's (LFC) estate. The proposed contract will be procured using the Crown Commercial Services EPS framework agreement which is designed to ensure a high standard of professional and expert services are delivered.

An essential output from this contract will be the creation of an estate strategy which delivers against LFC strategic priorities and is aligned to objectives within the Transformation Delivery Plan (TDP), the Grenfell Tower Inquiry/Her Majesty's Inspectorate for Constabulary and Fire and Rescue Services (GTI/HMICFRS) Action Plan and LFB's Togetherness Strategy. LFB's forthcoming Community Risk Management Plan (CRMP) and Target Operating Model (TOM) will also inform the estate strategy and how LFB's estate supports service delivery, workplace and accessibility priorities to its workforce and the public it serves.

Report number – LFC-0624y

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER

I agree the recommended decision below.



Andy Roe
London Fire Commissioner

Date

This decision was signed remotely
on 1 April 2022

Executive Summary

The report seeks approval of expenditure to award a single contract for Estates Professional Services from the dedicated Crown Commercial Services (CCS) Framework. The recommended contract structure is for a single supplier to provide the core contract services. Should a potential or actual conflict of interest be identified, or concerns exist with performance, the contract will allow an alternative supplier to provide the required services. Non-core services are not presumed to default to the contracted supplier, however it is intended that the main supplier will become the provider to the LFC for all EPS requirements. There will be a variable element on this procurement to meet non-core/bespoke estates services requirements which are currently unknown such as any future re-development consultancy support which may be required as an outcome of a future LFB estates strategy. In this case non-core/bespoke requirements would be progressed utilising extant LFC governance where financial thresholds apply. Non-core services will be funded by the LFB Property budget or through LFC's governance processes dependent on the requirement.

The CCS framework has been selected based on the outcome of collaboration discussions with the GLA Group. The term of the proposed contract is for a period of five years to ensure estates professional service provision in support of the lease end for the LFB Headquarters at 169 Union Street in March 2027. The proposed cost of the new EPS contract reflects the savings on the core services already through the recruitment of a general practice RICS qualified surveyor within Property department.

For the London Fire Commissioner

The London Fire Commissioner delegates authority to the Assistant Director Property to commit expenditure of up to the amount set out in the Part 2 report and enter into a contract for the purposes of procuring and awarding a new Estates Professional Services contract from the Crown Commercial Services Framework.

1. Introduction and background

- 1.1. The LFB estate portfolio comprises of 109 buildings across London on a borough-based structure aligned to London local authority boundaries to maximise partnership working with local authorities, other emergency services and the voluntary sector. There is a wide variation of property ages, constructions and tenures across the portfolio. Across the estate there are 70 leases and licences of occupation.
- 1.2. LFB's estate management team within Property Services operates a core in-house function that relies on the support of an external supply chain of expert professional advisors. For all commercial and residential estate related matters professional advisors are essential in supporting effective management across the required specialisms. These include matters such as planning, rating, valuation and transactions
- 1.3. In January 2017 the London Fire and Emergency Planning Authority (LFEPA – FEP 2688) approved the appointment of consultants Dron and Wright for the provision of EPS and entered into a contract for 3.5 years with an option to extend by 2 years. Provision was made to enact this extension (LFC - 0377). The need to procure and award a new contract is determined by the current contract expiry on 30 September 2022.
- 1.4. The current EPS contract has been delivered by the same supplier to LFC for more than 20 years. This contract provides a defined range of asset management services, primarily on an hourly rate pricing model. Specialist estates services which support areas such as management of the LFC's vertical

(telecoms) rental estate, planning advice and the provision of rating valuations and appeals are sub-contracted out to external suppliers.

- 1.5. To meet the operational requirements that have been identified under GTI/HMICFRS action plan and LFC's Carbon Reduction Strategy (LFC 0256), investment is planned to assist in transforming LFC's estate to support the longer-term needs of the LFC.
- 1.6. The proposed new contract specification reflects the CCS Framework specification and provides an enhanced range of professional services for LFB to access. The proposed structure for the delivery of these services is a split between core and non-core services. The supplier selected from the CCS framework will be the only supplier responsible for providing all the core services. Non-core services are not presumed to default to the main supplier however it is anticipated this supplier will become an intelligent provider to LFB for all professional requirements.
- 1.7. It is proposed that new contract terms will allow for specific circumstances within both the core and non-core services where an alternative provider to the main supplier may be used or to allow LFB to self-perform. These would include if there is a conflict of interest or to leverage specific geographic/local expertise.
- 1.8. The contract specification from the CCS is designed to deliver savings through its competitive rates and structure of the pricing models and continuous improvement measures. Some of the services are incentivised based on the level of savings achieved including rent negotiations and rating challenges. The following pricing methodologies will be applied to the various services depending on the requirement:
 - Hourly rates by discipline.
 - Incentive/percentage fee which has a minimum fee and a capped maximum fee or initial fixed fee for consultation which is then discounted from a final percentage fee
 - Fixed fee per service
- 1.9. Table A provides an overview of the proposed contract structure, services and cost basis.

Table A – Scope and structure of Estates Professional Services

Service Area	Service type	Proposed fee structure	Summary
Property Data management and auditing	Core	Fixed	Responsibility for managing and maintaining the LFB estate information within the LFB Property Portal, ensuring that it is current and accurate.
Property management and general advice	Core	Various depending on service	Management of events to include rent reviews, lease renewals, dilapidations, lease obligations and other events such as neighbourly matters which may impact on continuing occupation of the property by LFB or a tenant.
Valuation	Core	Fixed	Valuation in accordance with the latest edition of the RICS Appraisal and Valuation Standards manual (the "Red Book") for the purposes of disposal, insurance, annual asset valuation to support LFB's financial accounting guidelines.
Rating	Core	Incentive fee	Proactive advice to mitigate changes in rates liability. Forecasting and checking rate refund calculations from the billing authority and checking interest payment calculations issued by the billing authority.

Acquisition and Disposal	Core	Percentage value	Supplier shall provide an initial report which takes into account market conditions and risks. The Supplier shall undertake and manage transaction including any need for claw back, with advice on amounts and mechanism.
Strategic advice	Core	Hours	Provide strategic advice and develop a comprehensive estate strategy which optimises uses of LFB estate including procurement and whole life value for money decisions.
Tenant management including the Single Persons Quarters	Core	Fixed cost	All aspects of commercial and residential landlord and tenant management including rent collection services.
Other services	Non-Core	Various depending on service	Development consultancy, vertical estate (telecoms), planning, compulsory purchase, party wall, workplace planning, property financing (PFI), accounts payable

2. Objectives and expected outcomes

- 2.1. The implementation of the new EPS contract will be a key enabler in upgrading the scope and quality of LFB estates data to ensure improved performance data is achievable as part of EPS provision. The new contract will provide:
- independent professional advice to support decision making
 - an effective commissioning and fee structure aligned to industry standards
 - verified accurate data to enable effective estates performance management
 - protection for the position of LFB for example on matters of town planning consents
 - the opportunity to minimise cost of management and operation of the estate e.g. via business ratings appeals.
 - protecting the position of the LFC on matters of town planning consents and compliance.
 - achieving best value on transactions such as acquisitions and disposals;
 - ensuring compliance with landlord and tenant requirements;
 - maintaining accurate valuations of the estate.
- 2.2. The new EPS supplier will be integral in developing the new LFB estates strategy to identify and optimise opportunity, utilisation and collaboration as well as ensuring flexibility to respond to changes in operational and service delivery needs. As part of LFB's response to GTI/HMICRS recommendations, the TDP has committed to developing a new estates strategy (TDP45). The objective will be to align LFB's estates portfolio with the forthcoming Community Risk Management Plan (CRMP) and planned delivery of the Target Operating Model (TOM).
- 2.3. Having reviewed the major lease events which will require a significant input and support of the new EPS supplier, the term of the proposed contract is for a period of five years with the inclusion of detailed performance regime to maintain service delivery at the required level or better. This format is to assure unrestricted estates professional service provision in support of the major lease end for the LFB Headquarters at 169 Union Street in March 2027.
- 2.4. In reviewing the sourcing options for this contract, a professional services working group was set up to establish feasibility of collaborating across the GLA Group and several frameworks were reviewed. These included frameworks set up by the Ministry of Housing, Communities and Local Government (Homes England Property Professional Service Framework) and Transport for London (TfL Property and Development Consultancy Framework).

- 2.5. The Metropolitan Police Service have opted to procure via the Homes England Property Professional Service framework. This specification is not as well aligned to the LFB requirement as the CCS framework. Discussions took place with TfL to identify if there was an opportunity to work together for this specific procurement. TfL's use of the CCS framework is aligned to an 'on-demand' model which facilitates ad-hoc call off arrangements to support larger projects and does not support an ongoing 'business as usual' EPS provision which LFB require.
- 2.6. There was a willingness to work together, however the estimated timelines for the partner bodies would create an unacceptable delay to the LFB programme and the fixed start for the new contract. Therefore, collaboration at this time was not considered feasible. However, LFB will share its specification to assist in the development of the tender documents for other partner bodies. The Crown Commercial Services (CCS) Framework was reviewed and provided all the service areas required by LFB. LFB has selected to use the CCS Framework, which aligns with TfL's engagement with CCS, although not in the form of a single procurement opportunity,

3. Equality comments

- 3.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 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.
- 3.2 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.
- 3.3 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, and sexual orientation.
- 3.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
 - eliminate discrimination, harassment and victimisation and other prohibited conduct
 - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
 - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5 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:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - 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
 - 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.
- 3.6 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.

- 3.7 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:
- tackle prejudice
 - promote understanding.
- 3.8 As an outcome of consultation with the Strategic Inclusion manager, an Equality Impact Assessment (EIA) has not been undertaken in respect of this procurement. The procurement is being undertaken solely to enter into a new contract as the existing contract term is coming to an end in September 2022. From an end user perspective, the service transition should be completely transparent and have no negative impact to any individual and/or group safeguarded by a protected characteristic and those who are not. If, as a result of the progression of this procurement programme, an equality impact is identified a full Equality Impact Assessment will be implemented.

4. Other Considerations

Workforce comments

- 4.1 It is not anticipated that there will be any workforce implications associated with this contract procurement. Any potential TUPE obligations would be upon the new EPS provider and not the responsibility of LFB.

Sustainability comments

- 4.2 The CCS frameworks require suppliers to demonstrate they are committed to tackling modern slavery and have considered the key policy considerations regarding sustainability.

Procurement comments

- 4.3 The CCS framework agreement does not include within its range of suppliers the current provider of estates management services to LFB. As a result of the extended duration of LFB's relationship with the current estates professional services provider, early consideration has been given to protecting the LFB's corporate memory and ensuring an effective data transfer process can take place. LFB officers have initiated a request to Dron and Wright as the current EPS provider to engage and agree a robust de-mobilising action plan which supports the procurement programme timescales and mobilisation of the new contract.
- 4.4 The CCS framework has a number of Lots covering the services required by LFB and the final choice of the Lot will be determined once the specification is finalised. All suppliers who are included in the chosen Lot will be asked if they wish to take part in a mini competition and all those that confirm that they wish to participate will be sent the tender documents. An agreed procurement activities programme (Appendix 1) is in place to ensure a timely contract award and transition. The evaluation will include a range of quality criteria (including Responsible Procurement) linked to the delivery of the services as well as a detailed pricing model to ensure value for money is maximised. The winning bidder will be the supplier that achieves the combined highest score for these criteria.
- 4.5 The framework call off will be for a period of 5 years. This is due to the crucial professional service required to support the optimum solution regarding the renewal or surrender of the Union Street lease which expires early in 2027. The Public Contracts Regulations allow for this approach as long as the reasons are clearly stated.
- 4.6 As property-based transactions can often take several months and may have an unknown completion date, this could result in specific projects that overlap the contract end date. The intention is for the new supplier to take over all LFB estates services. The outcome of a successful de-mobilising action plan will

inform if any legacy projects require retention with the current providers. If this is the case a separate contractual agreement will be required.

Financial comments

5.1 The current transactional activity in the estate and previous cost of services is the basis for the estimated cost of this contract in Part 2.

Legal comments

- 6.1 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. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, 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.
- 6.2 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").
- 6.3 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...".
- 6.4 The Deputy Mayor's prior approval is accordingly required.
- 6.5 The statutory basis for the actions proposed in this report is provided by section 5A of the Fire and Rescue Services Act 2004, under which the London Fire Commissioner, being a 'relevant authority', may do 'anything it considers appropriate for the purposes of the carrying out of any of its functions'.
- 6.6 The proposed procurement routes for the services as discussed in this report are compliant with the Public Contracts Regulations 2015 and the London Fire Commissioner's Scheme of Governance (Part 3 Standing Orders Relating To Procurement).

List of Appendices

Appendix	Title	Open or confidential
1.	EPS Procurement Programme	Open

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES/NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer

Judith Cosaitis has drafted this report and confirms the following:

Assistant Director/Head of Service

Laura Birnbaum has reviewed the documentation and is satisfied for it to be referred to Board for consideration.

Advice

The Finance and Legal teams have commented on this proposal.

Appendix 1: EPS Procurement Programme



Estates Professional Services
Procurement Programme

Task ID	Task	Sub-Task/ Description	Owner	Dates	Notes
1	Procurement Initiation		JC / CP		
	Explore collaboration opportunities	GLA collaboration	JT / JR	September	
	Explore framework options	CCS, TFL, Homes England	JT / JR	September	
	Determine procurement route	Decision re framework & approach	ALL	30th Sept	
	Procurement Request Form approval	Approval to procure services	JC	September	
	Tender Request Form submitted	For adding to contract register	CP	September	
2	Procurement Preparation		CP	October - April	
	Review meetings	Regular progress review meetings			To be scheduled weekly
	Meet CCS to understand framework	To understand docs and process	JT / CP	30th Sept	
	Specification				
	Initial draft specification	Prepare draft specification	CP	22nd October	Based on examples provided
	Specification workshop	To discuss key elements of spec	CP	5th November	
	Review of draft specification	To complete gaps & provide comments	ALL	19th November	Two weeks allowed
	Finalise specification	Final version to be created	CP	10th December	
	Key Performance Indicators				
	KPI workshop	Initial workshop to agree key elements	ALL	22nd November	
	Draft KPIs	Create initial draft	CP	3rd December	
	Finalise KPIs	Final version to be created	CP	17th December	
	Pricing Model				
	Pricing model workshop	Initial workshop to agree quantities etc	ALL	22nd October	
	Draft pricing model developed	Develop draft from feedback	CP	26th November	
	Pricing model finalised	Final draft created	CP	17th December	
	Evaluation Criteria and Process				
	Evaluation workshop	Discuss evaluation principles and criteria	ALL	10th December	
	Draft evaluation criteria	Create initial draft	CP	17th December	
	Finalise evaluation criteria	Create final evaluation criteria	CP	14th January	
	Agree evaluators and process	Agree evaluators and process	CP	31st January	
	Soft Market Test				
	Approach CCS market to determine interest	Via CCS	CP	30th November	To be concluded by end of November
	Tender Docs				
	TUPE position clarified	Confirm TUPE position	JT	14th January	
	Contract documents reviewed	Legal and procurement review of schedules	JT / CP	14th January	
	Conditions of contract agreed	Agree conditions of contract to apply	JT	14th January	
	Amendments to contract documents	Amend final suite of docs as required	JT / CP	31st January	
	Dry run evaluation and pricing model	Desk check on pricing model and evaluation weightings	JT / CP	14th January	
	Draft ITT	Create draft ITT docs	JT	31st January	
	Finalise ITT	Create final ITT docs	JT	11th February	
	Data room to be created and populated	Populate data room with docs required for tender	JT / CP	11th February	
3	Governance Process	Approval for procurement & award	JC		
	Add report to forward register	Schedule report on forward register	JC	August	
	Draft report	Report to be drafted	JC	September - October	
	Circulate report for comments	Draft report shared with stakeholders	JC	29th October	
	Finalise report for CDSB despatch	Final report to be dispatched	JC	4th November	CDSB 9 Nov, CB 17 Nov, DMFRB 7 Dec
	LFC final governance approval	Final report approval	JC	14th February	
4	Procurement Process	Procurement Process	CP	8th April - 20th May	6 weeks allowed
	Tender launched	Launch date of tender	JT	8th April	
	Mid tender meetings	Meetings with bidders during process	CP	13th May	2 proposed by procurement during process
	Clarification Period	Period for bidders clarifications	CP / JT	13th May	18th April - 13th May
	Deadline for clarification responses	Deadline for all clarification responses	JT	13th May	JT advised to close 1 week before end
	Tenders submitted	Date for tender submissions	JT	20th May	
5	Evaluation and Award	Evaluation and award of contract	CP	23rd May - 1st July	6 weeks allowed
	Evaluators initial mtg and training	Meeting to finalise process	JT	23rd May	
	Overall compliance check on tenders	Compliance review on docs	JT	27th May	
	Evaluation period	Period for evaluation	ALL	10th June	3 weeks allowed - 23rd May to 10th June
	Clarifications	Clarifications to be issued to bidders	JT	10th June	Concurrent with evaluation period
	Moderation period	Moderation of scores	JT	17th June	1 week allowed
	Award recommendation drafted	Draft final outcome and recommendation report	CP	24th June	1 week allowed
	Approval to award	Approval from HoS to award	CP	30th June	1 week allowed
	Outcome communicated and feedback letters issued	Outcome communicated to bidders	JT	1st July	
6	Mobilisation	Mobilisation ready for go live		4th July - 30th Sept	3 months allowed
	Initial meeting with successful bidder	Mobilisation kick off mtg		8th July	
	Obtain copy of mobilisation plan from new supplier	First draft mobilisation plan shared		8th July	
	Align mobilisation and demobilisation plans	Review of demob and mob plans		15th July	
	Finalise mobilisation plan	Final version of plan agreed		15th July	
	Agree mobilisation governance	Reporting, meetings etc		15th July	
	Mobilisation meetings	Regular review meetings with bidder			As usual weekly
	Prepare final contract for issue to supplier	Draft contract	JT	15th July	
	Supplier Contract Signature	Bidder to sign contract		22nd July	
	LFB Contract Signature	LFB to sign contract	JT	29th July	
	Agree invoice and payment processes	Agree payment processes for contract		29th July	
	Raise purchase order	Raise purchase order to make payments		31st August	
	Agree reporting requirements	Agree reports and docs during contract		31st August	
	Training on property portal	Training on system		31st August	
7	Contract Go-Live Date			30th Sept	D&W expires 30 September 2022

