

Operational Equipment Management System

Report to:

Date:

Commissioner's Board (by email)

Deputy Mayor's Fire and Resilience Board (by email)

Report by:

Laura Birnbaum – Head of Technical Service Support & Property

Report classification:

For decision

For publication

I agree the recommended decision below.



Andy Roe

London Fire Commissioner

Date This decision was remotely signed on 20 December 2023

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

This report seeks approval to revise the financial commitment approved in LFC23-006y and DMFD193 for a new equipment management system from which London Fire Brigade (LFB) can more effectively and efficiently manage its operational equipment. As set out in the previous London Fire Commissioner (LFC) decision, this will result in the mitigation of significant health and safety risks, more efficient maintenance processes and the replacement of redundant existing systems. It is anticipated that the new system could enable a reduction in the equipment budget, logistics costs and mileage.

For the Deputy Mayor

That the Deputy Mayor for Fire and Resilience authorises the London Fire Commissioner (LFC) to commit revised expenditure of up to the amount specified in the Part Two report inclusive of all project, resourcing and contract costs for the purposes of procuring an asset management system and associated hardware.

For the London Fire Commissioner

The LFC agrees that a contract for an asset management system for operational equipment and warehousing be entered into for five years for the amount set out in Part Two of the report.

The London Fire Commissioner agrees to delegate all procurement activity for the programme listed in Part Two to the Assistant Director of Property and TSS once the revised expenditure has been approved.

1 Introduction and background

- 1.1 In 2023, the LFC granted approval (LFC23-006y), following prior approval received from the Deputy Mayor for Fire and Resilience (DMFD193), to commit expenditure of up to an amount

specified in the Part 2 report for the procurement of an asset management system (AMS) and associated hardware based on an in-house delivery/tagging model by London Fire Brigade (LFB) operational staff.

- 1.2 A contractor was subsequently appointed for the supply, development, implementation and support of an asset management system, subject to the final solution costs meeting financial governance requirements.
- 1.3 A fully costed solution was proposed to LFB based on a turnkey implementation model including full asset tagging. Prior engagement with North Yorkshire Fire and Rescue Service and an understanding of the complexity of the proposed system identified that hiring and training LFB staff to implement the system was not a feasible delivery model and outsourcing would exceed the financial commitment in the London Fire Commissioner decision (LFC23-006y).
- 1.4 LFB therefore assessed alternative options and costings with the supplier for the implementation of an outsourced turnkey delivery solution for the tagging of assets by the supplier of the AMS.
- 1.5 A preferred option (set out in the Part Two report including costings) has been identified which maintains the operational benefits that were included within the original LFC and Deputy Mayor for Fire and Resilience decisions. The additional cost of implementation which is set out in the Part Two report will be funded from a deferred saving within the Operations Support Group (OSG) budget.

2 Objectives and Expected Outcomes.

- 2.1 The project will mitigate the risks identified in the introduction.
- 2.2 The solution will advance the Brigade towards its objectives under the Learning From you Pillar of the Transformation Plan, specifically commitment 6 'We will work together to provide the best possible service to meet your needs'. Early engagement across the Brigade has resulted in positive feedback regarding the proposal from all departments both operationally and non-operationally, as a result collaboration around specifying a solution has been positive and proactive throughout the organisation.
- 2.3 The outcome will be to provide the Brigade with a new equipment management system. The system will provide a software solution to track each item of equipment, maintain maintenance records, life cycle costings and service details. The software will also enable firefighters to raise equipment maintenance jobs, transfer equipment between appliances and report any issues. Additionally, the system will be used to collate all requests for new equipment or service requests to intelligently route the day van service eliminating the need to visit stations unnecessarily.
- 2.4 Equipment will be provided with a unique identity using tags, scanning hardware will also be procured to read the tags intelligently and efficiently. This solution would also align the Brigade to other blue light partners such as the LAS and other Fire and Rescue Services.
- 2.5 A further benefit of employing this solution is the potential for cost saving in relation to a reduction of the amount of equipment held within the Brigade due to the removal of stockpiling of equipment, lower fuel consumption due to a reduction of day van service miles, and the ability of the Brigade to procure with accurate historical data in the future.
- 2.6 It is proposed that the project will work to the following milestones, subject to agreement with project stakeholders and the preferred supplier once selected through competitive tender.

Milestone	Date
Specification started	January 2023
Specifications complete	March 2023
Tender design complete	April 2023
Tender complete	June 2023

Contract Award	December 2023 /January 2024
Roll out commences	March 2024
Roll out complete	March 2025

3 Financial Comments

- 3.1** This report requests approval to procure and contract out, the full implementation of an Equipment Management System within a budget as detailed in Part Two of this report.
- 3.2** Funding will be met from existing LFB budget and there are no direct financial implications to the GLA arising from this report.
- 3.3** Should it become necessary, it is expected any annual inflationary increases within the procurement period will be based around the Retail Price Index (RPI). It is expected that the contingency would be utilised to account for any inflationary increases.
- 3.4** All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process for 2024/25. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve.
- 3.5** LFC standard terms and conditions include clauses on indexation and termination that can be utilised if inflationary pressures affect the performance of the contract. If a contract is no longer viable then LFC will seek to terminate it on this basis or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation as such pressures apply across the market so it is unlikely that benefits will be gained from terminating a contract in order to go back out for competition.

4. Options

- 4.1.** In considering the investment required officers from TSS team explored a shortlist of three options from a long list of five options. The options are detailed within the business case, they range from the current delivery model to implementing a full management system. Having reviewed the options available it was concluded that the most effective option, that would result in the best mitigation of safety risks, and most efficient operation of Brigade equipment, was the option to implement a full equipment management system. The proposed solution will result in the ability for the Brigade to deliver the greatest level of efficiency and subsequent savings.

5. Equality Comments

- 5.1** 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.
- 5.2** 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.
- 5.3** 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.

- 5.4** 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.
- 5.5** 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.
- 5.6** 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.
- 5.7** 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.
- 5.8** The implementation of the proposed system will require consideration from the suppliers with regard to accessibility relating to the use of computers, display screens and ICT infrastructure to ensure that the system can be operated by people who share a protected characteristic. This will be considered within the specification, tender and solution.

6. Other Considerations

Workforce Comments

- 6.1** The project will consult with representative bodies as required to consider the impacts of policy change and the implementation of the proposed system. Representation from operations will be included within the project board alongside dedicated project resource support.

Sustainability Comments

- 6.2** The recommended solution will require the procurement of ICT hardware, this category of procurement has the potential for harm to both the environment through the use of rare materials and also to individuals in the form of modern slavery in the production of the equipment required.
- 6.3** The specification and tender documentation will outline the safeguards and standards that the LFC expects suppliers to adhere to in removing these harms from their supply chain, the tender returns will be scored against their satisfaction of these requirements.

- 6.4 Additionally, this project will support the reduction of waste in the operational equipment category and significantly reduce mileage for both appliances and the day van service resulting in improvements towards the brigade carbon zero targets.
- 6.5 Where new policies and/or corporate projects arise, they are subject to the Brigade's sustainable development impact assessment process.

Procurement Comments

- 6.6 The procurement and Commercial Team are involved to enable an appropriate solution to be delivered to provide information and control over all the assets covered by the specification. Several routes to market are being considered including accessing appropriate framework contracts available across the public sector. A competitive procurement is planned, and evaluation will include a mix of price, technical solution, and responsible procurement to deliver overall value for money. A project board has been established to help to guide the project including the procurement method of the solution. All the procurement activities will be carried out in accordance with Section 3 of Standing Orders relating to Procurement and the Public Contract Regulations 2015.
- 6.7 A minimum contract period of five years is recommended to allow the successful bidder to apportion the contract costs over a more reasonable period. Liaison with representatives from LFB's ICT function will be carried out to ensure that their advice and guidance with respect to the IT part of the specification is included. This will help to enable any solution to be future proof as far as is practicable with the ability to communicate with new systems as they are added across LFB in the future.

Communications Comments

- 6.8 The project will involve changes to policy and to processes utilised on a daily basis. Changes to these policies and how to follow the new processes will need to be communicated to all stakeholders.
- 6.9 The stakeholder base will need to be aware of these changes to enable them to interact with the proposed system appropriately and understand how to utilise the system to its maximum benefit. The stakeholder base will also need to understand why the changes are being made, this will require communicating to all those involved. They may also require familiarisation training with the proposed system during the roll out. This will be considered within the specification and tender documentation.
- 6.10 The stakeholders who will require to be communicated with regarding the change are all station based operational staff, all operational managers and leadership teams, all maintenance and logistics personnel at the OSC and involved in the maintenance of brigade equipment at Babcock, fleet staff and staff within ICT.
- 6.11 Communication regarding these changes will need to occur at various points throughout the project to ensure that those who will be impacted by, or part of, the change are fully aware of what will be happening and what is expected of them. A variety of communication methods will be used including verbal briefings, email communications, informational posters, and familiarisation sessions. There will also be representation from the stakeholders' groups on at project board meetings.
- 6.12 Formal communication will be required to commence shortly after the supplier is brought on board, this will be required to ensure all staff who will be impacted by the change are made aware of the changes and the timeline of the changes. A communications plan will be produced to guide this process in coordination with the communications team. In advance of, and during, the roll out process further communication will be required to provide familiarisation training for staff interacting with the proposed solution. This will require consultation with the communications team to ensure the appropriate methods are utilised, particularly in

consideration of neuro diverse members of staff.

8. Financial Comments

- 8.1** This report requests approval to procure and contract out, the full implementation of an Equipment Management System within a budget as detailed in Part 2 of this report.
- 8.2** Funding will be met from existing LFB budget, including the additional costs from the original LFC decision and there are no direct financial implications to the GLA arising from this report.
- 8.3** Should it become necessary, it is expected any annual inflationary increases within the procurement period will be based around the Retail Price Index (RPI). It is expected that the contingency would be utilised to account for any inflationary increases.
- 8.4** All LFC contractual inflationary increases are reviewed on an annual basis. The LFC budgets for inflation on an item-by-item basis, and the LFC will review those assumptions as part of its budget process for 2024/25. If inflation rates are above current assumptions a resulting budget increase will need to be submitted as part of LFC's annual submission to the Mayor's GLA Group budget process and/or the contract will need to be reviewed to assess whether it is possible to reduce the annual cost via a reduction in service. If inflationary increases result in in-year financial pressures, this will be reported on as part of regular financial reporting and met through the use of the Budget Flexibility Reserve.
- 8.5** LFC standard terms and conditions include clauses on indexation and termination that can be utilised if inflationary pressures affect the performance of the contract. If a contract is no longer viable then LFC will seek to terminate it on this basis or work with suppliers to pause delivery and/or renegotiate what is being delivered. This is preferable to inserting a break clause for inflation as such pressures apply across the market so it is unlikely that benefits will be gained from terminating a contract in order to go back out for competition.

9. Legal Comments

- 9.1** This report seeks approval of a revised expenditure for the procurement and contract of a new equipment management system set out in more detail in this report and Part 2.
- 9.2** 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.
- 9.3** 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"). 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...". Accordingly, the revised expenditure identified for the new asset management system, set out in more detail in Part 2, requires prior approval.
- 9.4** The statutory basis for the actions proposed in this report and the ECIP is provided by sections 7 and 5A of the Fire and Rescue Services Act 2004 ("FRSA 2004"). Section 7 (2)(a) FRSA 2004 the Commissioner has the power to secure the provision of personnel, services, and equipment necessary to efficiently meet all normal requirements for firefighting and section 5A allows the Commissioner to procure personnel, services, and equipment they consider appropriate for purposes incidental or indirectly incidental to their functional purposes.
- 9.5** The proposed tender must be carried out in accordance with the Public Contracts Regulations

2015 ("the Regulations") and the London Fire Commissioner's Scheme of Governance (Part 3 Standing Orders Relating To Procurement).

9.6 The report seeks the LFC's agreement that

- (1) a contract for an asset management system for operational equipment and warehousing be entered into for five years for the amount set out in Part Two of the Report and
- (2) All procurement activity for the programme listed in Part Two are delegated to the Assistant Director of Property and TSS once the revised expenditure has been approved

This is within the LFC's general powers.

List of Appendices

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Appendix	Title	Open or confidential*
1	Asset Management Project – Business case (Available on request)	Confidential
2	LFC23-006y Part 1- Operational Equipment Management System	Open
3	LFC23-006y Part 2- Operational Equipment Management System	Confidential
3	DMFD183 – Operational Equipment Management System	Open