

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>POLICY AND RESOURCES COMMITTEE</b>		
<b>DATE:</b>	<b>27 JULY 2023</b>	<b>REPORT NO:</b>	<b>CFO/035/23</b>
<b>PRESENTING OFFICER</b>	<b>CHIEF FIRE OFFICER, PHIL GARRIGAN</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>DEPUTY CHIEF FIRE OFFICER NICK SEARLE</b>	<b>REPORT AUTHOR:</b>	<b>HEAD OF PROCUREMENT, HYWYN PRITCHARD</b>
<b>OFFICERS CONSULTED:</b>	<b>LTCM CONTRACT MANAGER LYNDSEY KILLEEN, AREA MANAGER PAUL MURPHY</b>		
<b>TITLE OF REPORT:</b>	<b>LONG TERM CONTRACT MANAGEMENT CONTRACT EXTENSION</b>		

<b>APPENDICES:</b>	<b>APPENDIX A</b>	<b>CONTRACTOR'S SUMMARY CORPORATE SOCIAL RESPONSIBILITY STATEMENT</b>
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### **Purpose of Report**

1. To inform Members that the Long Term Capability Management (LTCM) contract with Babcock Critical Services Limited (Contractor) is due to end on 30<sup>th</sup> September 2024.
2. To advise Members that following an extension proposal submitted to both the Authority and Home Office by the contractor, MFRA have been notified of the Fire Minister's approval to extend the contract by a further four years.
3. As the contract exceeds £300,000 the Authority's contract standing orders require Members' approval, although all costs are being funded by the HO grant for National Resilience Capabilities and Assurance Services.

### **Recommendation**

4. It is recommended that Members approve the four-year extension to the LTCM Contract with Babcock Critical Services Limited from 1<sup>st</sup> October 2024 to 30<sup>th</sup> September 2028.

### **Introduction and Background**

5. On 1<sup>st</sup> April 2017 Home Office novated the LTCM contract with Babcock Critical Services Limited to MFRA as Lead Authority.
6. The contract has operated well since novation with no reported issues with its Key Performance Indicators (KPIs). The Contractor works well with both Capabilities and FRSs to optimise service provision with risks to both the supply

chain and service provision being proactively managed at regular meetings of the Joint Performance Team. There was no desire for the contract to expire at the end of its current term.

7. Ahead of the contract end date and with a future tender process in mind a review of the LTCM Contract commenced. However, due to the uncertainty surrounding New Dimensions (ND2) work, on-boarding of new MTA and ELS Capabilities and the timescale required to undertake a full tender exercise, this was re-considered in light of the option to extend the contract.
8. Following consultation between both MFRA and HO officers, extending the current contract was considered the correct approach and the Contractor was asked to provide an extension proposal for consideration.
9. Babcock successfully presented the proposal to MFRA and HO delegates in March, where timescales for Ministerial and Authority approval were noted. In particular by giving the Contractor sufficient notice of the extension, would mitigate the risk of higher lease charges being incurred for the Bardon Facility. Avoiding higher lease costs would be reflected in a more advantageous contract price.
10. Babcock provided a cost matrix alongside the extension proposal which was used to model a number of potential scenarios for HO consideration ahead of submission to the Fire Minister for approval.
11. The Contractor also provided evidence of the social value that it brings with it, see Appendix.
12. MFRS was notified that the extension proposal had received Ministerial approval on 8<sup>th</sup> June 2023.

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### **Equality and Diversity Implications**

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13. There are no equality and diversity implications associated with the extension of the LTCM contract.

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### **Staff Implications**

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14. There are no staffing implications as a result to extend the LTCM Contract.

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### **Legal Implications**

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15. There are no legal implications. Under the current contract MFRA is entitled to extend the contract for a further four years following the contract expiry date of 30<sup>th</sup> September 2024.

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### **Financial Implications & Value for Money**

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16. Funding for this contract is provided under the HO grant agreement for National Resilience Capabilities and Assurance Services.

17. The current grant agreement covers the period 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025.
18. Whilst it is not anticipated that funding will cease at the end of the current agreement, in the event MFRS was no longer Lead Authority the contract would once again have to be novated.

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### **Risk Management, Health & Safety, and Environmental Implications**

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19. Decision making during the process was governed by groups and boards of both internal and external stakeholders, to identify and mitigate risks.
20. The contract has a risk register which is actively managed at Joint Performance Team meetings.
21. The contract includes clauses that manage risk including provisions for Liability, Indemnity and Insurance, Health and Safety.

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**Contribution to Our Vision:** *To be the best Fire & Rescue Service in the UK.*

**Our Purpose:** *Here to serve, Here to protect, Here to keep you safe.*

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22. Extending the LTCM contract demonstrates our commitment to the ongoing safety of the communities which we serve both within Merseyside and beyond.

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### **BACKGROUND PAPERS**

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23. Bi-monthly discussions and updates have been provided at Joint Performance Team.
24. Quarterly updates have been provided to the National Resilience Board to advise of progress.

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### **GLOSSARY OF TERMS**

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<b>LTCM</b>	<b>L</b> ong <b>T</b> erm <b>C</b> apability <b>M</b> anagement
<b>MFRA</b>	<b>M</b> erseyside <b>F</b> ire and <b>R</b> escue <b>A</b> uthority
<b>MFRS</b>	<b>M</b> erseyside <b>F</b> ire and <b>R</b> escue <b>S</b> ervice
<b>HO</b>	<b>H</b> ome <b>O</b> ffice
<b>ELS</b>	<b>E</b> nhanced <b>L</b> ogistics <b>S</b> upport
<b>MTA</b>	<b>M</b> arauding <b>T</b> errorist <b>A</b> ttacks
<b>FRSs</b>	<b>F</b> ire and <b>R</b> escue <b>S</b> ervices