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Contract

## **Extension to Hard FM Services - South (Cluster) - Modification Notice**

Ministry of Justice

F20: Modification notice

Notice identifier: 2024/S 000-035162

Procurement identifier (OCID): ocds-h6vhtk-04b28b

Published 30 October 2024, 1:08pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Ministry of Justice

102 Petty France

London

#### **Email**

[CCMDMOJCluster@justice.gov.uk](mailto:CCMDMOJCluster@justice.gov.uk)

#### **Telephone**

+44 02033343555

#### **Country**

United Kingdom

#### **Region code**

UK - United Kingdom

## **Internet address(es)**

Main address

<https://www.crowncommercial.gov.uk/>

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Extension to Hard FM Services - South (Cluster) - Modification Notice

#### **II.1.2) Main CPV code**

- 79993000 - Building and facilities management services

#### **II.1.3) Type of contract**

Services

### **II.2) Description**

#### **II.2.1) Title**

Provision of Hard Facilities Management Services (South)

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement at the time of conclusion of the contract:**

This contract has been awarded following a further competition run through CCS Framework RM1056, Facilities Management Services (Lot 2) and is published for transparency. The contract is for the delivery of Hard FM services to the MoJ led Shared Estates Cluster.

#### **II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession**

End date

30 September 2026

**II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

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## **Section V. Award of contract/concession**

### **Contract No**

Con\_14522

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract/concession award decision:**

8 January 2018

#### **V.2.2) Information about tenders**

The contract/concession has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor/concessionaire**

Kier Facilities Services Ltd

Sandy

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)**

Total value of the procurement: £154,693,585

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

High Court, Royal Courts of Justice,

The Strand

London

WC2A 2LL

Country

United Kingdom

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## **Section VII: Modifications to the contract/concession**

### **VII.1) Description of the procurement after the modifications**

#### **VII.1.1) Main CPV code**

- 79993000 - Building and facilities management services

#### **VII.1.3) Place of performance**

NUTS code

- UK - United Kingdom

#### **VII.1.4) Description of the procurement:**

6 month extension for additional services as set out VII.2.1

#### **VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession**

End date

30 September 2026

#### **VII.1.6) Information on value of the contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession:

£10,737,445

### **VII.1.7) Name and address of the contractor/concessionaire**

Kier Facilities Services Ltd

Sandy

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

## **VII.2) Information about modifications**

### **VII.2.1) Description of the modifications**

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

The MoJ intends to implement a new delivery model for the future provision of facilities management services across the MoJ estate. This new model will be delivered via the Property Transformation Programme (PTP). This programme includes those services currently being provided under this contract and the PTP procurement processes are due to be launched in November 24.

Given the size and complexity of PTP and delays as a result of the General Election, PTP will not be mobilised until late 2026. The MoJ has therefore determined that it is necessary to extend the existing contract by 6 months from March 2026 to September 2026 to ensure continuity of critical services whilst the PTP procurement processes can conclude.

This notice relates to the modification of a contract in accordance with regulation 72(1)(b) PCR. Additional services by the original contractor have become necessary. A change of contractor cannot be made for economic or technical reasons such as requirements of interoperability with existing services and a change of contractor would cause significant inconvenience and substantial duplication of costs for MoJ.

The additional services refer to the continued provision of services by the original contractor over the extension period. These additional services are necessary to enable continued service provision and also to prepare for service transition to a new provider(s) to be appointed under the PTP procurement processes referred to above. For various reasons, as set out below it would not be possible to run a procurement for a new contractor to provide these services over a 6-month period. The FM services to be supplied are complex, deliver in live operational sites and require a vetted workforce and supply chain. Although alternative suppliers exist for FM services in general, it would not be feasible for MoJ to competitively procure and successfully mobilise a new contract with an alternative supplier to the existing contractor Kier in advance of the anticipated transition to PTP.

Both the demobilisation of the existing contract, and mobilisation phases of a replacement contract are lengthy. Anticipated mobilisation periods for new contracts as a result of the PTP processes start at a minimum of 120 days. For such a short extension there would be insufficient time to mobilise a new supplier, transfer staff, embed new processes and then move to a steady state service. This would account for a disproportionate amount of time relative to the length of the extended service required. In addition, given the commencement of mobilisation for new contracts awarded under the PTP procurement process would begin prior to the start of any new contract for a 6 month additional service period, it would mean that mobilisation activity would be happening concurrently. This is therefore not feasible. This is particularly the case given the complexities associated with mobilisation and the risk of disruption to critical public services during any mobilisation period.

In addition, any change in contractor would cause a substantial duplication of costs for a short continuation of services. This would include the duplication of costs associated with the preparation and transfer of staff and assets as well as the establishment of new processes and IT systems through those demobilisation and mobilisation phases.

The increase in price as a result of the extension is less than 50% of the original contract value. The extension was entered into on 26/9/24.

...continued in 2.2 below...

## **VII.2.2) Reasons for modification**

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

...continued from 2.1...The PTP competitions will provide the market an opportunity and sufficient time to understand the challenges of FM delivery in this environment. The PTP

competitions will provide an opportunity for suppliers to bid to participate in the delivery of the new PTP model. It is intended that there will be two different routes to market: (i) competitions among suppliers under Crown Commercial Service (CCS) framework RM6232 Facilities Management and Workplace Services for five Total Facilities Management (TFM) contracts; and (ii) a competition for the provision of Workplace Services Management (WSM) to be conducted as a Competitive Procedure with Negotiation under the PCR. The indicative launch dates for PTP procurement processes is November 24. A Prior Information Notice (PIN) for the WSM competition was issued to the market on 20th September 24

(<https://www.find-tender.service.gov.uk/Notice/030101-2024>)

### **VII.2.3) Increase in price**

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £143,956,140

Total contract value after the modifications

Value excluding VAT: £154,693,585