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Contract

TFM (North) - Home Office - Modification Notice

Ministry of Justice

F20: Modification notice

Notice identifier: 2024/S 000-035164

Procurement identifier (OCID): ocds-h6vhtk-04b28d

Published 30 October 2024, 1:20pm

Section I: Contracting authority/entity

I.1) Name and addresses

Ministry of Justice

102 Petty France

London

Email

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/agreements>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

TFM (North) - Home Office - 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

CCS11111; Home Office North

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 already been awarded using Framework RM1056 Facilities Management Services (Lot 1) and it is published here for transparency.

The aims of this contract is to provide Total Facilities Management Services to the Home Office.

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

Section V. Award of contract/concession

Contract No

Con_19502

V.2) Award of contract/concession

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

30 March 2016

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

Mitie FM Ltd

London

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: £180,356,474.63

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

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:

£11,500,000

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

Mitie FM Ltd

London

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 Mitie 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 below at 2.2

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: £168,856,474.63

Total contract value after the modifications

Value excluding VAT: £180,356,474.63