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Contract

Extension to Prison TFM - Work Package C - Modification Notice

Ministry of Justice

F20: Modification notice

Notice identifier: 2024/S 000-035193

Procurement identifier (OCID): ocds-h6vhtk-04b2a0

Published 30 October 2024, 2:40pm

Section I: Contracting authority/entity

I.1) Name and addresses

Ministry of Justice

102 Petty France

London

Email

Commercial-PrisonFacilitiesManagement@Justice.gov.uk

Telephone

+44 02033343555

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/ministry-of-justice>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Extension to Prison TFM - Work Package C - Modification Notice

II.1.2) Main CPV code

- 70330000 - Property management services of real estate on a fee or contract basis

II.1.3) Type of contract

Services

II.2) Description

II.2.1) Title

0073-6-Works/FM-SW-Contract

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:

Facilities management services for HMPPS

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_12631

V.2) Award of contract/concession

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

17 February 2012

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 Care & Custody 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: £43,507,607

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

- 70330000 - Property management services of real estate on a fee or contract basis

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:

£1,744,194.33

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

Mitie Care & Custody 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):

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 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.

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 particularly complex because all the sites in scope of the contract are secure (including operational prisons), they require a vetted workforce and supply chain, an understanding of prison operations and an ability to respond to urgent and unforeseen matters. The estate in scope of this contract includes a variety of different buildings from house blocks to industrial units that have been constructed over the past 150 years and sites vary in size from capacity levels from 100 up to 2,000 . Maintaining service continuity and especially prison capacity is a critical element of the service, which takes expertise and time to understand. The pressure on prison capacity is currently at a significant level, and is more critical than ever, meaning any unnecessary, short-term disruption or drop in performance could lead to a reduction in available safe and secure custodial capacity. It is also essential that the supplier can work with and alongside prisoners to offer rehabilitative opportunities whilst abiding by strict working practices, especially relating to tools and keys. Specialist knowledge of the services in question is therefore critical in

order to maintain the functioning of essential public services. 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.

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.

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:

Both the demobilisation of the existing contract, and mobilisation phases of a replacement contract are lengthy. Anticipated mobilisation periods for new PTP contracts 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 be a disproportionate amount of time relative to the length of the extended service required. Given the mobilisation for new contracts awarded under PTP 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 not feasible. Any change in contractor would cause a substantial duplication of costs. This would include the 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.

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: £41,763,413

Total contract value after the modifications

Value excluding VAT: £43,507,607