Client:	Inland Revenue, HM Customs & Excise and Valuation Office
Contract Name:	STEPS
Contract Type:	Serviced Accommodation Outsourcing.
Portfolio:	The portfolio consists of 600 properties totalling 1.4 million sqm, including call centres, offices, and warehouses across the UK. 35% of the portfolio is freehold and 65% leasehold (by area).
Purchase Price:	£220 million.
Revenue	£210 million per annum.
Term:	20 years
Charge:	The Departments makes single monthly Unitary Payment in respect of all their serviced accommodation requirements.
Scope:	Mapeley provides space and services including: • Helpdesk • Maintenance • Health & Safety • Cleaning • Utilities • Child Care • Security • Catering • Removals • Furniture • Vending Service • Landscaping
Flexibility:	The Departments can move out of a given amount of space each year without incremental charge (see Operational Flexibility below). If needed, further flexibility can be exercised based upon a transparent pricing mechanism.
Drivers:	• Reduce Operating Costs – The STEPS contract will save the taxpayer c. £1 billion over the life of the contract. • Gain Operational Flexibility – Accommodation is better matched to operational needs under the contract. • Enhance Service Delivery – For the first time, the Departments have a 24/7 Help Desk, proper maintenance requirements and superior project delivery. • Transfer Risk – Mapeley now has all risk associated with the Estate, including property risks (e.g. rental growth and voids), whole life maintenance risk, and FM cost risk. • Create Cost Certainty – The Unitary Payment is fixed, indexed broadly to RPI.
Operational Flexibility	• Designations – Buildings were designated as follows: • Core – Departments intend to stay for 20 years. • Intermediate – Departments intend to stay to a specific date. • Flexible – Departments intend to vacate on 12 months notice. • Surplus – Empty on day one. • Flexibility Provision – The Departments can move out of 15,000 sq m each year without incremental charge. Aggregated flexibility over the life of the contract is 45% of the original Estate. • Extra Ordinary Flexibility – If needed, further flexibility can be exercised based upon a transparent pricing mechanism. The Departments have left 2,000 sq m under ex-flex. • Vacations – The Departments will have vacated 41 properties by March 2004, totalling 42,000 sq m of space. • Acquisitions – Mapeley has agreed to acquire 31 new properties for the Departments, totalling 91,000 sq m of space.

Inland Revenue portfolio – Geographic coverage