

CABINET

16 October 2018

Title: Contract for the Provision of Removal Services	
Report of the Cabinet Member for Finance, Performance and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Victoria Lawal Senior Contracts and Procurement Manager My Place	Contact Details: Tel: 0208 724 3482 E-mail: Victoria.lawal@lbbd.gov.uk
Accountable Director: Robert Overall – Director of My Place	
Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer	
Summary: This report presents proposals for the procurement of a new term contract for the provision of removal services for both corporate and residential properties. The Council currently uses two companies for these services: <ul style="list-style-type: none">• Crown Promotions and Removals provide mostly decant services to support new build housing projects and to re-home residents. They won a competitive tender process in 2013 and the contract expired in January 2017, so the council is currently not under contract for these services.• Phil's Removals have assisted the Council with its office decant and building consolidation programme. There is no contract in place with Phil's Removals, although costs have been benchmarked in the past. It is anticipated that the new contract will commence in January 2019 for a period of three years, with an option to extend for a further year subject to satisfactory performance.	
Recommendation(s) The Cabinet is recommended to: <ul style="list-style-type: none">(i) Approve the procurement of a new term contract for removal services for both corporate and residential properties, in accordance with the Council's Contract Rules and the strategy set out in the report; and(ii) Delegate authority to the Chief Operating Officer, in consultation with the Cabinet Member for Finance, Performance and Core Services and the Director of Law and Governance, to conduct the procurement and enter into the contract and all other necessary or ancillary agreements, including contract extensions, with the successful bidder.	

Reason(s)

The procurement exercise will lead to the award of a new Term Contract which will provide the Council with a responsible, safe, cost -effective contract for removals for corporate buildings and residential properties, thus helping to achieve the Council Priority of a “well run organisation”.

1. Introduction and Background

- 1.1 Following a full procurement exercise in 2012, the Council engaged with Crown Promotions and Removals for all estate decant services and also residential moves. This contract was used primarily by the Corporate Delivery Unit (now Be First) and also by Community Solutions.
- 1.2 Phil’s Removals have been used historically for office moves. The Council has gone through a large office restructure over recent years and Phil’s Removals have offered an excellent service that has delivered significant value for money. With the large-scale office moves now having largely come to an end, the requirement for this type of work will reduce, with just the ad-hoc requirement as the number of property assets change in the future.
- 1.3 The historic spend for removals services varies significantly as the demand for the service changes year on year. The previous two-year spend was circa £820k, broken down as follows:

	2016/17	2017/18
Be First	80,000.00	80,000.00
Community Solutions	206,913.00	163,456.44
Housing	190,888.00	91,283.00
Total	477,800.88	334,739.44

- 1.4 Neither of these services are under contract and need to be tendered fully and a “Formal Invitation to Tender” is required as per the Council’s Contract Rules and the Public Contracts Regulations 2015.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

- 2.1.1 This contract is for the removal of items from properties that will include Council offices and resident’s properties. There may also be some requirement for the storage of items and the hire of storage crates. There will be at least three different Council services that will be using this contract for removal services and each one will likely have slightly different requirements and specifications.
- 2.1.2 There will need to be scheduled costs for removal, storage boxes, storage of items and a schedule for long distance moves (e.g. Bradford for the Community Solutions team).

2.2 Estimated Contract Value, including the value of any uplift or extension period

2.2.1 Over a full four-year period the overall contract spend is likely to be approximately £1.2m, based upon historic spend over the previous two years and taking into account that the scale of office moves is likely to reduce in the next few years.

2.3 Duration of the contract, including any options for extension.

2.3.1 The contract will be for three years plus an option for a one year extension subject to satisfactory performance, giving four years in total.

2.4 Recommended procurement procedure and reasons for the recommendation

2.4.1 A full open OJEU tender will be carried out and advertised in OJEU, Bravo (e-tendering), Contracts Finder and the Council's website. The tender will be run via the Bravo Solution procurement portal.

2.4.2 The procurement is required to be let under an open procedure. The open procedure will allow for the maximum number of suppliers to respond, will encourage SMEs and will likely produce the best value for money for the Council. Suppliers will be required to have sufficient accreditation relevant to the services and have sufficient financial standing.

Outline Timetable:

Stage	Estimated Date
Procurement Strategy Report to Procurement Board Sub Group	6 th August
Procurement Strategy Report to Procurement Board	20 th August
Report to Cabinet	16 th October
Publish tender opportunity in OJEU, BRAVO, Contracts Finder and the LBBB website	24 th October
Tenders returned	5 th November
Tender Evaluation completed by	12 th November
Award Report approved	17 th November
Standstill period	26 th November
Award of Contract	3 rd December
Implementation	TBC
Contract Commencement	January 2019

2.5 The contract delivery methodology and documentation to be adopted

2.5.1 The Contract will be let using the Council's standard Terms and Conditions for Services.

2.5.2 Schedule of rates will be completed for all required services, this should provide cost certainty.

2.6 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

2.6.1 The outcome of this procurement will be to have a compliant contract for removal services. An open tender process should deliver the best value for money that is available.

2.7 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.7.1 The tenders will be evaluated through a scoring matrix on the basis of 40% Quality, 60% Pricing. The service specification can be stipulated relatively clearly so quality analysis is not as important in this instance and Price can be weighted higher to drive down costs.

2.8 **How will the procurement address and implement the Council's Social Value policies**

2.8.1 Local providers will be encouraged to apply to deliver the contract and if the provider isn't locally based then they will be encouraged to utilize local labour. The procurement process allows all suppliers to submit a bid at selection stage allowing the opportunity for local/regional suppliers to apply, which may result in additional Social Value derived from employment opportunities.

3. **Options Appraisal**

3.1 **Option 1 - Tender for a three-year term contract with the possibility of one-year extension** – This is the preferred option as it gives the benefits listed in Section 2 of this report.

3.2 **Option 2 - To undertake tenders/quotations for each individual project** – this option is not considered as disaggregation of spend is not compliant, cost effective, both in terms of procedural costs of tendering and by offering no long-term commitment to a specific contractor. This would also create delays and additional costs where emergency action

3.3 **Option 3 - Do nothing** – This option was considered but due to number of removals that were required on a frequent basis especially in decanting residents and a diminishing lack of resources a return to a contract format will prove less onerous to manage going forward. Also, continuing to spot purchase services would not be legally compliant.

3.4 **Option 4 - Access an open framework** – ESPO framework only contains one provider so value for money is unlikely. There are no other viable frameworks, so this option was rejected.

4. **Waiver**

4.1 This is not applicable to this procurement.

5. Consultation

- 5.1 The proposals within this report were considered and endorsed by the Corporate Procurement Board on 20 August 2018.

6. Corporate Procurement

Implications completed by: Francis Parker – Senior Procurement Manager

- 6.1 An open tender process is likely the most suitable route in this instance. The frameworks available do not offer a great deal of choice of supplier which is unlikely to provide a sufficient level of competition. This is also a localised service so opening the tender up to local supply will be advantageous.
- 6.2 The prices quality split is reasonable. The service is relatively prescribed, and the deliverables can be clearly stipulated. Therefore, quality analysis can be weighted lower and price can be driven down with a heavier weighting.
- 6.3 The proposed route is compliant with the Council's contract rules and the PCR2015. The Elevate procurement team are positioned to support the procurement process including development of the tender documentation if required.

7. Financial Implications

Implications completed by: Lance Porteous, Finance Business Partner

- 7.1 Although the Council has revenue budgets for removals – mainly within Community Solutions and Housing, a large proportion of removal costs incurred by the Council are paid for from budgets allocated to capital projects. E.g. c.£320k has been spent on removals by the Accommodation Strategy capital project (Be First) over the last 4 years.
- 7.2 Finance supports the procurement approach set out in this report and the future removal costs will need to be managed within departmental revenue and capital budgets available at the time.

8. Legal Implications

Implications completed by: Ian Chisnell, Solicitor – Contracts and Procurement, Law and Governance

- 8.1 Section 1 of the Localism Act 2011 enables the Council to procure removal services, which will be subject to the Public Contracts Regulations 2015. As the value of the services is over the threshold specified in those regulations the full requirements of those regulations requiring an OJEU competition apply. An open tender advertised in OJEU will comply with the tendering requirement, but the Council must also comply with the regulations concerning evaluation of them.
- 8.2 The Council must also comply with its contract rules which procurement have indicated that it does.

8.3 As the value of the contract is over the threshold for Key Decisions the award of the contract will be a Key Decision and must be on the Forward Plan

9. Other Considerations and Implications

9.1 **Risk and Risk Management** - Risk of not conducting a tender exercise, being non-compliant with the Council Rules, and purchasing outside of a contract. To minimise this, we are seeking approval to conduct a tender exercise.

9.2 **TUPE, other staffing and trade union implications** - This will need to be examined further as there may be some TUPE implications.

9.3 **Corporate Policy and Equality Impact** - SMEs and local companies will be encouraged to submit tender responses. All suppliers will be asked to submit any Equality Policies they have in place.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None