Title: Contract for Provision of Pest Control and Related Services in Council Premises

Report of the Cabinet Member for Regeneration and Social Housing

Open Report

For Decision

Wards Affected: None

Key Decision: No

Report Author: Victoria Lawal
Senior Contracts & Procurement Officer

Contact Details:
Tel: 0208 7243492
E-mail: Victoria.lawal@lbbd.gov.uk

Accountable Director: Robert Overall, Director, My Place

Accountable Strategic Leadership Director: Claire Symonds, Chief Operating Officer

Summary:

An agreement was originally reached between LBBD repairs and maintenance (Enterprise) and Armour Environmental Services Limited about 10 years ago to carry out the pest control, fumigation, heat treatment and pigeon and gull control, etc. The Agreement was reviewed and carried over to LBBD when Repairs and Maintenance services was brought back in-house.

The supplier Armour Environmental agreed a ‘Schedule of Rates’ with LBBD repairs and maintenance and continue to provide their services without a formal agreement in place. The service includes the eradication of pests, removal of vermin, fumigation, heat treatment, pigeon and gull control in residential, void and commercial premises. This excludes the pest control service carried out by Public Realm.

This report presents proposals to procure a three-year contract, with an option to extend for a further year, in accordance with the Public Contracts Regulations 2015 using the open procedure. The contract will include the prevention, control and eradication of pests, removal of vermin, fumigation, heat treatment, pigeon and gull control in residential and commercial premises and award of Contract over a three-year term covering the period with the possibility of one-year extension subject to satisfactory performance of the appointed contractor. This is linked to the four Council Priorities part of which is to have a well-run organisation thereby providing value for money and Enabling social responsibility.

Recommendation(s)

The Cabinet is recommended to:

(i) Agree that the Council proceeds with the procurement of a contract for the provision of services covering the prevention, control and eradication of pests, removal of vermin, fumigation, heat treatment, pigeon and gull control from
residential properties and commercial premises in accordance with the strategy set out in the report; and

(ii) Authorise the Director of My Place, in consultation with the Cabinet Member for Regeneration and Social Housing, the Director of Law and Governance and the Chief Operating Officer, to conduct the procurement and award and enter into the contract(s) and all other necessary or ancillary agreements with the successful bidder.

Reason

To assist the Council to achieve its priority of “A New Kind of Council” through robust procurement arrangements and providing value for money.

1. Introduction and Background

1.1 An agreement was originally reached between LBBD repairs and maintenance (Enterprise) and Armour Environmental Services Limited about 10 years ago to carry out the pest control, removal of vermin, fumigation, heat treatment and pigeon and gull control, etc. The Agreement was reviewed and carried over to LBBD when Repairs and Maintenance was brought back in-house.

1.2 The supplier Armour Environmental agreed a ‘Schedule of Rates’ with LBBD repairs and maintenance service and continued to render the service until present. The service includes the eradication of pests, removal of vermin, fumigation, heat treatment, pigeon and gull control in residential, void and commercial premises. This excludes the pest control carried out by Public Realm.

1.3 The spend for Landlord Services Areas A, B C and Sales Leasing & Conveyancing team over four years (2015 -2018) is as follows:

2015 – approx. £100,000
2016 - £121,347.48
2017 - £219,132.00
2018 - £109,999.20

Total spend is £550,479

1.4 This service is not under a contract and will need to be tendered fully as per the Council’s own contract rules and the PCR 2015.

1.5 This service will exclude the aspects of pest control currently carried out by Public Realm, which are: eradication of rodents, wasps, fleas, cockroaches, squirrels, fleas and bedbugs.

1.6 The appointed supplier will carry out removal of garden ants, mosquitos, snakes, woodlice, earwigs, bees, foxes, pigeons, domestic pets, clover mites, silverfish and firebrat as well as bird-proofing and netting. They also do not carry out fumigation, heat and deep cleaning of properties as well as fumigation, heat treatment and pigeon and gull control, etc.
2. Proposed Procurement Strategy

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

2.1.1 This contract is for the prevention, control and eradication of pests, removal of vermin, fumigation, heat treatment, pigeon and gull control from residential properties and commercial premises. There will need to be schedules of rates/costs when the service is being tendered.

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

2.2.1 The contract value is approximately £550,000 based on the spend for the last 4 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 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

2.4.1 Yes. 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:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Estimated Date</th>
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<tbody>
<tr>
<td>Procurement Strategy Report to Procurement Board Sub-Group</td>
<td>7\textsuperscript{th} May 2019</td>
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<tr>
<td>Procurement Strategy Report to Procurement Board</td>
<td>20\textsuperscript{th} May</td>
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<tr>
<td>Report to Cabinet</td>
<td>18\textsuperscript{th} June</td>
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<tr>
<td>Publish tender opportunity in OJEU, BRAVO, Contracts Finder and the LBBD website</td>
<td>26\textsuperscript{th} June</td>
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<td>Tenders returned (30 days)</td>
<td>29\textsuperscript{th} July</td>
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<td>Tender Evaluation completed by</td>
<td>12\textsuperscript{th} August</td>
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<tr>
<td>Award Report approved</td>
<td>19\textsuperscript{th} August</td>
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<tr>
<td>Standstill period</td>
<td>30\textsuperscript{th} August</td>
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<tr>
<td>Draft Contract</td>
<td>9\textsuperscript{th} September</td>
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<td>TUPE consultation</td>
<td>From June to Sept</td>
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<tr>
<td>Award of Contract</td>
<td>23\textsuperscript{rd} September</td>
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<tr>
<td>Contract Commencement</td>
<td>1\textsuperscript{st} October 2019</td>
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2.5 **Recommended procurement procedure and reasons for the recommendation**

2.5.1 A full OJEU open tender will be carried out and advertised in Bravo (e-tendering), Contracts Finder and the Council’s website. The tender will be run via the Bravo Solution procurement portal. This satisfies the requirements of competitive tendering contained in the Regulations and the Council’s Contract Rules, (Contract Rule 28.5), which specifies that contracts above £50,000 should be subject to a competitive tendering process.

2.5.2 The procurement will be let under the Open procedure. The open procedure will allow for the maximum number of suppliers to respond, 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.

2.6 **The contract delivery methodology and documentation to be adopted**

2.6.1 The Contract will be let using the Council’s Standard terms and Conditions for Services. Schedule of rate will be completed for all required services, this should provide cost certainty

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

2.7.1 The outcome of this procurement will be to have a compliant contract services for pest prevention, control and eradication. A competitive tender process should deliver the best value for money that is available

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

2.8.1 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.

2.9 **How the procurement will address and implement the Council’s Social Value policies**

2.9.1 Local providers will be sourced and encouraged to apply to tender for the contract and if the provider isn’t locally based then they will be encouraged to utilise local labour. This proposal will satisfy the Council’s Public Services (Social Value) Act 2012 obligations including the consideration given to local businesses.

2.10 **Contract Management methodology to be adopted**

2.10.1 Monthly meetings will be held with contract owner and quarterly meetings will be held with the service provider to have formal contractual reviews
3. **Options Appraisal**

3.1 Do Nothing – This would not be legally compliant, due to the nature of the service, it would cause significant delays to the Service and failure to comply and failure to comply with legal requirement and agreed codes of practices.

3.2 To continue with current provider – There is currently no contract with the current service provider. If current supplier continues to render this service, it will not provide the best value for money.

3.3 To engage with Public Realm to see if they can expand their remit to fully support the deep clean, fumigation and pest control services required to fully support the Council’s residential stock. Upon engaging with the Head of Service, this option is not viable due to cost and strain this would be put on existing resources - Public Realm are not able to support all the required areas of pest control, fumigation and deep cleaning of our residential and commercial properties. Please see link below for more detail: [www.lbhd.gov.uk/pest-control-for-your-home](http://www.lbhd.gov.uk/pest-control-for-your-home)

4. **Waiver**

4.1 Not applicable.

5. **Consultation**

5.1 Consultation has been held with the stakeholders representatives from My Place. Also, approval has been sought from Corporate Procurement, Finance department and Legal services.

5.2 Report has been submitted to the Director of My Place, Robert Overall and presented at DMT on 13th May. It was presented to Procurement Board sub-group on 6th May 2019 and to Procurement Board on 20th May 2019 and was approved.

6. **Corporate Procurement**

Implications completed by Francis Parker – Senior Procurement Manager

6.1 The proposed strategy is compliant with the Council’s contract rules and the PCR2015.

6.2 An open market tender is likely to provide the best value for money and allows us to tailor the contract to our requirements.

6.3 The price/quality split is suitable for this contract.

7. **Financial Implications**

Implications completed by: Geetha Blood, Group Accountant, Housing and Environment

7.1 This report is seeking approval to award the contract for the Pest Control prevention and detection service in residential and commercial premises based on a procurement exercise.
7.2 The total contract value is based on the expenditure for the past 4 years estimated at £462k, however charges will be predominantly to the HRA.

8. Legal Implications

Implications completed by Kayleigh Eaton, Senior Contracts and Procurement Solicitor, Law and Governance

8.1 This report is seeking approval to proceed with the procurement of a contract for the prevention, control and eradication of pests from residential properties and commercial premises in the Borough. The proposed procurement being considered is stated to be an estimated £550,000 over the lifetime of the contract, which is in excess of the threshold for services (currently set at £181,302) under the Public Contracts Regulations 2015 (“the Regulations”) and therefore a competitive tendering process will be required, which will be subject to the full application of the Regulations.

8.2 This report advises that it is the intention of officers to tender this contract in accordance with the Public Contracts Regulations 2015 (the ‘Regulations’) using the open procedure. The requirements for competitive tendering, contained in the Regulations and rule 28.5 of the Council’s Contract Rules, should therefore be met, provided that the procedure is conducted in accordance with the Regulations.

8.3 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders.

8.4 The report author and responsible Directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

9. Other 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 minimize the risk, we are seeking approval to conduct a tender exercise.

Risks are further mitigated by ensuring the correct levels of insurance and liability cover are held by the contractor and that Key performance indicators encourage good performance. Legal shall ensure the contract documents do not make the council liable for any issues that may arise from this service.

9.2 TUPE, other staffing and trade union implications - Information has been sent to supplier to ascertain if TUPE applies.

9.3 Corporate Policy and Equality Impact - As part of the procurement process, potential suppliers will be assessed for adherence to the necessary legislation and regulations. Their equality policies will be assessed to ensure they meet council requirements.
9.4 **Health Issues** - The timely eradication and control of pest and vermin in both residential and commercial properties will reduce the chances of spread of diseases and mitigate the spread of such within the community.

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

**List of appendices:** None