

CABINET

18 October 2022

Title: Procurement of Contract for Removal and Storage Services	
Report of the Cabinet Member of Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Olatunde Olayiwola Senior Contracts & Procurement Manager, My Place	Contact Details: E-mail: olatunde.olayiwola@lbbd.gov.uk
Accountable Strategic Leadership Director: Leona Menville, Interim Strategic Director, My Place	
Summary: <p>This report presents proposals for a new contract for the provision of removal and storage services for both corporate and residential properties. The primary users of these services are Landlord Services, Community Solutions and Be First.</p> <p>The current contract is due to expire in June 2023 with no option to extend. The intention is to let a new contract(s) via the open procedure commencing 1 June 2023 for an initial three-year term with the option to extend for a further two years (3+1+1).</p> <p>It is proposed that the contract will be tendered as two lots – Lot 1 would relate to estate decant services and residential moves where the vast majority of expenditure is incurred. Lot 2 would relate to the Council's office removals and, as a local function, is expected to attract interest from small/medium-sized local removal companies in line with the Council's Social Value objectives.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Agree that the Council proceeds with the procurement of a contract for the provision of removal and storage services, in accordance with the strategy set out in this report; and(ii) Delegate authority to the Strategic Director, My Place, in consultation with the Cabinet Member for Finance, Growth and Core Services, the Strategic Director, Finance and Investment and the Chief Legal Officer, to conduct the procurement and enter into the contract(s) and all other necessary or ancillary agreements, including contract extensions, with the successful bidder(s).	

Reason(s)

To ensure compliance with the Council's Contract Rules and Public Contracts Regulations 2015 and assist in achieving the priority of 'Well-Run Organisation'.

1. Introduction and Background

- 1.1 By Minute 44 (16 October 2018), the Cabinet approved the procurement of the current removal and storage services contract which was awarded to Crown Promotions and Removals for a four-year period ending June 2023. The contract covered all estate decant services and also residential moves and has been used primarily by Landlord Services, Be First and Community Solutions.
- 1.2 A local removal service, Phil's Removals, has also been used historically for office moves and to support the Elections Service during election periods with the transportation of equipment.

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 resident's properties and may include offices. There may also be some requirement for the storage of items and the hire of storage crates.
- 2.1.2 There will be at least three different Council departments that will be using this contract for removal services and each one will likely have slightly different requirements and specifications.
- 2.1.3 There will need to be scheduled costs for removal, storage boxes, storage of items and a schedule for long distance moves.
- 2.1.4 The offices removals will be a small part of the contract. In line with the Council's Social Value objective to promote local supplier spend it is proposed to tender in two Lots. Lot 1 will be the bulk of the spend with the removals that take place in properties and Lot 2 will be the removals that take place within our offices. Officers are working alongside the Strategy and Commissioning Office to ensure that this approach is impactful to organisations within the borough.

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

- 2.2.1 The last time this contract was tendered the estimated value over four years was £1.2m. Using Purchase Order (PO) data, it is estimated that the actual contract value over the four-year term will be £817,465. An assumption has been made concerning the lack of activity under this contract, being that the pandemic and lock down restrictions slowed down activity.
- 2.2.2 The expected value of this contract has been set at £1.236m.

2.3 Duration of the contract, including any options for extension

2.3.1 Three years with the option of extending for a maximum of two years in 12-month intervals, subject to satisfactory performance and in line with the Council's contract extension rules.

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 The contract is subject to Public Contract Regulations 2015 but is not subject to the Light Touch Regime.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 A full open tender will be carried out and advertised on Find a Tender, Jaggaer/Bravo (e-tendering), Contracts Finder and the Council's website. The tender will be published via the Jaggaer/Bravo Solution procurement portal.

2.5.2 The procurement is required to be let under an open procedure. The open procedure will allow for the maximum number of suppliers to respond, which will encourage SMEs and will likely produce the best value for money for the Council.

2.5.3 Suppliers will be required to have sufficient accreditation relevant to the services and have sufficient financial standing.

Indicative procurement timetable

Stage	Estimated Date
Report to Cabinet	18 October 2022
Publish tender opportunity in Find a Tender, Jaggar /Bravo, Contracts Finder and the LBBB website	November 2022
Tenders returned	1 February 2023
Tender Evaluation completed by	8 March 2023
Award Report approved	22 March 2023
Standstill period	23 March 2023
Award of Contract	7 April 2023
TUPE Consultation Period	10 April - 24 May 2023
Implementation	10 April - 31 May 2023
Contract Commencement	1 June 2023

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.

2.6.2 A schedule of rates will be completed for all required services to 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 for removal services. An open tender process is the ideal route and 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 30% Quality, 10% Social Value and 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 The Social Value toolkit will be published as part of the tender documentation pack. A delivery plan (what) and method statement (how) question relating to social value will hold 10% of the overall evaluation. The social value coordinator will be invited to sit on the evaluation panel to grade this delivery plan and method statement alone, while the main evaluation panel members will be asked to evaluate the whole tender response.

3. Options Appraisal

3.1 Option 1 – Open procurement procedure for a three-year contract with the option to extended for a maximum of two years at two twelve-month terms. This is the most favourable option as it coincides with the Decant Programme which will be running for the next four to five years.

3.2 Option 2 – Do Nothing – This option has been rejected as the service is still needed.

3.3 Option 3 – Carry out in-house – This option has been rejected as the Council does not have the current infrastructure to carry out this requirement and it would require large resources and capital which has not been budgeted for.

3.4 Option 4 – Mini competition under framework – This option has been rejected as there are only three suppliers on the ESPO/YPO framework:

Crown Work Place,
Harrow Green and
Johnsons1871 Ltd.

4. Waiver

4.1 This is not applicable for this procurement.

5. Equalities and other Customer Impact

- 5.1 The removals and storage contract is an essential service that will assist residents to move with ease. The EIA screening tool shows that there are either mainly positive impacts or no perceived negative impacts on the protected characteristics, therefore at this time a full EIA is not required. The EIA Screening will be routinely reviewed for any changes in procurement / service.

6. Other Considerations and Implications

- 6.1 **Risk and Risk Management** - Delays in the process may lead to the new contract not being signed on time. This will be managed by staying within the time constraints as detailed in the indicative procurement timetable. If there are any slippages this will be managed by escalating through the relevant channels. In the worst-case scenario, a short-term waiver will be put in place to prevent any gaps in service.
- 6.2 **TUPE, other staffing and trade union implications** - This will need to be examined as there may be some TUPE implications. For TUPE to apply there should be an organised grouping of employees at Crown Promotions and Removals Limited dedicated to the LBBB contract. This means they are staff who spend most of their working time undertaking work for LBBB and are organised into a client team. LBBB will need to make further enquiries about the number of employees which Crown Promotions and Removals Limited have dedicated to the LBBB contract, the amount of time they spend on LBBB contract and their terms and conditions. If LBBB accepts, following these enquiries, that TUPE does apply it will need to make this information about their terms and conditions available to bidders so they are able to properly price their bids.

7. Consultation

- 7.1 Officers across the Council and Be First have been involved in the development of the tender documents.
- 7.2 The proposals in this report were considered and endorsed by the Procurement Board on 26 September 2022.

8. Corporate Procurement

Implications completed by: Francis Parker – Senior Procurement Manager

- 8.1 The proposed strategy is compliant with the Council's Contract Rules and the PCR 2015.
- 8.2 An Open tender process is likely to yield the best value for money and open up the opportunity to the widest possible audience. The available frameworks do not offer enough competition
- 8.3 The evaluation criteria is suitable for this contract and includes social value

9. Financial Implications

Implications Completed by: Sandra Pillinger Group Accountant

- 9.1 The estimated cost of this contract over a period of 3+1+1 = 5 year is £1,236,000. This estimate is based on the value of POs raised over the period since the start of the current contract on 1st July 2019 to 31st March 2022. The overwhelming majority of POs by value are raised within 3 areas – the HRA capital programme (40%), the Housing Advice team in Community Solutions (37%) and Landlord Services in My Place (21%). It is questionable whether removal, storage and hire costs are costs that can legitimately be charged to the HRA capital programme, as they do not enhance asset value, and it may be more appropriate for these costs to be charged to the HRA revenue budget.
- 9.2 There is no specific budget for removal, container hire and storage costs. Services will need to ensure costs are contained within the overall budget for the service.
- 9.3 If TUPE applies there may be financial implications. These will need to be assessed when further information becomes available.

10. Legal Implications

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

- 10.1 This report is seeking approval for a new procurement for Removal and Storage services. The new contract is estimated to cost the Council approximately £1,236,000.00 over the lifetime of the contract and therefore is above the UK threshold for service contracts. This means that there is a legal requirement to competitively tender the contract via Find a Tender Service (FTS).
- 10.2 It is noted that the intention is to tender this contract in accordance with the Public Contracts Regulations 2015 (the 'Regulations') using the Open procedure. The requirements for competitive tendering, as 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.
- 10.3 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 10.4 It is noted that TUPE may apply to the new award so legal will work with the client department to advise and assist where required.

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

List of appendices: None