

CABINET

24 April 2012

Title: Term Contract for Maintenance, Repair and Minor Works on Security and Protection Systems	
Report of the Cabinet Member for Finance and Education	
Open Report	For Decision
Wards Affected: None	Key Decision: No
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Accountable Divisional Director: n/a	
Accountable Director: Tracie Evans, Corporate Director of Finance and Resources	
Summary: This report asks the Cabinet for approval to enter into a procurement exercise for the award of a new Term Contract for Maintenance, Repair and Minor Works on Security and Protection Systems over a three year term covering the period from 3 September 2012 to 2 September 2015, with the possibility of two, one year extensions subject to satisfactory performance of the appointed contractor. This contract will be used to undertake the following works to Security and Protection Systems: <ul style="list-style-type: none">• Planned, preventative and cyclical maintenance;• Day-to-day reactive repairs and minor works The work is currently carried out using the existing term contractor on an ad-hoc basis; however, the existing Term contract expired on 21 November 2009. A number of delays have been incurred due to investigations into various procurement options detailed in this report. To ensure there was no gap in maintenance and repair cover whilst the procurement exercise is completed, officers have negotiated an extension of the schedule of rates prices at 2009 rates with the existing contractor. Therefore, to formalise this arrangements the report also asks the Cabinet for approval to continue with the current ad-hoc arrangements until the start of the new contract, which is anticipated to be 3 September 2012.	
Recommendation(s) The Cabinet is recommended to: <ul style="list-style-type: none">(i) Approve the procurement of a new three-year Term Contract for Maintenance, Repair and Minor Works on Security and Protection Systems commencing 3 September 2012 to 2 September 2015, with the possibility of two, one year extensions subject to satisfactory performance of the appointed contractor, on the	

terms detailed in the report;

- (ii) Authorise the Corporate Director of Finance and Resources to extend the term of the contract for up to two, one year extensions, in accordance with the provisions of the contract and subject to satisfactory performance by the contractor during the initial term of the contract;
- (iii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the commissioning Chief Officer to award the contract to the successful contractor; and
- (iv) Authorise the Corporate Director of Finance and Resources, in consultation with the Divisional Director of Legal and Democratic Services, to formalise the existing ad-hoc arrangement with the existing contractor to undertake the works for the period until the start of the new contract on completion of the procurement exercise

Reason

To assist the Council in achieving its Policy House priorities of “Improve Value for Money across all services “and “Make better use of our resources and assets” as well as aiding the development of a well run organisation.

1. Introduction and Background

- 1.1 The Council has a statutory responsibility to comply with the 17th Edition IEE Wiring Regulations and Health and Safety at Work Act 1974. The Council’s security systems also comply with the Association of Chief Police Officers recommendations and **NACOSS** (National Approval Council for Security Systems) standards.
- 1.2 At its meeting on 22 March 2005, Cabinet agreed proposals to procure a new four-year term contract for Maintenance and repair of Security & Protection Systems in Public Buildings and Schools and subsequently the current term contract was tendered and awarded to Access and Lock on 21 November 2005. The contract made provisions for extension for up to a further two year period, subject to satisfactory performance. Having taken up the two year extension, this period has come to its end.
- 1.3 To enable officers to undertake lengthy options appraisal on other potential methods of procurement the current contract has been in continuance on an ad-hoc basis with the existing supplier at the 2010 schedule of rates prices. The various options appraisals investigated within this process are detailed in section three of this report.
- 1.4 To ensure that a suitable contract is put in place it is considered advisable to re-tender through a new term contract. The use of a term contract will remove the need to tender for each job and mitigate the administrative work involved in this process.

2. Proposal and Issues

- 2.1 Tenders will be sought through a full European Restricted Procedure following an

advertisement in the OJEU.

- 2.2 The contract will be awarded through a scoring matrix on the basis of 40% price and 60% quality.
- 2.3 It is proposed that this contract will be let as a MF1 Rev. 4, which is appropriate for use:
- By Employers who have a regular flow of maintenance and minor works, including improvements, to be carried out by a single contractor over a specified period of time and under a single contract;
 - Where the work is to be instructed from time to time and measured and valued on the basis of an agreed schedule of rates; and
 - Where a Contract Administrator (Engineer) is to administer the conditions. These roles are performed by the Building Services Officers within the Council's Building Services Maintenance Team.
- 2.4 It is anticipated that the new contract will commence on 3 September 2012 for a period of three years with the possibility of two, one year extensions subject to satisfactory performance of the appointed contractor. The contract has an estimated value of approximately £450,000 over the initial three year period to £750,000 for the full five year period (including the possible two, one year extensions).
- 2.5 The estimated contract value comprises a combination of small works and major upgrades, up to a maximum single order value of £50,000, and planned service costs based on a priced schedule of rates. The precise contract value will depend upon the value of work that is placed with the successful contractor but is also dependent upon client budgets.
- 2.6 In order to provide a safe environment for the community, visitors, staff, and contractors, which satisfies both legislative and customer requirements, it is essential that we have adequate security and protection systems in place and that these are appropriately maintained. Failure to provide this requirement could result in increased risks of an unsafe environment for the community, visitors, staff, and contractors.
- 2.7 The contract will work on a "call off" basis from the priced Schedule of Rates for the duration of the contract. This will ensure the Council enjoys the benefits of economies of scale. The "call off" arrangements do not commit the Council to guarantee payments to the contractor by way of any stand-by arrangements, but will ensure continued supply of important services during the contract term.
- 2.8 It is expected that the contract will be used to meet all of the Council's day to day repairs and service requirements for security and protection systems including intruder alarms, CCTV, door entry and access control. This will give the Council the benefits of economies of scale whilst improving maintenance efficiency and enabling the council to standardise equipment used. All planned maintenance works will be carried out at regular pre-determined intervals in conjunction with regular service plans as generated by the Council.
- 2.9 The applicants will be assessed on their economic and financial standing, health and safety standards and technical capability and references as well as a qualitative

assessment of performance targets and method statements on a range of criteria relevant to the contract.

- 2.10 Applicants who have policies and methods in place to measure quality and performance and are able to provide this information to the Council will be considered as suitable tenderers.
- 2.11 The successful contractor will be expected to maintain a full audit trail electronically of the work undertaken on behalf of the Council and this data must be accessible to LBBD Officers without additional data capture. The contractor will also be expected to work with the Council during the contract term to enhance the electronic data exchange to meet our ICT aspirations.

3. Options Appraisal

- 3.1 Option 1
Tender for a three year term contract with the possibility of two, one year extensions – 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 is not considered 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 is required and would not be feasible for reactive and planned maintenance works.
- 3.3 Option 3
Combine these works with the electrical minor works term maintenance contract – this option has not been considered due to the specialist nature of the systems and works required to maintain them.
- 3.4 Option 4
To combine this contract with the East London Buying Solutions security term contract – This option was thoroughly investigated at a number of combined meetings with other authorities such as Newham, Havering and Tower Hamlets. A number of utilisation obstacles needed to be overcome to achieve a solution that satisfied all clients and although many of them were overcome, some base fundamental security elements were proving to be a sticking point. It was felt that the protracted time period had already progressed beyond our cut off point and it would be more secure for the Council to undertake its own contract and revisit this option once its existing members had established an acceptable solution and had a proven contract in position in 2015.
- 3.5 Option 5
To buy into an existing OGC framework contract – Again this option was thoroughly investigated but proved fruitless due to the various combination packages that were available not being satisfactory to suit the requirements of the Council. All other solutions investigated appeared to compromise the Borough's security provision in some way or another hence the decision to recommend option 1 as documented.
- 3.6 Option 6
Do nothing – This option has not been considered due to current insurance implications.

4. Consultation

- 4.1 The proposals within this report have been discussed with all relevant officers across the Council.

5. Financial Implications

Implications completed by: Jo Moore, Finance Group Manager

- 5.1 The precise contract value will depend on the amount and urgency of the work that is placed with the successful contractor, but is also dependent on client budgets; however, the estimated contract value is approximately £450,000 over the initial three year period (September 2012 to September 2015) to £750,000 for the full five year period (including the possible two, one year extensions).

	Projected contract expenditure (non-domestic)						
Period	Sep - Mar 2012- 2013	Apr - Mar 2013- 2014	Apr - Mar 2014- 2015	Apr - Mar 2015- 2016	Apr - Mar 2016 - 2017	Apr - Sep 2017- 2017	TOTAL Full Term
TOTAL	£87,500	£150,000	£150,000	£150,000	£150,000	£62,500	£750,000

- 5.2 Provision may need to be made within capital budgets and projects to carry out system replacement works in Council buildings (non-domestic), including schools. There will be no guarantee given that the contractor will receive the full contract value.
- 5.3 The contract relates to planned and reactive security and protection system works and will be based on priced schedules of rates items plus an element of unspecified work where estimates have been used for materials and hourly attendance rates. Industry agreed adjustments will be applied to the priced schedule of rates annually where necessary.
- 5.4 The contract will be let on a cyclical maintenance and call off basis for reactive repairs.
- 5.5 The Children's Service Department has been advised that whilst schools are encouraged to use this contract (under best value principles), the Department cannot insist that they do. Should schools decide not to use this contract and make their own arrangements for security and protection system works they will be required legally to undertake the same Health & Safety assessment of potential contractors and to formally monitor their work once contracted, complying at all times with current legislation.

6. Legal Implications

Implications completed by: Eldred Taylor-Camara, Legal Group Manager

- 6.1 The Council is required to comply with the 17th Edition IEE Wiring Regulations, the Health and Safety at Work Act 1974, and the Association of Chief Police Officers and NACOSS (National Approval Council for Security Systems).

- 6.2 This report is seeking Cabinet's approval to re-tender a contract for the provision of Security and Protection Systems maintenance, repair and minor works services for a period of three years with an option to extend subject to satisfactory performance of the appointed contractor.
- 6.3 The value of the contract exceeds the EU threshold for services; therefore, there is a legal requirement to tender the contract in the EU.
- 6.4 Furthermore, the Council's Contract Rules (Contract Rule 3.6) require the strategy for the procurement of contracts of above £400K in value to be submitted to Cabinet for approval prior to procurement of such contracts. As the value of the proposed contract is circa £400k, the proposed strategy for the procurement of the contract has been set out in Paragraph 2 of this report, for approval by Cabinet.
- 6.5 It is proposed that the Security and Protection Systems contract will be tendered in the EU, using the Restricted Procedure - a two-stage tendering procedure which allows a procuring authority to shortlist the service providers to be invited to tender from a list of those who have expressed an interest in the contract, by undertaking a Pre-qualification exercise.
- 6.6 This strategy complies with the EU public procurement rules as contained in the Public Contracts Regulations, 2006.
- 6.7 The report is furthermore seeking a decision pursuant to Council Contract Rule 3.6.4, as to whether or not Cabinet should be kept informed on the progress of the procurement or would wish to be involved in the award of the contract or whether it is content for the commissioning Chief Officer to award the contract to the successful Contractor.
- 6.8 Under Contract Rule 13.3, a commissioning Chief Officer acting in consultation with the Council's Section 151 Officer has the power to award a contract of this value, in the absence of direction to the contrary from Cabinet.
- 6.9 The Legal Practice confirms that there is no legal reason preventing Cabinet from approving the recommendations of this report. It is, however, expected that the Legal Practice will be consulted in the planning and preparation of terms and conditions that will be applicable to this contract.

7. Other Implications

7.1 Risk Management

Current Risks

- 1) Works carried out may not meet the appropriate health and safety standards or current legislation relating to security systems or CCTV management.
- 2) Priority works may not be properly procured or delayed by procurement processes.
- 3) Inadequately maintained security and detection systems.

How these risks are managed

- 1) The contract will be managed in accordance with the Health and Safety at Work Act 1974 and all works will be carried out in line with the Association of Chief Police Officers and NACOSS standards.

- 2) The use of the proposed contract will facilitate the planning of works where possible and will negate possible delays and costs incurred by the use of a separate quotation process. It will also provide the ability to undertake necessary reactive repairs without delay as and when they arise.
- 3) Building Services Officers will administer the contract to pre-agreed service level agreements, strictly monitoring the performance levels of the contractor.
- 4) Should the Term Contract option not be pursued, Officers would be required to seek competitive tenders for all works. This is likely to be in the region of 700 to 1000 individual quotations / tenders per financial year which would not be considered cost effective or practical, especially in a reactive repair situation.

7.2 **Contractual Issues** - There are no specific implications except the potential TUPE issues explained in 7.3 below.

7.3 **Staffing Issues** - There may be TUPE implications associated with this contract as staff employed by the current contractor may be required to transfer to the new contractor should a new contractor be successful following the tender process. However, this does not affect any Council employees. Relevant HR and legal advice will be sought in relation to this matter.

7.4 **Customer Impact** - The contract covers a number of security aspects with a potential to impact on customers daily use and requirements:

- Access Control – Provides security via restricted access to buildings or particular areas of buildings and can also be used to restrict access to dangerous areas, hence a potential health and safety implication.
- Intruder Alarm Systems – A fully functioning intruder alarm system will reduce the customer's insurance contributions as well as providing an early warning system of building intrusion.
- CCTV - Provides the customer with a valuable recording tool in the event of an incident, although this in itself cannot prevent crime it is a useful visual deterrent for the customer producing evidential quality pictures if well maintained and functional.
- Electronic Gates & Barriers – Provides the customer with the ability to restrict access to open areas such as car parks and playgrounds. This is a growing area of development particularly within the schools around the Borough.

7.5 **Safeguarding Children** - Well maintained and functional security systems as mentioned in 7.4 above can assist greatly in safeguarding children:

- Access control can restrict access to the sites that contain vulnerable children and prevent unwanted egress by children into areas that may be harmful to them. All contractors engaged on this contract and all other term contracts will have been CRB checked which will be on file and will be part of their Barking and Dagenham contractor's identification card, which will display their CRB number and expiry date.
- CCTV can record movement of people around sites containing children ensuring that any inappropriate movements or actions are evidenced. This also acts as a visual deterrent to those who may wish to harm children.
- Intruder alarm systems are an effective deterrent to would be burglars' who are intent on causing destruction of property and theft to schools and children's centres making the area unsafe for use or ill equipped to carry out daily lessons. Panic alarm systems often attached to these systems can also provide an early

warning of danger in an area occupied by the young and vulnerable.

- Electronic gates and barriers are an effective method of providing a secure safe area for children to operate in by restricting access to dangerous areas and containing activities to a particular area.
- All electrically operated gates and barriers that fall under this contract will fully comply with the relevant British standards for safe use, to include safety edges, sensors and stops to prevent crushing. All existing gates will have a complete risk assessment carried out and all relevant safety measures implemented.

As this is a call off contract, schools are not obligated to sign up to this particular security provision and are quite at liberty as with any Council-run term maintenance contract to “opt out” of the service provision. This particular contract as with all other term contracts will be offered to the schools as part of Asset Management’s Traded Services package. In the financial year 2011/12, 22 schools out of 56 decided to “opt out” of all Asset Management’s service provision for maintenance.

7.6 Crime and Disorder Issues - This contract will maintain and keep the systems as mentioned in 7.4 in full operational order that can assist in the reduction of crime and disorder to our public, staff and customers in our buildings throughout the borough:

- Access control can restrict access to property that contains the public, staff, customers, and valuable equipment and assist in the prevention of crime and disorder being carried out in close proximity to or upon our building users. By visual presence alone it can assist as a deterrent to casual criminals or people with damaging or public disorder intent.
- Intruder alarms in the same vein produce another barrier to be overcome by potential criminal’s intent on personal gain or wanton damage to our buildings. Panic attack systems will provide an early warning to on/off site staff and potential assurance to front line staff that assistance is on its way in the event of public disorder within their buildings.
- CCTV can assist in identification and recording to evidential quality of people intent on committing crime and disorder in our buildings and provide the police with useful leads when trying to track down criminals.

7.7 Property / Asset Issues - In order to provide a safe environment for the community, visitors, staff, and contractors, which satisfies both legislative and customer requirements, it is essential that all alarm, CCTV and access control systems are tested in accordance with their relevant regulations. Failure to comply with this requirement could result in unsafe assets and buildings.

Background Papers Used in the Preparation of the Report:

- Cabinet report and minute 361, 22 March 2005
- Cabinet report and minute 194, 29 November 2005

List of appendices:

None