

CABINET

18 June 2019

Title: Contract for Provision of Security Services to Domestic Void and other Vacant Properties	
Report of the Cabinet Member for Regeneration and Social Housing	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
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: The current contract for the provision of security services to domestic void properties and properties to be regenerated or demolished expired on 1 June 2019. That contract has been extended for three months up to 31 August 2019 and this report sets out proposals for the procurement of a new contract, to commence on 1 September 2019. The intention is to procure a three-year contract, with an option to extend for a further year subject to satisfactory performance of the appointed contractor, via the Fusion21 Framework.	
Recommendation(s) The Cabinet is recommended to: (i) Agree that the Council proceeds with the procurement of a contract for the provision of security services to domestic void properties and properties to be regenerated or demolished via the Fusion21 Empty Properties Security Framework, 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(s) To assist the Council to achieve its priority of "A New Kind of Council" through robust procurement arrangements and improved value for money.	

1. Introduction and Background

- 1.1 LBBB has approximately 19,000 domestic dwellings and at any given point a number may be empty which will require security or related measures. This also includes properties that are pending regeneration or due to be demolished.
- 1.2 The contract with Orbis Protect started on 1 June 2016 for duration of 3 years with it due to end on 1 June 2018. Since the report is due to be submitted to Cabinet for approval, there will be a delay in the procurement process therefore a three-month waiver has been approved to cover the spend during this time up to 31 August 2019.
- 1.3 The total spend for My Place for four years is approximately £400k and the spend for Be First for 2 years is approximately £200k. The spend for the two services averages £200k per year which totals approximately £800k for 4 years.
- 1.4 This contract for this service is due to end on 1st June 2019 and need to be tendered fully as per the Councils own contract rules and the PCR 2015

2. Proposed Procurement Strategy

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

- 2.1.1 The contract is for the provision of security services to domestic void properties and properties to be regenerated or demolished. They would be required to respond to call outs, both during and outside normal working hours that may require urgent attention to secure the property

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

- 2.2.1 The contract value is approximately £800k based on the spend for the last 4 years.

2.3 Duration of the contract, including any options for extension

- 2.3.1 4 years (3 + 1)

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

- 2.4.2 Outline Timetable:

Stage	Estimated Date
Procurement Strategy Report to Procurement Board Sub Group	7 th May 2019
Procurement Strategy Report to Procurement Board	20 th May
Report to Cabinet	18 th June
Tender through Fusion 21	26 th June
Tenders returned (14 days)	2 nd July
Tender Evaluation completed by	16 th July
Award Report approved	23 rd July
Draft Contract	2 nd August
TUPE consultation	From June to Aug
Award of Contract	19 th August
Contract Commencement	2 nd September 2019

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 To continue to use the Fusion21 Framework as it offers a focus on social value alongside service delivery, quality performance and management, health and safety, collaborative working all with a clear drive in obtaining value for money.

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.

2.7 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 to provide security services to domestic void properties and properties that are due to be regenerated or demolished. Using Fusion21 framework as they are accredited and would deliver the best value for money through the contracts awarded through the framework

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 Fusion21 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 It is established by sampling the market that only a few suppliers provide this service which means these few suppliers are registered on the framework. If the provider appointed isn't locally based, they will be encouraged to utilize local labour.

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.

4. Waiver

4.1 As provided for in Contract Rule 6, a waiver has been approved from 1 June 2019 – 31 August 2019 (three months) to cover the delay encountered in the procurement process.

5. Consultation

5.1 Consultation has been held with the stakeholders representatives from My Place and Be First. 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 Councils contract rules and the PCR2015.

6.2 The Fusion 21 framework was used previously for this service and the rates were benchmarked at the time and found to be significantly cheaper than could be found elsewhere.

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 enter into a procurement exercise for the award of contract for the provision of security services to domestic void properties and properties to be regenerated or demolished.

7.2 The expenditure relating to the provision of security services to domestic void properties and properties to be regenerated will be funded from the Housing Revenue Account (HRA). It's a call off contract and the value will be dependent

upon the activity of void properties awaiting works to be done or likely to be demolished.

8. Legal Implications

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

- 8.1 This report is seeking approval to proceed with a procurement for the provision of security services to domestic void properties to be regenerated or demolished through the use of the Fusion 21 framework.
- 8.2 This report states that the total value of the contract over the contract period of 4 years will be £800,000, which is in excess of the EU threshold for service contracts and will require competitive tendering via the Official Journal of the European Union (OJEU). The Public Contracts Regulations 2015 (the Regulations) permit contracting authorities to call off valid frameworks in order to procure goods, services and works, as required. In compliance with the principles of the Regulations this procurement process has to be transparent, non-discriminatory and fair.
- 8.3 The requirements for competitive tendering, as contained within the Council's Contracts Rules are met as Rule 5.1 (a) advises that it is not necessary for officers to embark upon a separate procurement exercise when using a Framework Agreement providing the Framework being used has been properly procured in accordance with the law and the call-off is made in line with the Framework terms and conditions.
- 8.4 The Fusion 21 framework should satisfy the above requirements as the Council is permitted to call off from the framework, which has been set up following a compliant OJEU process for the benefit of various bodies, including local authorities.
- 8.5 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 contracts following the procurement process with the approval of Corporate Finance.
- 8.6 The Law and Governance Team will be on hand to assist and advise as necessary throughout this procurement process.

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 **Crime and Disorder Issues** - The securing of vacant properties in a timely manner will reduce the chances of squatters moving into the empty properties. This will reduce crime and antisocial behaviour. This will be in line with the Community Safety Partnership Action Plan.
- 9.5 **Property / Asset Issues** - Once the properties/assets are secured with doors and windows mesh, properties are protected from vandalised.

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

List of appendices: None