

Executive

13 July 2017

Report of the Deputy Chief Executive and Corporate Director Customer & Corporate Services

Portfolio of the Executive Leader (incorporating Finance & Performance)

AWARD OF CONTRACT FOR SECURITY SERVICES

Summary

1. This report provides details of the result of the evaluation of the tenders received for the provision of the Provision of Security Services and CCTV Operatives and Equipment (Corporate Security Services). Members are asked to approve the award of a contract for the provision of the service to the winning suppliers, subject to minor amendments as the result of clarification of terms.

Recommendations

2. The Executive is recommended to:
 - a. To agree to delegate authority to the Corporate Director of Customer & Corporate Services to enter in to contracts with the proposed supplier for the Provision of Security Services and CCTV Operatives and Equipment (Corporate Security Services);

Reason: To enable the Council to achieve Best Value by maximising the available budget; transfer risks and responsibilities for CCTV security to the appointed supplier so it resides with an experienced, accredited and skilled supplier; and ensure consistency of service provision across the Council.

Background

3. The Executive previously approved a strategy on June 25th 2015 for a single procurement exercise that would provide the following security services:

Lot 1: Manned guards, key holding service, the maintenance of fire and intruder alarms, supply of security consumables, locks, padlocks and locking systems

Lot 2: CCTV services: operation of public space surveillance camera network and the supporting functions that relating to public safety, the maintenance of all CCTV equipment (public space and individual building networks) and continuation of providing support to both the Transport Section and Parking Services, provision of new systems

4. The contract duration confirmed within the tender documents was for an initial six years with the option to extend the contract for up to a further four years. The maximum contract duration would therefore be up to 10 years. Such durations will enable the successful appointed supplier(s) to provide Value for Money throughout the contract period, be responsive to our changing security requirements and consider innovations in the security market by working in partnership with the council and our partners.

Procurement Process

5. The route to the market was through the “Restricted procedure” which is a two stage procurement procedure including a Selection Questionnaire (SQ) stage and then followed by an Invitation to Tender (ITT) stage for those bidder’s shortlisted and invited to tender for the two Lots included in the tender documentation and in accordance with the procedure as defined under the Public Contracts Regulations 2015. Bidders had the opportunity to respond to one or both available Lots.
6. The project team hosted a Supplier Engagement Event for this procurement at the Mansion House, St Helens Square on Wednesday 24th June 2015 to inform interested suppliers about this procurement, facilitate discussions between the attendee’s to establish contacts and to enable the attending suppliers to have site visits of the Mansion House building and also West Offices

which would be included in the list of buildings/sites to be covered by this contract. A total of five suppliers attended the event which included a presentation on the scope of the procurement and invited the attendees to introduce themselves and their organisation to everyone and was concluded with the site visits. Throughout the procurement process a list of interested suppliers who enquired about this procurement was maintained so that key contacts were kept informed of progress and included onto the specific Yortender record when the procurement was published in December 2016.

7. The tender documentation was published on Yortender on the 8th December 2016 with an OJEU Contract Notice – Restricted Procedure also published. The evaluation panel assessed eleven suppliers who submitted a Selection Questionnaire (SQ) by the deadline of 12th January 2017 to determine the suppliers' suitability and capability of delivering the services for the Lots they were bidding for.
8. Following the evaluation of the SQ's received for this tender opportunity a short list of suppliers was invited to submit a formal tender for the respective Lots they were shortlisted onto by the deadline of 12noon on Monday 20th March 2017.

Tender Evaluation

9. The evaluation process was designed to compare the price and quality of the tenders using a most economically advantageous tender (MEAT) approach with a 60:40 quality/cost split.

Quality Element

10. The quality element questions were scored by two evaluation panel's of three officers on a 0-5 basis. The questions focused on the supplier's technical ability to deliver the scope of works detailed within the Invitation to Tender.

Cost Element

11. The cost element was scored as per the breakdown at Table 1 (below), with the best bid (the cheapest costs) receiving full marks and then other bids receiving a percentage score relative to the best bid.

Table 1

<p>Lot 1: 25% for Manned Guards 9% for Key holding, Fire and Intruder Alarms 1% for consumables 5% compliance for Living Wage Allowance</p> <p>Lot 2: 20% for Control Room Services 10% for Maintenance of the Public Surveillance System 5% for Maintenance of Building CCTV Systems 5% compliance for Living Wage Allowance</p>

Results of Evaluation

12. Following confirmation that all bids received were compliant and valid, Officers undertook a full and comprehensive evaluation. The winning suppliers scored highest over all evaluation categories.
13. Annex 1 and Annex 2 provide a summary of the overall evaluation scores for each Lot.

Consultation

14. The procurement has been undertaken under the close supervision of the Commercial Procurement Team to ensure that the correct process has been followed at all stages. The OJEU Notice was published on 13th December 2016 inviting suppliers to respond to tender documents. The tender closed in at 12 noon on Monday 20th March 2017.
15. In preparation for the issuance for this procurement process, the Procurement, Legal, Financial, Property and Transport teams within the Council all worked closely together to ensure that the proposals are aligned to corporate policy and priorities.

Options

Key Features of the Winning Supplier's Proposals

16. The winning supplier's proposals:
 - Achieve best value by maximising available budget and aggregation of spend
 - Transfer risks and responsibilities to an experienced, accredited and skilled supplier
 - Provide a consistency of service provision across the council
 - Allow the council to comply with statutory procurement regulations

Next Steps

17. The successful and unsuccessful bidders are to be notified of the outcome of the procurement process; and in accordance with OJEU procedure the council will enter a formal ten day standstill period.
18. On completion of the standstill period project officers will finalise the transitional arrangements and migrate existing contracts to the new supplier and finalise the TUPE transfer of the CCTV operatives.
19. The new contract is targeted to commence on November 1st 2017.

Council Plan

20. The actions set out in the report contribute to the following corporate priorities as set out in the Council Plan 2015-19:

Build strong communities by:

The award of a corporate security services contract that incorporates the CCTV requirements of the council will assist the Council to tackle crime, antisocial behaviour, increase community safety and enhance our commitment to have effective arrangements in place to safeguard our communities against terrorism through a consistency in the quality of security services provided and achieving Best Value for the Council's budget.

Creation of jobs and grow the economy by:

The inclusion of Lots in the re-procurement exercise would enable SME's to potentially bid for individual or all Lots available and contribute to the growth of the economy.

21. The Council's Plan 2015-19 also includes the core capability for the improvement of our procurement activity to create savings and focus the Council's spend on the delivery of our priorities. The inclusion of the CCTV control room operative's requirements as part of this re-procurement would further enhance the opportunity for the Council to obtain financial savings and efficiencies by its inclusion within this re-procurement.

Implications

Financial Implications

22. The proposed prices of the Corporate Security Services contracts are indicative of the buildings and suggested hours required, these will vary as the Council's buildings portfolio changes over the period of the contract. Based on the buildings at the time of the tender specification the combined price for these contracts would be £854k per annum. For Lot 1, no budgetary savings will be delivered from awarding the new contract, however previous cost pressures will be resolved.
23. The proposed total price for CCTV services of £341k is lower than the current cost. However, there will remain a budget pressure of £117k primarily from previously agreed savings relating to identifying external income to support the service. Officers are still actively seeking opportunities to deliver this.

Human Resources (HR)

24. The award of the contract for Lot 2 - CCTV services operation of public space surveillance camera network and the supporting functions that relating to public safety, the maintenance of all CCTV equipment will include HR requirements regarding four current CCTV Control Room operatives who are CYC employees. Under the legal requirements of TUPE (Transfer of Undertakings Protection of Employment) Regulations 2006 the four CYC employees would have the right to transfer to the successful bidder for Lot 2 as a requirement of the award of this contract.

25. There are also a number of external suppliers who currently provide various security services on behalf of the council which would end as the new contracts commence and so there would be transitional arrangements when changing from existing suppliers to the new supplier(s) that might include transfer of resources or employees prior to the contracts commencing.
26. There will be ongoing consultation with the four CCTV Operators currently employed by the council and their Trade Union representatives regarding TUPE transferring to a new provider. This will be both on a collective and an individual basis and will include dialogue around time scales and likely date of transfer. These employees would ultimately TUPE transfer to the new provider. The TUPE transfer will be implemented in accordance with current legislation and in line with the Council's Supporting Transformation (Managing Change) policies and guidelines. It is anticipated that the new provider will have discussions with the North Yorkshire Pensions regarding application for Admitted Body Status in order to ensure that the employees can retain their existing pension arrangements.
27. There are no implications for Lot 1.

Equalities

28. There are no implications

Legal

29. Legal advice has been provided identifying the procurement, contractual and competition issues which have been addressed in the contract documents.

Crime and Disorder

30. There are no implications

Information Technology (IT)

31. There are no IT implications.

Property

32. There are no property implications

Other

33. None

Risk Management

34. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to non-compliance with legislation, damage to the Council's image and reputation and failure to meet stakeholders' expectations. However measured in terms of impact and likelihood, the score for all risks has been assessed at less than 16. This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.

Contact Details

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**Report
Approved**



Date July 3rd 2017

Neil Ferris
Corporate Director of Economy and
Place

**Report
Approved**



Date July 4th 2017

Specialist Implications Officer(s) List information for all

Mark Woolford
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Wards Affected: List wards or tick box to indicate all

All



For further information please contact the author of the report

Background Papers:

Procurement of Council Security Services to Executive 25th June 2015

Annexes

Annex 1 – Lot 1 Financial Information – Exempt

Annex 2 – Lot 2 Financial Information – Exempt