

Executive

25th June 2015

Report of the Assistant Director of Finance, Asset Management & Procurement and the Assistant Director for Transport, Highways & Fleet

Procurement of Council Security Services

Summary

1. This report is seeking approval to commence a procurement exercise for a comprehensive set of council wide security services including;
 - On site security services in all council properties
 - Provision and support of access control system and other entry systems
 - Key holding services for identified council buildings
 - Fire alarm response / investigations
 - Supply of security consumables (i.e. ID badges, lanyards, key cabinets, locker keys)
 - All locks, padlocks and locking systems for council buildings and sites
 - Security guarding to be called upon as required for City of York Council one off public events
 - Provision of the Council's CCTV control room operation
 - CCTV system design, supply, installation and maintenance for all existing equipment and expansion of CCTV equipment on council premises and other locations as required during the contract period

Recommendation

2. This report asks Executive to agree to the procurement of security services as a corporate contract through a single exercise containing lots, including exploring the possibility to outsource the current in house CCTV monitoring service.

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(s) so it resides with an experienced, accredited and skilled supplier(s)
- ensure consistency of service provision across the Council.

Background

3. Security services across the council have been procured by each service as and when required. There hasn't been an over arching approach to the procurement of this category of expenditure and historically all Facilities Management (FM) activity was undertaken by each directorate on the buildings that they occupied. Following the establishment of a corporate Facilities Management Service as part of the move to West Offices, an on site security presence was required for the first time and a Security Service was procured to provide:
 - On site security at West Offices
 - Associated services such as the support of the access control system and security passes at West Offices
 - Provision of some staff into the CCTV team
4. The security team are an essential part of the West Offices FM team and work alongside colleagues in the Customer Centre to ensure a safe and welcoming environment for customers, staff and business visitors. This contract is due to expire on 30th June 2015 but permits an extension to the contract term by agreement between the parties. In order to align the procurement of these services with the wider corporate security procurement described in this report we will seek an extension of the contract up to 29th February 2016. Due to the value of this extension we will be seeking a wavier to Council's Contract Procedure Rules, prior to agreeing the contract extension with the supplier.
5. The Procurement Strategy sets out a commitment to more effective aggregation of spend utilising a category approach, whereby we seek to bring together all linked and related types of spend and approach the market in a joined up and coherent manner. Therefore, all spend in the broader security category has been reviewed to inform this proposal.
6. In order for the council to ensure it receives consistency in the quality and costs of the security services provided, and value for money, it is proposed to aggregate spend across the Council by combining the majority of security service requirements within one procurement exercise that includes a number of lots. Due to the sums involved it needs to be an EU compliant procurement exercise using the restricted procedure.

7. Under this procedure we can either let the whole contract to one supplier (or consortia) or we can select different suppliers for the separate lots. This enables Small and Medium Enterprises (SMEs), consortia and groups of supplier(s) to potentially bid either for individual or all of the lots available.
8. The proposed lots are;
 - Lot 1 - On site security presence at Council buildings/sites, key holding services, security consumables, security/fire alarm investigations, access/entry systems
 - Lot 2 - Provision of CCTV control room operatives
 - Lot 3 - CCTV system design, supply, installation, maintenance of equipment and service development

Consultation

9. A Project Team was formed in order to create the Corporate Security Services Category Plan. The team included representatives from the Council's Facilities Management team, CCTV control room management, Asset & Property management, Civic buildings, Guildhall and Mansion House management.
10. Consultation with CCTV control room staff and Unions has been started by the Service Manager and will continue through the coming months.

Options

11. The options considered need to balance the key objectives of value for money and consistency of service delivery and quality, alongside compliance with public procurement legislation.
12. Option 1 - to procure security services as a corporate contract through a single exercise containing lots as described in paragraph 8, including exploring the possibility to outsource the current in house CCTV monitoring service. This is the recommended option.
13. Option 2 - to retain the current position whereby CCTV monitoring services are provided in house and procure a separate contract for the remaining security services.

Analysis

Option 1

14. The current CCTV monitoring service is mainly provided in house but is supplemented by staff from the current security provider. The service is delivered 24 hours a day, 7 days a week and historically it has been

difficult to staff up the team to accommodate this requirement. It is therefore proposed that the tender includes a lot that would give CYC the option to consider externalisation of the entire CCTV control room operation. This would enable us to both benchmark costs and assess quality delivery as well as assist with the development and expansion of the CCTV control room services to external third parties. The CCTV control room service has an inherent need to be flexible to respond to the varying security requirements of its customers. The ability to call on third party trained, licensed operatives as and when required has improved service delivery over the last 2 years.

15. The contract for the supply, installation and maintenance of CCTV equipment is due to expire on 1st December 2016 but the Council has the right to terminate the contract at any time by giving 3 months written notice. It is therefore considered sensible to include this within the broader procurement exercise. This would provide the opportunity to seek tenders that provide a full security solution and maximise the use of the budgets available.
16. The proposal to incorporate the CCTV control room operative requirements as part of the re-procurement exercise would provide the opportunity to seek tenders that provide a full security solution enhancing the opportunity for the Council to obtain financial savings and efficiencies and maximise the use of the budget. This would also provide the opportunity for the council, by subjecting the CCTV control room operative requirements to competition, to demonstrate Best Value has been obtained.
17. In addition, an overarching procurement of all security services would ensure consistency and enhanced flexibility of service provision.

Option 2

18. Under this option, it would be difficult to demonstrate that the Council were achieving best value from the current arrangements. It would also potentially limit interest from external suppliers.
19. Separate contracts would not support consistency in service delivery and could prevent opportunities to achieve operational efficiencies. It would also give rise to potentially costly contract management of multiple suppliers.

Council Plan

20. The actions set out in the report contribute to the following corporate priorities as set out in the Council Plan 2011-15:

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 2011-15 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

22. The consideration of including the CCTV control room operatives within the scope of this re-procurement exercise is a significant out-sourcing consideration because the current service has a commitment to cover the monitoring of the cameras for 24hrs, 7 days a week for 365 days a year and the council need two staff on duty to ensure the control room is manned at all times. In order to ensure this commitment can be delivered there is currently a combination of five council staff working alongside staff employed by our current external security services provider.

- **Financial**

The proposed contract period for the Corporate Security Services contracts is for an initial six years with an option to extend the contracts for up to a further four years. Therefore the potential total

value of the contracts would approximately be £5.5m for the full contract period, including extensions.

The current council wide spend on security is set out in the table below although the spend is projected to vary from year to year to reflect variations arising from the planning, design and installation of CCTV equipment;

Service	Spend in 2014/15 £'000
Security services at Council building, including hostels and office accommodation	385
CCTV monitoring (combination of in house and external temporary staff)	260
Total	645

Under Option 1 it is expected that savings will be made through aggregation of our requirements and efficiency of management. Under option 2, no clear savings have been identified and there could be some additional costs in contract management, which cannot be quantified at this time.

- **Human Resources (HR)**

The inclusion of the CCTV control room operatives in this re-procurement exercise would include TUPE workforce implications for the Council staff employed in this service as well as the staff employed by the current security services supplier. The CCTV control room management have commenced the process of staff and Trade Union consultations in accordance with the requirements of TUPE.

- **Equalities**

There are no Equalities implications arising from this report

- **Legal** (*Contact – Head of Legal and Democratic Services*)

The extension to the current security contract may be treated as a “new contract” under the public procurement regulations. The value of the extension period is below the EU threshold and therefore does not require EU wide advertising but a waiver of the Council’s Contract Procedure Rules is required. The extension period must be agreed with the supplier prior to 30 June 2015.

The impact of TUPE on CYC staff and current supplier staff will need to be considered and provided for within any new contract.

- **Crime and Disorder** (*Contact - Senior Partnerships Support Officer, Community Planning & Partnerships*)

None

- **Information Technology (IT)** (*Contact – Head of IT*)

None

- **Property** (*Contact – Property*)

A wide range of security related services for CYC properties are currently provided by a large number of providers. A single contract would be easier to manage and provide improved quality of service.

Risk Management

23. A Risk Log has been developed for the re-procurement which the members of the Project Team will populate with the risks that will be monitored and managed throughout the re-procurement and also as part of the contract management process for the awarded contracts. The risks to highlight for the procurement of the corporate security services include:

- The transfer of risk and responsibilities by the council to the appointed supplier(s) for the CCTV system design, supply, maintenance, installation and future capital expenditure.
- The amount of interest that this procurement would receive from the security services market and volume of bidders that are SME's.
- The content and structure of the procurement documents and the contracts awarded to clearly define and support the Council's priorities to build safer communities by assisting to reduce crime, antisocial behaviour and increase community safety

Contact Details

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Annexes - None

Glossary of abbreviations used in the report:

CCTV – Closed Circuit Television

EU – European Union

FM – Facilities Management

HR – Human Resources

SMEs - Small and Medium Enterprises

TUPE- Transfer of Undertakings (Protection of Employment) Regulations 2006