



Mayor and Cabinet

Building Security & Related Services

Date: 3 November 2021

Key decision: Yes

Class: Part 1

Ward(s) affected: N/A

Contributors: Corporate Facilities Management, Legal, Finance and Procurement

Outline and recommendations

This document provides Mayor and Cabinet with a report on the Council's security contract.

Mayor and Cabinet is requested to approve launching an open tender exercise to procure building security and related services, for a period of three years with an optional two year extension, pending conclusion of the in-sourcing options appraisal work also ongoing.

This concurrent process will ensure all options are considered in time to enable the new arrangements to be confirmed in January and implemented from the 1 May 2022.

Timeline of engagement and decision-making

The current Security and Related Services Contract with CIS Security Ltd is due to expire in April 2022.

Approval is requested to tender the requirement through an open tender exercise which will be advertised via the Council's online tendering system (Pro-Contract Procurement Portal), which publishes opportunities through the London Tenders Portal and Contracts Finder.

1 Summary

- 1.1 The current Security and Related Services Contract is due to expire 30 April 2022, this report is seeking Mayor and Cabinet approval to carry out an open tender exercise in order to procure building security and related services.

2 Recommendations

- 2.1 Mayor and Cabinet are recommended to approve officers to carry out an open tender exercise in order to procure building security and related services on the basis of a three year contract with an optional two year extension.

3 Policy Context

- 3.1 The contents of this report are consistent with the Council's policy framework and it supports the achievement of outcomes contained in Lewisham's Corporate Strategy 2018-2022, particularly the corporate priority 'Building an inclusive local economy where everyone can access high-quality job opportunities, with decent pay and security in our thriving and inclusive local economy'.

4 Current Contract Overview

- 4.1 The security contract was first awarded to CIS Security Services via the Crown Commercial Services framework in January 2011 by Mayor & Cabinet with the service commencing in March 2011. The initial contract period was for 3 years, with an option to extend for a further 2 years.
- 4.2 Following a further procurement exercise, CIS were again awarded the security contract in October 2016 for 3 years with an option to extend for a further 2 years, an extension was granted in September 2019, final extension expires 30 April 2022.

5 Background

- 5.1 The services covered by the contract include manned guarding, security patrols, locking and unlocking of buildings, key holding and response to alarm activations and empty property guardianship. The service operates across the corporate estate including the Catford complex buildings (Laurence House, Civic Suite, Old Town Hall, Wearside Depot and Registry Office).

6 Initial Option Appraisals

- 6.1 Officers are currently reviewing alternatives to the standard proposed security contract. This appraisal will include the following options:
 - in-sourcing a core team of security staff with an additional out-sourced contract providing security operatives and additional security services as required. This

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option will provide flexibility to expand and contract, manned security services in line with the current operational and risk requirements.

- in-source security services which are currently provided by an out-sourced security contract. This will include a cost appraisal of security industry operatives standard contracted working hours against alternative models which would be acceptable and reflect the Councils staffing salary contracts.

- 6.2 The above option appraisal will be undertaken by December and issued to M&C in January as applicable ahead of the conclusion of the contract tender process. The procurement of the security services contract (see below item 7) will allow for the full options appraisal (insourcing, hybrid, or contracted) and related decision making to take place in parallel with the fall back position, if needed, to award as a contract.
- 6.3 The reasons to run these two processes together – in-sourcing and contracting – through to the end of January are the constraint of timing to allow, in either case, the full 90 days period to arrange TUPE when/if required. This will ensure the Council is protected with continuous service in place, irrespective of the preferred provider option to be selected in January.

7 Justification for a three year contract with an optional two year extension

- 7.1 A three year contract with an optional two year extension is designed to allow for a considered and full assessment of the options available in delivering the service beyond the next three years, in line with corporate objectives that would include consideration of the corporate approach to the possibility of in-sourcing of service provision.
- 7.2 The options appraisal will be conducted under the standard framework, drawn from a model designed by the Association of Public Sector Excellence. This allows local authorities to explicitly consider insourcing of services, which assesses the options of in and out sourcing, and appraises these using both qualitative and quantitative metrics. The qualitative considerations are: the risks associated with service delivery, the barriers to entry into the marketplace (high start-up costs or other obstacles that prevent new competitors from easily entering an industry), the responsiveness and control achievable, the commercial potential, and social value. The quantitative assessment looked at the potential and likely estimated cost of service delivery under both models. When combined the qualitative and quantitative measures provide an indication of the overall value for money and ranking of the options.

8 Procurement Project Plan

- 8.1 The procurement opportunity will be advertised via the Council's online tendering system (Pro-contract Procurement Portal), which publishes opportunities through the London Tenders Portal, Contracts Finder.
- 8.2 Suppliers will be able to tender for this contract via the Pro-Contract Procurement Portal and will be assessed on a criteria of price, quality and social value at a percentage of 50/45/5 split.
- 8.3 The successful supplier will be recommended for award of contract, following a further report to Mayor and Cabinet.
- 8.4 The value of these works is classified as Category A under the Councils Contract Procedure Rules.

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Proposed Procurement timetable:

Activity	Proposed Date
Tender Issued	Thursday 4 th November 2021
Tender Returns	Thursday 9 th December 2021
Evaluation	Friday 10 th December – Monday 20 th December
Internal Approvals	December 2021 / January 2022
Award	Monday 31 st January 2022
Contract Commencement	1 st May 2022

9 Financial implications

9.1 This report recommends that approval is granted to tender the contract for the provision of corporate security and related services. This will involve fixed expenditure of approximately £43k per month (£516k pa) core contract value; and may incur additional expenditure from other directorates service requirements (variations of core contract and LLW) bringing the total expenditure to circa £3m over the initial 3 year term of the contract.. The costs of this contract are subject to increases in the London Living Wage, and fall mainly upon the revenue budget of the Facilities Management division, with other services bearing costs in relation to specific buildings. These figures can fluctuate i.e. reduction in estate property assets. A financial analysis will be undertaken as part of the options appraisal set out in paragraph 6 to identify all the costs arising from an insource arrangement including any additional costs so that a full comparison can be made with the contract to be procured as a result of this report.

10 Legal implications

10.1 The report seeks approval to future delivery of corporate Security and Related Services (following the expiry of the current contract) by an external provider. Given the potential spend on this contract (three year contract with an optional two year extension) this contract would be categorised by Contract Procedure Rules as a Category A contract.

10.2 Assuming that Mayor and Cabinet accepts the recommendation for future delivery of security services by an external provider, contract procedure rules place requirements on how that should happen. The rules require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (rule 5). Given the potential spend on this contract the procurement regulations (Public Contracts Regulations 2015) as amended by the Public Procurement (Amendment) Regulations (EU Exit) Regulations (“the Regulations”) will also apply. The requirements of both contract procedure rules and the procurement regulations would be satisfied by an open tender procedure. The process for procurement by that route and the award of the contract would have to be in accordance with the contract procedure rules. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract.

10.3 The Public Services (Social Value) Act 2012 requires that when the Council is procuring services above the EU threshold it must consider, before commencing a procurement process, how the procurement might improve the social, economic and environmental wellbeing of the area, and consider how the procurement might be conducted so as to

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secure that improvement. The matters to be considered must only be those relevant to the services to be procured and it must be proportionate in all the circumstances to take those matters into account. The Council has adopted a Social Value policy which must also be applied; and the Council's Sustainable Procurement Code of Practice will be applied to the contract. The report sets out the social value issues which arise, and any future decision regarding the award of contract will also need to take those matters into consideration.

11 Equalities implications

- 11.1 The Equality Act 2010 (the Act) places on the Council a public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 11.2 The Equality and Human Rights Commission (EHRC) has issued technical guidance on the Public Sector Equality Duty and statutory guidance entitled "Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The technical guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be taken of it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>
- 11.3 The EHRC has issued guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are

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legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.

12 Climate change and environmental implications

12.1 Environmental implications will form part of the tender evaluation process.

13 Crime and disorder implications

13.1 There are no implications arising from this report.

14 Social Value implications

14.1 The tenderers will be asked a method statement question to demonstrate what social value they can deliver through the contract.

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