

<b>Subject:</b>	<b>Procurement of Corporate Security Services</b>		
<b>Date of Meeting:</b>	<b>19 March 2020</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin Hedgecock</b>	<b>Tel: 01273 295470</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

## **1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report outlines the options for the council's corporate security services provision for manned security and key holding for the corporate buildings and schools contract managed by Property & Design. Following advice from the Procurement Advisory Board (PAB) on the 27<sup>th</sup> January 2020 the service is seeking approval to procure and award a contract for an initial period of 2 years with the option to extend for two further periods of 12 months while fully costed proposals to bring the static guarding element of the current contract in house are developed.

## **2. RECOMMENDATIONS:**

- 2.1 Policy & Resources Committee approves that the Executive Director of Economy Environment & Culture is granted delegated authority to procure and award a corporate contract for the provision of security and key holding services via a central purchasing body framework for a minimum initial term of 2 years with the option to extend for two further periods of 12 months ( 2+1+1).
- 2.2 Policy and Resources Committee agrees to the service developing detailed proposals to in-source all static guarding as advised by the Procurement Advisory Board on 27<sup>th</sup> January 2020, once fully developed such in-sourcing proposals for static guarding will be presented to Policy and Resources Committee.

## **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The existing security and key holding provision has been in place with AP Security since 2013. The current contract has expired, and the service are in the process of seeking a waiver to award a short-term contract to AP Security whilst a contract for the longer-term provision is procured. A procurement options appraisal to determine the best route to market is being undertaken as set out in paragraph 4.
- 3.2 The contract is expected to commence in October 2020 for an initial period of 2 years with the option to extend for two further periods of twelve months.

- 3.3 The contract delivers static security guarding, ad-hoc security guarding, mobile security patrols, monitoring and response of alarm activations, remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings.
- 3.4 The operational benefits of utilising an outsourced provider include immediate response to situations as they arise, consistent delivery of the regular service, provision of remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings, the costs of which are shared, through economies of scale, with private organisations who contract similar services from the provider.
- 3.5 The cost of the corporate security contract provision for the council is approx. £750kpa, however this cost across all services including housing fluctuates depending on threat levels and actions and is estimated at over £900K p/a.
- 3.6 The indicative cost/quality ratios for this contract is to be set with the following ratios:

Quality	Price
50-60%	40-50%

The evaluation will be based on the Most Economically Advantageous Tender (MEAT) which combines qualitative and cost elements to identify the best offer and service provider for the requirements.

- 3.7 The current basic spend with AP Security is approximately £750,000.00 per annum. A desktop assessment of the pricing under a central purchasing body framework has indicated there may be a small decrease in the hourly rate for guarding, however further work is required to confirm whether the service available under this framework can meet the needs of the Council and whether the rates have been tendered in accordance with Living Wage. Any potential savings under a new contract, are likely to be small and will be achieved through insourcing some of the static sites.
- 3.8 Since the contract with the AP Security commenced in 2013 there has been no increase in contract charges and the provider is a committed Living Wage Employer.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Three potential routes to market have been identified and an appraisal of these procurement options is being undertaken. The risks, benefits and timescales of each option are being analysed and will form part of the overall assessment however a preferred option has been identified.
  - 4.1.1 There will also be a feasibility review into incorporating the corporate security service provision within a self-delivered “in house” service and flexibility will be built into the option selected to reduce the specification requirement should the option to in-source all static guarding be viable.
- 4.2 **Option 1 - Central Purchasing Body Framework:(Preferred option)**

4.2.1 Two suitable frameworks have been identified. Both provide an option to conduct a mini competition whilst one also provides an option to Direct Award. Access to a framework can be quick and simple, as there's no need to run a full EU tender exercise. This means focus can be placed on development of the specification and KPIs as contract terms are already agreed. This option may offer better value for money due to national framework economies of scale however it needs to be determined whether the corporate requirements can be met under the framework selected. The timescale for calling off under an existing framework is around 4-6 months.

#### 4.3 **Option 2 - OJEU Compliant Tender**

4.3.1 An OJEU compliant tender is one which complies with public procurement legislation. A restricted (two-stage) procedure may be required given the number of providers in the market. This is likely to be more time consuming than calling off from a framework and requires substantial resource within property, procurement and legal teams. This also may be duplication of something that is already available under a framework or via an existing contract. This option would be Contract Standing Order and Public Contracts Regulations 2015 (PCR) compliant and would encourage current market competition. The timescale for running a full OJEU tender is approximately 9-12 months

#### 4.4 **Option 3 - Access to the Orbis Soft Facilities Management Contract**

4.4.1 There are several considerations with this option; an OJEU compliant procurement has already been undertaken in accordance with PCR 2015 therefore there is no requirement to conduct a new call for competition. However, confirmation is required from legal services and ESCC governance arrangements as to whether the estimated value on the OJEU notice accounts for the level of spend within BHCC. This option would require BHCC to access services via an SLA with ESCC. The details around the contractual relationship between BHCC, ESCC and the provider and any potential risks need to be fully understood.

#### 4.5 **Feasibility of providing the security provision in-house.**

4.5.1 An initial review covering each aspect of the current contracted requirement including static site security guarding, ad-hoc security guarding, mobile security patrols, monitoring and response of alarm activations, remote CCTV monitoring, key holding and locking/unlocking buildings including opening and closing inspections of the buildings demonstrated that it would be operationally difficult to manage in-house. It was found that there would be no financial benefit in transferring the key holding, locking and unlocking and mobile response aspects of the current contract to an "in-house" provision as the cost of the service across Brighton and Hove is shared in conjunction with several other organisations who are separately contracted with the provider.

4.5.2 However, the transfer of the security provision for static site guarding at Hollingdean depot, all customer service hubs and the travellers site as well as a proportion of ad-hoc security could be viable.

4.5.3 The Procurement Advisory Board requested a detailed proposal to in-source all static guarding. The feasibility report will be completed and presented for review in the summer.

## 5. **COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The report for the procurement of corporate security services was presented to Procurement Advisory Board on the 27<sup>th</sup> January 2020 asking the Board to review and advise on the procurement options for the provision of corporate security services.
- 5.2 The Procurement Advisory Board recommended that the service draw up detailed proposals to in-source all static guarding and suggested they should return to PAB to present this for review in the summer. A report to Policy & Resources Committee would then follow. The Board's view was that key holding would not be suitable as an in-house service.
- 5.3 There was support from PAB to access a central purchasing body framework and also acknowledgement that a 2+1+1 contract term would provide the council with flexibility and sufficient time to develop and implement any in house options.

## **6. CONCLUSION**

- 6.1 The service will be seeking a waiver to award a short term contract.
- 6.2 Following approval from Policy & Resources Committee a procurement will be undertaken to award a 2+1+1 contract.
- 6.3 Detailed, fully costed proposals will be drawn up to in-source all static guarding, exploring the benefits, disbenefits and associated risks and will be presented to PAB and to the Policy & Resources Committee in due course.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The proposed procurement is subject to compliance with the council's Contract Standing Orders and Financial Regulations. The council's Contract Standing Orders state that contracts above the value of £0.500m require approval from the relevant Committee or executive decision-making body. The procurement process will be prepared on a basis to maximise economy and effectiveness. Consideration will be given to providing elements of the contract in house where it can be demonstrated to provide value for money. The achievement of value for money when providing goods and services is a key task to ensure that public money is well spent.

The revenue costs associated with the provision of Corporate Security Services will be funded from approved budgets within the Property & Design service. The contract will also include the provision of security services to other services such as Schools and Housing, the costs of which will be funded from their approved service budgets. Any variation between costs and approved budgets will be reported as part of the budget monitoring and budget setting process.

The development of proposals to in-source all static guarding in the future will include a detailed financial business case taking into consideration any risks and sensitivities and will be reported to the relevant Committee or executive decision-making body.

Legal Implications:

- 7.2 The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the financial threshold for services, supplies and works. The councils Contract Standing Orders (CSOs) will also apply.

*Lawyer Consulted:*

*Name Barbara Hurwood*

*Date: 13/02/20*

Equalities Implications:

- 7.3 An Equality Impact Assessment will be planned as part of the proposal to in-source the static guarding.

TUPE considerations will be looked into.

Sustainability Implications:

- 7.4 Sustainability will be evaluated as part of the tender evaluation process once the procurement route is chosen. Providers will be encouraged to consider potential opportunities for the use of low emission or electric vehicles by the mobile patrols and support vehicles used in the city and we will expect the provider to demonstrate other ways in which they can contribute to the council's ambition to be carbon neutral by 2030

Brexit Implications:

- 7.5 The corporate security contract will help to protect the council against possible threats and escalating threat levels.

Any Other Significant Implications:

Social value and community wealth building considerations

- 7.6 During the proposed procurement process bidders will be asked to demonstrate how they intend to deliver social value in accordance with the council's social value framework. Social value will be allocated a minimum weighting of 10% as part of the overall quality evaluation. The specific social value commitments made by the successful bidder will be measured against the council's specific requirements such as local employment, apprenticeships, cascade of payment terms and a commitment to pay the living wage. The winning bidder will be asked to demonstrate how this will be achieved throughout the life of the contract.

Crime & Disorder Implications:

- 7.6 The corporate security contract supports the council in the prevention of crime and disorder and other security threats and helps to keep the staff and the general public safe and secure.

Risk and Opportunity Management Implications:

- 7.7 Failure to ensure continuity of the current full contracted security provision may expose the council to additional financial cost and management resource time to cover the essential services required.

Public Health Implications:

- 7.8 The corporate security contract will help to promote wellbeing

Corporate / Citywide Implications:

- 7.9 The proposals support the council's corporate priorities of keeping the public and staff safe and secure in council buildings

**SUPPORTING DOCUMENTATION**

**Appendices:**

- 1.
- 2.

**Background Documents**

- 1.
- 2.