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| Signed off by | Chief Finance Officer |
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| To | Executive |
| Date | Thursday, 22 June 2023 |
| Executive Member | Portfolio Holder for Commercial and Community Assets |

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| Key Decision Required | Y |
| Wards Affected | (All Wards); |
| Subject | Contract Award - Facilities |

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| RECOMMENDATIONS |
| <p>Executive is recommended to endorse:</p> <p>(i) The award of a three year contract to AP Security (APS) Limited as the provider of Security & Housekeeping services from 01 May 2023 to 31 March 2026, as set out in the exempt report in Part 2 of this agenda</p> |

REASONS FOR RECOMMENDATIONS

As a result of changes to the Council's property portfolio and service requirements, and to ensure best value, the Council has procured a new Security & Housekeeping services contract.

Executive approval is required for this contract as this is a strategic procurement under the Council's Contract Procedure Rules.

The previous Security & Housekeeping services was originally tendered in 2017, based upon a three year contract with the option for two one year extensions to the contract.

The contract was extended under an exemption in 2021 during the pandemic; this extension has now come to an end.

The recent tender having been procured in line with EU Procurement Regulations and the Council's procurement procedures and has demonstrated best value.

The new contract consolidates a number of existing services, providing both centralisation and simplification for management purposes, along with a 24hour 365 day responsive and alarm monitoring service. The contract covers the following sites:

- Town Hall, Castlefield Road, Reigate RH2 0SH
- Priory Gate, Castlefield Road, Reigate RH2 0SH
- Earlswood Depot, Horley Road, Redhill RH1 6PN
- Harlequin Theatre, Warwick Road, Redhill RH1 1NN
- Priory Park Pavilion, Priory Park, Reigate RH2 7RL
- Banstead Community Centre, Bolters Lane, Banstead SM7 2BQ
- Woodhatch Community Centre, Whitebeam Drive, Reigate RH2 7LS
- Horley Community Centre, Albert Road, Horley RH6 7JA
- Memorial Park Pavilion, Memorial Park, Redhill RH1 1SZ
- Lady Neville Pavilion, Avenue Road, Banstead SM7 2PF
- Beecholme Pavilion, Osier Way, Nork SM7 1LL
- Priory Park Depot, Priory Park, Reigate RH2 7RL
- Clarendon Road Multi Storey Car Park, Clarendon Road, Redhill RH1 1QZ
- Bancroft Road Multi Storey Car Park, Reigate RH2 7RP
- Portacabin Victoria Road Car Park, Horley RH6 7AS
- Bell Street Public Conveniences, Reigate RH2 7JB
- Banstead Car Park, High Street, Banstead
- Horley Public Conveniences, Consort Way, Horley RH6 7AF
- Redstone Cemetery, Philanthropic Road, Redhill RH1 4DG
- Priory Park Changing Rooms, Priory Park, Reigate RH2 7RL
- Reigate Heath Pavilion, Flanchford Road, Reigate RH2 8QR

- Walton on the Hill Pavilion, Howard Close, Walton on the Hill KT20 7QF
- Tattenham Way Pavilion, Tadworth SM7 1LL
- Allotment Hut, Park Lane, Reigate RH2 8JX
- Former Red Cross Site Car Park, London Road, Reigate RH2 9PU (included)
- Meter in Club/Caves/Lighting, Tunnel Road, Reigate RH2 9AA
- Lower Kingswood Recreation Ground, Lower Kingswood KT10 6SY
- Reigate Hill Centre, Wray Lane, Reigate RH2 0HU
- Public Convenience, Earlswood Lakes, Woodhatch Road, Reigate RH2 7QH
- Merstham Recreation Ground, Albury Road, Redhill RH1 3LP
- The Ring Sports Pavilion, Brighton Road, St Johns, Earlswood RH1 6QE
- Park Farm Depot, Holly Lane, Banstead SM7 2BY
- New Pond Depot, New Pond Farm, Woodhatch RH2 7QH
- Woodhatch Recreation Ground, Whitebeam Drive, Woodhatch RH2 8BS

EXECUTIVE SUMMARY

The Security & Housekeeping Contract combines a number of security and housekeeping operations, including in-person guarding, keyholding and lockup service, testing and maintenance of CCTV, intruder alarms, fire-protection equipment and the regular testing of emergency lighting and fire alarms

Based upon the successful tenderer's submission it is anticipated that the costs for years 1 to 3 of this contract (1 May 2023 to 31 March 2026) will be as set out in the exempt report in Part 2 of the agenda.

The contract includes the option of extending on a yearly basis after the initial contract period for a further two years.

The aggregative value of this contract requires Executive approval.

The Executive has authority to approve the above recommendation.

STATUTORY POWERS

1. Service contracts of a total value of £181,302 and above must comply with the requirements of EU Procurement Regulations.

BACKGROUND INFORMATION

2. The current contracts for the services that have been included within this procurement have been in place for a number of years. It has been necessary to re-tender them in order to comply with both Council policy, health & safety legislative compliance and procurement regulations.

3. Tendering has provided an opportunity to update requirements across the portfolio of services and an opportunity for tenderers to demonstrate more efficient ways of providing these services
4. The Security & Housekeeping Services contract was tendered under Lot 4A of the ESPO Security Services Framework 347_22 which facilitated the participation of both local companies and Small and Medium Enterprises [SMEs], as well as large managed services corporations. The tender was in line with EU Procurement Regulations and the Council's Contract Procedure Rules.
5. The tendered contract was based upon a five year period (three plus two, one-year, optional extensions). The contract covers the following sites:
 - Town Hall, Castlefield Road, Reigate RH2 0SH
 - Priory Gate, Castlefield Road, Reigate RH2 0SH
 - Earlswood Depot, Horley Road, Redhill RH1 6PN
 - Harlequin Theatre, Warwick Road, Redhill RH1 1NN
 - Priory Park Pavilion, Priory Park, Reigate RH2 7RL
 - Banstead Community Centre, Bolters Lane, Banstead SM7 2BQ
 - Woodhatch Community Centre, Whitebeam Drive, Reigate RH2 7LS
 - Horley Community Centre, Albert Road, Horley RH6 7JA
 - Memorial Park Pavilion, Memorial Park, Redhill RH1 1SZ
 - Lady Neville Pavilion, Avenue Road, Banstead SM7 2PF
 - Beecholme Pavilion, Osier Way, Nork SM7 1LL
 - Priory Park Depot, Priory Park, Reigate RH2 7RL
 - Clarendon Road Multi Storey Car Park, Clarendon Road, Redhill RH1 1QZ
 - Bancroft Road Multi Storey Car Park, Reigate RH2 7RP
 - Portacabin Victoria Road Car Park, Horley RH6 7AS
 - Bell Street Public Conveniences, Reigate RH2 7JB
 - Banstead Car Park, High Street, Banstead
 - Horley Public Conveniences, Consort Way, Horley RH6 7AF
 - Redstone Cemetery, Philanthropic Road, Redhill RH1 4DG
 - Priory Park Changing Rooms, Priory Park, Reigate RH2 7RL
 - Reigate Heath Pavilion, Flanchford Road, Reigate RH2 8QR
 - Walton on the Hill Pavilion, Howard Close, Walton on the Hill KT20 7QF
 - Tattenham Way Pavilion, Tadworth SM7 1LL
 - Allotment Hut, Park Lane, Reigate RH2 8JX
 - Former Red Cross Site Car Park, London Road, Reigate RH2 9PU (included)
 - Meter in Club/Caves/Lighting, Tunnel Road, Reigate RH2 9AA

- Lower Kingswood Recreation Ground, Lower Kingswood KT10 6SY
 - Reigate Hill Centre, Wray Lane, Reigate RH2 0HU
 - Public Convenience, Earlswood Lakes, Woodhatch Road, Reigate RH2 7QH
 - Merstham Recreation Ground, Albury Road, Redhill RH1 3LP
 - The Ring Sports Pavilion, Brighton Road, St Johns, Earlswood RH1 6QE
 - Park Farm Depot, Holly Lane, Banstead SM7 2BY
 - New Pond Depot, New Pond Farm, Woodhatch RH2 7QH
 - Woodhatch Recreation Ground, Whitebeam Drive, Woodhatch RH2 8BS
6. Two compliant submissions were received on 31 March 2023 and were assessed against price, compared with the services currently provided by the previous provider and against ability to fulfil the extended role.
7. The outcome is set out in the exempt report in Part 2 of the agenda.

OPTIONS

Option 1 – Award a contract based upon the recent tender process, under new five year contract to the successful contractor. [Three years plus two one-year optional extensions]

This is the recommended Option

The Council will be able to get best value for the services and demonstrate that the contract has been fairly and competitively tendered. It is compliant with EU Procurement Regulations.

The range of included services has ensured competitive bids.

The Council will not have to incur the time and costs of re-tendering for three to five years.

The Contract has been drawn up to allow the Council to terminate the contract for poor or non-performance. Appropriate contract management arrangements will be put in place internally to oversee this.

It is expected that, due to the length of the contract, the Contractor will invest in resources to support and run the contract efficiently.

Option 2 – Continue with the current suppliers.

This is not the recommended option.

It would not be compliant with the Council's or EU Procurement Regulations.

The Council would have no way of confirming whether we are achieving best value

There is risk of the service declining for reasons that include contractor complacency.

Option 3 – Re-tender these services on an annual basis.

This is not the recommended option

This process could be considered as not being compliant with current legislation, which expressly forbids splitting tenders to avoid the OJEU Supplies and Services threshold.

While it would provide some competition and an indication of whether we are receiving good value services, companies may decline to bid for a one year contract due the costs and time involved in them bidding.

Successful tenderers may not invest in equipment and resources to support the contract and costs may be higher as the supplier's investment could only be spread across a year rather than a longer period.

The time, effort and cost involved in re-tendering, along with the need to repeat this process every year, would not be an efficient use of officer time.

As this contract involves employees protected under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) [TUPE]. Where there is a transfer of an undertaking (or possibly part of one) the new employer takes over any employment liabilities and the responsibility for the employment contracts of employees, who then transfer on their previous terms and conditions of service. However, this could prove unsettling for individuals employed under this contract to potentially transfer between employers on an annual basis and may result in high volume of staff turnover.

LEGAL IMPLICATIONS

Procurement

1. The recommended option of a five year contract (three years plus two sequential one year options to extend) is compliant with the Council's Contract Procedure Rules and EU Procurement Regulations. The other options detailed in this report are not available to the Council as they are not legally compliant and the Council would be open to legal challenge.
2. The contract was tendered under a further competition under Lot 4A of the ESPO Security Services Framework 347_22.
3. The contract is to be awarded under the ESPO Security Services Framework 347_22

EMPLOYMENT

4. .Where applicable any existing staff working on the existing contract, that meet the qualification criteria, would have an opportunity to transfer to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) [TUPE].

FINANCIAL IMPLICATIONS

5. The financial implications of the contract are set out in detail in the exempt report at Part 2 of this agenda.
6. The costs will be funded within the service's approved revenue budget.
7. The new contract consolidates a number of existing services, providing both centralisation and simplification for management purposes, thus reducing administrative costs and officer time for both the Property and Finance teams, along with formalising a 24hour 365 day responsive and alarm monitoring service for the elements included within this contract.

EQUALITIES IMPLICATIONS

8. The contract documentation requires that the successful tenderer to adhere to the Council's obligations in connection with equality & diversity and makes provision for the Council to monitor its compliance throughout the contract period.

COMMUNICATION IMPLICATIONS

9. There are no communications implications arising from this report.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

10. **Sustainability** - The contract documentation requires that the successful tenderer to ensure compliance with a number of corporate considerations when providing its services either directly or via a third party. Consequently, requires the successful tenderer to assist the Council in the following duties: Health and Well Being; Our Local Economy; Smarter Travel; Biodiversity & Character of our countryside and Efficient use of our resources – energy waste and water.
11. **Environmental Issues** -The contract documentation requires that the successful tenderer to ensure protection of the environment and the promotion of sustainable environmental development and undertake the various obligations contained within the Contract, in a non-detrimental manner to the environment.

RISK MANAGEMENT CONSIDERATIONS

12. These are set out in the paragraphs above.

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| CONSULTATION |
| 13. The Executive Members for Finance & Governance and Commercial and Community Assets have been consulted on the proposals in this report. |
| POLICY FRAMEWORK |
| 14. The potential value of the contract makes this a Strategic Procurement under the Council's Contract Procedure Rules. |
| BACKGROUND PAPERS |
| None |