



London Borough of Enfield

Title:	<i>KD Report: The Provision of Security Guarding Services Contract for Corporate Properties (non-housing).</i>
Report to:	<i>Interim Director Development (Property)</i>
Date of Report:	<i>THIS TO BE THE DATE THE REPORT IS PUBLISHED</i>
Directors:	<i>James Wheeler and Sarah Cary</i>
Report Author:	<i>James Smith: James.Smith3@enfield.gov.uk</i>
Ward(s) affected:	<i>All</i>
Key Decision Number	<i>KD 5605</i>
Implementation date, if not called in:	<i>26th April 2023 (if not called in)</i>
Classification:	<i>Part I Public or Part II Private: Appendix 1</i>
Reason for exemption	<i>Financial Information (para 3)</i>

Purpose of Report

1. Following a notice of cessation from the supplier of security services to Council properties (non-housing), this report seeks authority for a compliant procurement process for a replacement provider.

Recommendations

- I. To approve that a replacement supplier of security services be procured via the EEM framework, and that the Council enter into a call off contract with the successful supplier/s.
- II. To note that the annual expenditure will be circa £2.2m and will be funded from existing budgets (see para 26).
- III. To delegate authority to the Director of Development to procure and award a contract for an initial 3-year term (with the option to extend for a fourth and final year only) to a replacement supplier of security services for corporate properties (non-housing) in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

Background and Options

2. The incumbent supplier of security services for corporate properties (non-housing) served notice on 29 November 2022 that it will cease the provision of services on 31 May 2023.
3. The incumbent supplier was procured in accordance with the Public Contracts Regulations (PCR's) 2015 using an OJEU notice that opened competition to the whole market and required a lengthy procurement process exceeding 6-months duration.
4. A replacement supplier must be procured and commence the provision of the services by no later than 31 May 2023. Therefore, there is insufficient time to follow a similarly open procurement process.
5. The purpose of the security services for corporate properties (non-housing) is threefold:
 - (i) to support the statutory requirement of ensuring the safety of corporate property (non-housing) building users via the provision of risk assessments and security assignments.
 - (ii) to provide a proactive service with the aim of eliminating criminal activity, including counter terrorism support in complimenting the prevent strategy; and
 - (iii) to provide expertise in matters related to Security Industry Authority (SIA) best practices in reactive investigations, and adjustments necessary to ensure the continued safety of corporate property building users.
6. The Council has a duty to ensure the health and safety of their employees and any visitors to their premises such as customers,

suppliers and the general public and without risk to health and safety as required by S2(e) of the Health and Safety at Work Act 1974 and as directed by secondary legislation such as Management of Health and Safety at Work (MHSWR) 1999, The Regulatory Reform (Fire Safety) Order 2005, The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 1995. Additional duties arise from Counter-Terrorism and Security Act 2015 a duty on “specified authorities” in preventing terrorism via early risk management to minimise the likelihood of terrorism and radicalisation.

7. Failure by the Council to meet this duty would present an increased risk of injury or death to employees and the public and could result in criminal prosecution, fines, and imprisonment. The Council would also be at risk of claims for personal injury and associated costs. Reputational damage could be far reaching should the right and proper security management of the councils’ premises and staff be discharged.
8. The cost of the security guarding provision is currently £1,148,719 per annum and provides planned and reactive provision of security guarding services to the Council’s corporate property buildings.
9. The council currently operates security provisions for void property access via 2 different service streams at £979,854 per annum. This provides for the security of void properties located in developments such as Meridian Water.
10. The scope for the replacement security services for corporate properties (non-housing) will be expanded to include property entry management for void properties, and related ad-hoc services, ensuring synergies are utilised to best capture efficiencies and provide value for money.
11. The re-procurement and mobilisation of the replacement security services for corporate properties (non-housing) must be completed by 31 May 2023 in order to ensure the continuity of those services and therefore the Council’s compliance with its duties defined by the Health and Safety at Work Act 1974.
12. The current security provider served notice in line with their governance framework, which requires them to do so when a formal contract is either expiring or has expired.
13. Should relevant statutory functions not be complied with, there is an increased possibility of legal action with associated financial penalties and/or imprisonment.
14. A lack of compliance with relevant statutory functions would increase the possibility for far reaching reputational damage.
15. The security services for corporate properties (non-housing) promote operational continuity by decreasing the possibility of substantial interruption to corporate buildings by guaranteeing a proactive security approach to threats stemming from the intent to injure building users or cause building damage.

16. There are no risks associated with the proposed decision.
17. Do nothing – the cessation of security services would render the Council unable to demonstrate compliance with the Management of Health and Safety at Work Regulations (1999) and would present significant risk of loss or damage to its property assets. Rejected.
18. Attempt to negotiate an extension of the contract with the incumbent supplier – this would be a breach of the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules as it would materially alter the contract awarded and be anti-competitive. It would also likely decrease the Value for Money to the Council. Rejected.

Preferred Option and Reasons For Preferred Option

19. Due to the short notice given by the incumbent contractor and the time available to complete the re-procurement and associated Governance procedures dictates the use of an existing framework already procured in compliance with Public Contracts Regulations 2015 will be the most appropriate method.
20. To enable a compliant procurement to be undertaken, it is proposed to procure these services via the EEM (Efficiency East Midlands) framework "Void Property Services", an existing framework procured in accordance with the Public Contracts Regulations 2015 and in compliance with the Council's Contract Procedure Rules.
21. The EEM Void Property Services framework was selected as this allows both the security guarding services and vacant property services elements to be tendered together. There are other frameworks in the market, but these would require 2 separate tender exercises. Given the timescales, that approach is not feasible on this occasion, and this approach also allows the appointment of 1 Contractor for the service rather than potentially 2. Procurement and Legal Services have carried out due diligence on the framework and confirmed this is compliant.
- ~~22.~~ The selected framework is Void Property Services, Lot 2, Void Property Security Services which allows for the provision of security services in security guarding services and unattended properties. There is also a scope to include related services which may be required throughout the contract term.
23. The framework was procured in accordance with the Public Contracts Regulations (PCR's) 2015. It used an open competitive process to assign suppliers and defined the scope of works and services, pricing mechanism and rates. The framework allows appointment of a Contractor via Mini-Competition or Direct Award however the mini-competition route will be used for this procurement as it provides an

additional layer of demonstrable competition.

24. The framework contract is 'scalable' so will allow the addition of Meridian Water security services when they expire in circa 1-year. It will also enable the Council to implement a future hybrid approach for security guarding services during the period of this contract, whereby some of the currently outsourced security services are insourced to enable greater integration with FM and Service teams at key locations whilst still relying on outsourced security guards at vacant sites and to meet spikes in demand.

Relevance to Council Plans and Strategies

25. The security services for corporate properties (non-housing) supports the delivery of the Council Plan by:

- a. To ensure everyone who comes into contact with the council to have a positive experience of our staff, our buildings and the service we provide.
- b. Ensuring our buildings will be welcoming, safe, accessible and inclusive places, where residents can access all the support they need in one place, and where our staff feel happy to work.
- c. Working in partnership with the private sector for the benefit of all Enfield residents and make sure our supply chain is robust and fit for purpose to support service delivery.

Financial Implications

26. This procurement exercise will bring together the three previously separately procured security services, which costs circa £2.2m per annum, and is funded from approved budgets within three different Services. Bringing these services into one holistic contact will give economies of scale, greater competition and increased value for money, please refer to appendix 1.

Security Guarding	Vacant Sites	Meridian Water	Total
Yearly Forecast	Yearly Forecast	Yearly Forecast	Yearly Forecast
£1,148,719	£400,000	£579,854	£2,128,573

Legal Implications

**by Kalvinder Saib on behalf of
the Director of Law & Governance, Terry Osborne.**

27. The Council has the power under section 1(1) of the Localism Act 2011 to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. There is

no express prohibition, restriction or limitation contained in a statute against use of the power in the way anticipated in this report.

28. The Council has a duty under both common law and legislation including the Occupiers' Liability Acts 1957 and 1984, Health and Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations 1999 to take such care as is reasonable in all the circumstances to ensure that individuals do not suffer injury on its premises and that it does all that is reasonably practicable to ensure the health and safety of individuals on its premises. In addition, section 111 of the Local Government Act 1972 enables local authorities to do anything which facilitates or is conducive or incidental to the discharge of their functions.
29. The use of a framework is a complaint route to award, provided that the Council's procurement officers have carried out due diligence on the framework in question, and officers follow the terms and conditions of the framework in procuring and awarding the call-off contract.
30. Instructing officers should be mindful of the requirement to obtain sufficient security from the chosen contractor in accordance with the Council's Contract Procedure Rules.
31. The Council must also be mindful that TUPE may apply to the service provision change, and appropriate steps should be taken to protect the Council's interests.
32. Throughout the engagement of the chosen contractor, the Council must comply with its obligations of obtaining best value under the Local Government Act 1999.
33. As the anticipated contract value exceeds £500,000, this is a Key Decision, and the Council must comply with the Key Decision procedure.

Equalities Implications

34. Please refer to Appendix 2.

HR and Workforce Implications

35. As identified above, TUPE may apply to the service provision change. At this stage, as a new contractor has yet to be appointed, employer liability information has been provided to the Council for staff currently in scope for a TUPE transfer. Consultation with the affected individuals will take place with the new provider. However, or if a new provider cannot be appointed through this process, and the service was to be carried out 'in house' pending appointment of a new provider, the Council will need to consult with affected individuals and meet TUPE obligations.

Property Implications (if any, delete if not relevant)

36. Without the continuity of a supplier to provide security services for corporate properties, corporate properties would become unsafe places for staff to work, and Council services would be forced to rely on business continuity plans to remain operative. As such the proposals in this report have highly significant safety implications if they are unable to be delivered. Lack of appropriate security on site may lead to incursions / unauthorised access to site and additional costs to the council to rectify.

Other Implications (Delete if not necessary)

37. A Gateway Report outlining the Procurement options/strategy and recommending the stated route to market was presented and approved at Procurement Assurance Group on the 15th February 2023.
38. Due diligence and approval of the EEM Framework, Void Property Services, Lot 2, Lot 2, Void Property Security Services), was undertaken by Procurement Services. Social Value benefits to the Council as part of this service have been requested within the Method Statement questions Tenderers will be required to complete.
39. ESPO, CCS, YPO and EEM all provide Security Frameworks which were reviewed for suitability. The EEM (Efficiency East Midlands) Framework for Void (vacant) Property Services was deemed the most suitable. This is the only framework option which allows for security guarding to be included in the requirement and both services covered under a single procurement. Other options required 2 separate frameworks/procurement exercises undertaken. Given the situation and limited timeframe, this would take longer and potentially mean 2 separate providers delivering the service.
40. EEM are also willing to run the entire mini-tender process via their portal, or provide assistance as required on the documentation.
41. The proposed procurement must be undertaken using London Tenders Portal (reference DN652247).
42. The award of the contract, including evidence of authority to award, promoting to the Council's Contract Register, and the uploading of executed contracts must be undertaken on the LTP, including future management of the contract.
43. In accordance with the Council's CPR's the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the LTP, and that the monitoring requirements are adhered to.

44. The awarded contracts must be promoted to Contracts Finder to comply with the Government's transparency requirements.

45. Due to the nature of the value of the contract CPR's Section 7, Financial Risk requires that the Supplier must be required to provide sufficient security. Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. If no security is to be requested, authorisation to waive this must be sought from the Executive Director of Resources.

Report Author: James Smith
FM & Compliance Manager
James.Smith3@enfield.gov.uk
+44 2045 229 903 or +44 7813 398 084

Appendices

- *Appendix 1: Procurement Assurance Procurement Strategy Options Report Gateway*
- *Appendix 2: EQIA Report*

Background Papers

N/A

#Departmental reference number, if relevant:

PL2223_018 P