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Report of: Laraine Manley
Report to: Cabinet
Date of Decision: 14/02/18
Subject: Procurement of Security Arrangements to meet Sheffield City Council's Operational needs.

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Finance</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>N/A</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>112</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

This report seeks authority to procure a corporate framework and subsequently enter into call off contracts against the framework for the provision of a number of security related services.

Delegated authority is sought for the SCC Executive Directors within each portfolio to approve the purchase of provision in accordance with their service requirements.

Recommendations:

That Cabinet:

Delegates authority to the Director of Finance & Commercial Services in consultation with the Executive Director of Place or their nominated Director and the Director of Legal Services to:

- 1) approve the Procurement Strategy and Contract Award for a Corporate Security Framework as set out and in line with this report.*
- 2) thereafter to enter into contracts via a call off arrangement for the goods / services as set out and in line with this report.*
- 3) approve the purchase of provision in accordance with service requirements*
- 4) take all other necessary steps not covered by existing delegations to achieve the outcomes outlined in this report.*

Background Papers:

N/a

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Mick Casey</i>
		Legal: <i>Henry Watmough-Cownie</i>
		Equalities: <i>Annemarie Johnson</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	<i>Laraine Manley</i>
3	Cabinet Member consulted:	<i>Olivia Blake</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Nathan Rodgers</i>	Job Title: <i>Head of Service – FM Services</i>
	Date: <i>22/01/18</i>	

1. PROPOSAL

- 1.1** The Council wish to establish a corporate framework for Security Services for a maximum period of 4 years with the intended contract award date of May 2018. The estimated value of the framework is £1.4m per annum, approximately £5.6m over the 4 year period.
- 1.2** Following a review of the Councils' existing arrangements and the future requirements for Security Services across the council, it is proposed that the Council amalgamate its requirements for various security goods and services and establish a corporate framework of multiple suppliers. The Council is currently delivering its requirements through historic arrangements with approximately more than 60 external Providers which have been commissioned in an ad hoc fashion over the preceding years.
- 1.3** The Framework will benefit the Council via improved management of the Councils supply chain, driving efficiencies into the officer processes and procedures, and achieving better value in combining the volumes of requirements and spend.
- 1.4** It is proposed that the Framework will be utilised by all Portfolios with the key security requirements currently identified in Corporate Buildings, Community Buildings, Event Management and Housing Services. It is recognised that a transition period will be required to facilitate the transfer of existing arrangements into the new contractual arrangements.

1.5 The Business Needs

The security services outlined below enable the Council to provide a safe environment for both staff and members of the public in Council buildings and Council hosted events across the city. The services also protect Council Assets against criminal activity and provide an out of hours cover to enable services to operate. The arrangements also allow the Council to reduce insurance premiums by having preventive measures in place to deter criminal activity.

The 5 security services lots in scope of the Framework include;

1. Static and Mobile Guarding Services
2. Key Holding and Call out Services
3. Burglar and Intruder Alarms
4. CCTV Systems
5. Locksmith and Key Cutting

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1** The Corporate Plan sets the Council's direction, priorities and common goals. This proposal specifically support the priorities around:
- An in touch organisation
 - Strong economy
- 2.2** The establishment of a framework will enable SCC to engage and compete the market to ensure that the required services can be effectively, efficiently and compliantly delivered according to the current and future business needs and standards. It will facilitate improved performance management via improved transparency in the security supply chain. The proposal is in compliance with Procurement Contract Regulations 2015 and has been prepared with detailed consideration and knowledge of the supply market.
- 2.3** The opportunity to supply to SCC via the framework will enable local and national suppliers to trade with the council to offer their services and will contribute to economic growth. With the requirements being broken down into Lots for the Framework, it will be Small Medium Enterprise friendly and will enable Sheffield City Council to appoint multiple suppliers/service providers to give flexibility to manage peaks and troughs.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1** Consultation is taking place with the service areas affected, with representative leads feeding into the Project Group.

Place, Culture and Environment – Richard Eyre and Mick Platts

Place, Repairs and Maintenance Service – Alex Young

Place, Transport and Facilities Management – Nathan Rodgers and Kim Grand

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1** Overall the decision to implement a framework for the security arrangements does not have any significant equalities implications. Under TUPE, there may be some movement of staff from contractor to contractor. Sheffield City Council will encourage current Service Provider(s) to provide Legal/HR support for the any people that may be affected.

4.2 Financial and Commercial Implications

- 4.2.1 The Council has a duty to ensure that all of its procurement is based on value for money principles, achieving the optimum mix of quality and effectiveness for the least outlay. In addition to this duty and the overarching EU Treaty Principles relating to transparency and equality of treatment, the value of the services in scope is above the OJEU threshold and so requires a number of specific procedural steps to be followed.
- 4.2.2 In undertaking an OJEU compliant tender process, the Council will ensure compliance with the necessary legal and regulatory provisions relating to procurement, whilst encouraging innovation and competition from the market and allowing the Council to choose the optimum solution based on a balance of quality and price.

The Framework will not provide any guarantees in relation to volumes or a value committed to supplies over the course of the arrangement, and so provides flexibility for the Council to carry out ongoing reviews of its needs and amend its requirements as required.

Amalgamating the different contracts and arrangements currently in place across the Council into a single contractual Framework provides the opportunity to aggregate volumes and thus potentially benefit from economies of scale and simplified contract management requirements.

4.3 Legal Implications

When the Council delivers services it is subject to the 'best value duty. This requires the Council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.'

The services are covered by the Public Contract Regulations 2015 and if an outsourced option is preferred any award of a contract above the relevant threshold of £181,302 will need to be via a compliant procurement route and compliant with Public Contract Regulations 2015

4.4 HR Implications

- 4.4.1 The majority of these proposals concerns services provided by a third party supplier which may transfer to another third party supplier and therefore any impact on staff (including potential TUPE) in these cases would be picked up as part of the procurement process and managed by suppliers.

In cases where work transfers from third-party suppliers to Council employees, it is possible TUPE may apply depending upon the detail of these proposals; a further review would be required once more detail is made available. Current Council employees and Trade Unions should be consulted appropriately as provided for in Council procedures if there may be any impact on them as a result of implementing

these proposals.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The Council could carry on meeting its requirements for Security with the current piecemeal arrangement; however the implications are that some of these arrangements do not comply with public procurement regulations or the Council's Standing Orders.

6. REASONS FOR RECOMMENDATIONS

(Explain why this is the preferred option and outline the intended outcomes.)

- 6.1 In the short term, the procurement will enable the Council to:

- Have a compliant mechanism in place to meet the service requirements, whilst allowing for a thorough review in the medium to long term to identify any savings/efficiencies.
- Meet Data Protection Legislation in any new installation and upkeep of CCTV systems.
- Amalgamating the different contracts and arrangements currently in place across the Council into a single contractual Framework provides the opportunity to aggregate volumes and thus potentially benefit from economies of scale and simplified contract management requirements. This will also help implement standard procedures across the Council