

LONDON BOROUGH OF BRENT

MEETING OF THE EXECUTIVE

12th JULY 2004

FROM THE DIRECTOR OF HOUSING SERVICES

NAME OF WARD(S)

ALL

REPORT TITLE: FURNITURE REMOVALS AND STORAGE CONTRACT

FP REF: HSG-04/05-28

Above

Below

For: Action

Confidential Line

1.0 SUMMARY

1.1 This report seeks the Executive's approval to the extension of the existing contract for a Furniture Removals and Storage Service (of personal property of homeless and other displaced households) with Dymocks International Limited. The report also seeks authority in accordance with Contract Standing Orders 89 and 90 to invite tenders for a new contract for a Furniture Removals and Storage Service for a period of three years with an option to extend for up to a further two years (the "new Contract").

2.0 RECOMMENDATIONS

2.1 That the Executive agrees to extend the authority's current contract with Dymocks International Limited for a Furniture Removals and Storage Service for a further eight months from 01 August 2004 until 31 March 2005 on terms as noted in paragraph 7.5 of this report.

2.2 That the Executive delegates authority to the Head of Housing Resource Centre to finalise the terms for the extension in consultation with the Borough Solicitor.

2.3 That the Executive approves the pre-tender considerations for a new contract for a Furniture Removals and Storage Service and the criteria to be used to evaluate tenders as set out in paragraph 8.1 of this report.

- 2.4** That the Executive authorises the Head of Housing Resource Centre to invite tenders for a new contract for a Furniture Removals and Storage Service for three years with an option to extend for up to a further two years to commence on 01 April 2005 in accordance with the timetable as noted in paragraph **8.1** of this report and to evaluate them in accordance with the approved evaluation criteria referred to in **2.3** above.
- 2.5** That the Executive notes the reasons why a re-tendering exercise did not take place as intended during 2003.

3.0 FINANCIAL IMPLICATIONS

- 3.1** The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval to invite tenders and in respect of other matters identified in Standing Order 90.
- 3.2** The existing contract with Dymocks International Limited expired on 31 December 2003. The value of this contract is estimated to have been £1,950,000.
- 3.3** The value of the contract between 01 January 2004 and 30 July 2004 is estimated to be £230,000. The value of the contract between 01 August 2004 and 31 March 2005 is estimated to be £260,000.
- 3.4** The value of a 5 year contract from April 2005 is estimated to be £1,700,000.
- 3.5** The cost of the extension of the contract until 31 March 2005 will be funded from existing resources. It is anticipated that the cost of the new contract will be funded from resources already identified in the Temporary Accommodation Budget managed by the Housing Resource Centre.
- 3.6** Under the homelessness legislation Local Authorities are allowed to make a reasonable charge for the collection and storage of furniture. It has not been the practice in Brent to levy such charges.

4.0 STAFFING IMPLICATIONS

- 4.1** The service is currently provided by an external contractor and there are no implications for Council staff arising out of the proposed extension to the current contract or the tendering of the new contract.
- 4.2** TUPE may apply to the staff employed by Dymocks International Limited in the event the contract was awarded to a different contractor. This situation will be covered in the tender documentation for this contract.

5.0 LEGAL IMPLICATIONS

- 5.1** The Furniture Removals and Storage Service contract is considered to be a Part B service pursuant to the EU Procurement Regulations and is therefore only subject to a partial application of the Regulations.
- 5.2** In accordance with Contract Standing Order 112(d) and Para.2.5 of Part 4 of the Council's Constitution officers have delegated powers to extend this contract to a maximum period of one year. Officers have already used these powers to extend the contract with Dymocks International Limited from 1st January 2004 to 31 July 2004 and therefore the further extension recommended in this report requires the approval of Members.
- 5.3** The proposed new contract is a High Value Contract for the purposes of Contract Standing Orders and accordingly the approval of the Executive is required to invite tenders and to the pre tender considerations set out at paragraph 8.1.
- 5.4** The proposed new contract will be procured and tendered in accordance with the authority's Contract Standing Orders.
- 5.5** Once the tendering process is undertaken Officers will report back to the Executive in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.
- 5.6** Sections 211 and 212 of the Housing Act 1996 confer a duty on the Council to take steps to protect the belongings of homeless people in certain circumstances, and discretion to do so in others. That Act also allows for recovery of reasonable costs.
- 5.7** Section 41 of the Local Government (Miscellaneous Provisions) Act 1982 deals with lost and uncollected belongings. It confers on the Council a duty to deal with belongings found on its property, including but not limited to residential premises, and belongings otherwise left with it and not reclaimed. For practical reasons, for example where a new tenant wishes to take up residence of a Council home, this usually involves removal and storage of the former tenant's belongings. That section also requires notice to be given to the owner of the belongings and, if the owner claims them, allows the Council to recover the costs of caring for them.
- 5.8** In addition to the express statutory requirements explained above, the Council is under a general duty to act reasonably, which will in some circumstances necessitate removal and storage of belongings, notwithstanding the absence of an express obligation.

5.9 The arrangement for the existing contract (which this report recommends be extended) whereby the written contract is between Dymocks International Limited and the Council but Dymocks also provide a service to Brent Housing Partnership in relation to landlord functions delegated to it by the Council raises risks for both the Council and Brent Housing Partnership. In relation to the Council, there is a risk that if Brent Housing Partnership does not make payment to Dymocks for the service provided to it Dymocks may assert that the Council is responsible for that payment pursuant to its written contract with Dymocks. Brent Housing Partnership is not a party to the written contract with Dymocks and therefore may not be able to enforce against Dymocks any obligations in that written contract.

6.0 DIVERSITY IMPLICATIONS

6.1 Black and minority ethnic groups are disproportionately represented amongst those who present themselves as homeless.

6.2 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

7.0 DETAIL

7.1 The Council has a statutory duty under Part VII of the Housing Act 1996 (as amended) to protect the personal property of homeless households during their period of homelessness. Such personal property may include furniture, white goods, beds, electrical appliances and other bulky items. The duty is discharged by the Council by contracting out removals and storage work to a private contractor. Brent Housing Partnership are also required to arrange removals and storage arising from the landlord functions that they carry out on behalf of the Council, including secure tenancy management as well as the separate Private Sector Leasing scheme. In particular storage is required for a limited period where households have been evicted from Council property and have left their personal goods behind.

7.2 The tendering exercise described in this report and the contract that is proposed to be let by the Council is in relation to the Council's duty to protect the personal property of homeless households as described above. Brent Housing Partnership will undertake its own tendering exercise and let its own contract in relation to removals and storage arising from the landlord functions they carry out on behalf of the Council. These tendering exercises will be run in parallel but will result in a contract being let by the Council (in relation to homeless households) and a separate contract being let by Brent Housing Partnership (in relation to landlord functions). The tendering process undertaken by Brent Housing Partnership will be in compliance with its own Standing Order requirements. Until Brent Housing Partnership lets a separate contract (which is likely to commence on 1 April 2005) the risks identified in the Legal Implications at paragraph 5.9 will remain.

- 7.3 Implementation of the contract renewal exercise during 2003 was delayed because the Housing Resource Centre was fully focussed on meeting the Government's target to stop the use of hotel accommodation for families with dependent children and for pregnant women (maximum stay 6 weeks). As members will know, this task was supported by Government finance and required the introduction of new initiatives and schemes to ensure success.
- 7.4 Officers used their delegated powers to extend the contract with Dymocks International Limited from 1st January 2004 to 31 July 2004 complying with the same arrangements/conditions set out in the original contract, subject to a small increase in charges in line with inflation factors agreed under the Contract and payable from each January.
- 7.5 In order to develop and implement a new contract for the Service, it will be necessary to carry out a tendering exercise which will take up to nine months to complete.
- 7.6 To cover the period between 1 August 2004 and 31 March 2005 during which the re-tendering exercise takes place it is proposed to renew the existing contract with Dymocks International Limited. The terms of the extension are to be confirmed but provisionally they will be the same as for the existing contract with an inflation factor applied in January 2005. The charging rates applicable for the specified services will remain the same as in the existing contract.
- 7.7 The existing contract is between Dymocks International Limited and the Council. However, Dymocks also provide a service to Brent Housing Partnership in relation to the landlord functions delegated to it in the management agreement with the Council.

8.0 PROCUREMENT TIMETABLE FOR THE THREE YEAR PLUS TWO YEAR CONTRACT

- 8.1 In accordance with Contract Standing Orders 89 and 90, pre-tender and procurement considerations are set out below for the approval of the Executive:

Ref.	Requirement	Response
(i)	The nature of the service.	To provide a Furniture Removals and Storage Service
(ii)	The estimated value.	£ 1,700k over the period of the contract - 3 years with an option for a 2 year extension.
(iii)	The contract term.	3 years with an option to extend for up to a further 2 years. Likely commencement date 01 April 2005.

(iv)	The tender procedure to be adopted.	A 2 stage procedure : Stage 1 – expressions of interest. Stage 2 – invitations to tender	
(v)	The procurement timetable.	Indicative dates are: <ul style="list-style-type: none"> • Adverts placed • Expressions of interest returned • Shortlist drawn up to the Council's approved criteria • Invite to tender • Deadline for tender submissions • Panel evaluation - shortlisting for interview • Interviews and contract decision • Report recommending Contract award circulated internally for comment • Executive approval • Contract start date 	Year 2004/5 Mid August 27 September 20 October 21 October 02 December 17 December Mid January Late January Mid February 01 April 2005
(vi)	The evaluation criteria and process.	Shortlists are to be drawn up in accordance with the Council's Contract Management and Procurement Guidelines namely the pre-qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise. The panel will evaluate the tenders against the following criteria: <ul style="list-style-type: none"> • demonstrated ability to provide the service • quality assessment • tendered prices • customer and client orientation 	
(vii)	Any business risks associated with entering the contract.	None specific. Financial Services and Legal Services have been consulted concerning this contract.	
(viii)	The Council's Best Value duties.	The competition provided by the 2-stage tendering exercise will assist the Council in achieving best value for this service.	
(ix)	Staffing implications including TUPE & pensions	See paragraph 4.2.	

x)	The relevant financial, legal and other considerations	See paragraphs 3.0 and 5.0 .
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8.2 The Executive is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

9.0 BACKGROUND INFORMATION

9.1 Contract Documents for the 1999 – 2003 Furniture Removals and Storage Service Contract

Contract Management files held by the Housing Resource Centre.

Members wishing to inspect any of the above should contact:

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 Wembley
 Middlesex HA9 8AD

Attn. Jackie Blundell tel: 020-8937-2072

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