

LONDON BOROUGH OF BRENT**Executive – 14 March 2005****Report from Director of Housing**

For action	Wards affected: ALL
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Report Title: AUTHORITY TO AWARD THE CONTRACT FOR FURNITURE REMOVALS AND STORAGE SERVICES

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Confidential Line**Except for Appendices 1 & 2****1 SUMMARY**

- 1.1 This report requests authority to award the contract for furniture removals and storage services as required by Contract Standing Order No 89. This report summarises the process undertaken in tendering this contract and, following the completion of the evaluation of the tenders, recommends to which contractor the contract should be awarded.

2 RECOMMENDATIONS

That the Executive:

- 2.1 Authorise the award of the Contract for Furniture Removals and Storage Services to Robinsons International Removals Limited.
- 2.2 Authorise officers to extend the Council's current contract with Dymocks International Limited for the Furniture Removals and Storage Services for a further two months from 1st April 2005 until 31st May 2005 on terms as noted in paragraph 5.1 of this report.
- 2.3 Delegate authority to the Director of Housing Services to finalise the terms for the extension (in consultation with the Borough Solicitor if such terms are to change from the current terms of the contract).

3 DETAIL

- 3.1 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. This 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.

- 3.2 The Council currently has a contract with Dymocks International Limited for the provision of its Furniture Removals and Storage services. This contract, which was extended by the 12th July 2004 Executive, comes to an end on 31st March 2005.
- 3.3 The 12th July 2004 Executive granted the Head of Housing Resource Centre the authority to invite tenders for a 3 year contract, renewable for up to a further two (2) years, for Furniture Removals and Storage services.
- 3.4 In early September 2004 an advertisement was placed in the local press and a monthly removals and storage magazine inviting expressions of interest. In response to these adverts a total of 25 responses were received from contractors 'expressing interest' and they were sent pre-qualification questionnaires, including a draft 'specification of requirements', to complete and return by 27th September 2004.
- 3.5 A total of 9 completed pre-qualification questionnaires were received. Pre-qualification shortlisting was carried out by a panel of appropriately qualified and experienced individuals who assessed the contractors' financial viability, technical ability and a number of other matters including health & safety, service and quality assurance. This exercise resulted in 4 contractors being shortlisted and invited to formally submit tenders.
- 3.6 The 4 shortlisted contractors were sent tender packs including a comprehensive Service Specification, Conditions of Contract and Instructions to Tenderers.

4 Evaluation Process

- 4.1 All tenders had to be submitted to the Council no later than noon on 6th January 2005 and they were opened by Democratic Services at the Town Hall. Valid tender submissions were received from 4 contractors.
- 4.2 Submissions were given to each member of the evaluation panel who read them individually and used evaluation sheets to score and note down their comments on how well each of the award criteria was addressed. The Instructions to Tenderers stated that the contract would be awarded on the basis of the most economically advantageous tender, and listed the criteria upon which the tenders would be evaluated.
- 4.3 The panel met on 14th January 2005 and each submission was marked by the whole panel against the award criteria. On the 20th January 2005 the 4 contractors attended interviews with the panel where questions relating to their tender submissions were put to them.
- 4.4 Site visits were undertaken by Brent Management Services during the week beginning 30th January 2005.
- 4.5 After the meetings with the contractors and the site visits, the panel came together again to finalise their scores and make their recommendation (**see appendices 1 & 2**).

4.6 The lowest price tender did not pass the quality & technical threshold mainly due to a lack of appropriate storage space and facilities. Robinsons International Removals Limited submitted the next lowest price tender which was 14% and 17% lower respectively than the other two tenders and was well above the quality & technical threshold. For these reasons, officers recommend that the Executive authorise the award of the contract to Robinsons International Removals Limited.

5. Proposed Extension

5.1 The preparation of documents for the tendering exercise took longer than expected, resulting in a delay in bringing this report to this Committee. If this contract is awarded to Robinsons International Removals Limited, as recommended by this report, a period of at least ten weeks will be required to prepare for the delivery of the new contract. The current contract with Dymocks International Limited (which was extended for eight months by Executive authorisation on the 12th July 2004) expires on the 31st March 2005. Therefore, officers recommend that the Executive authorise officers to extend the current contract for a further two months to 31st May 2005. It has been provisionally agreed with Dymocks International Limited that current terms and charging rates will be the same as for the existing contract.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council's Contract Standing Orders state that contracts for services exceeding £500k shall be referred to the Executive for approval of the award of the contracts.
- 6.2 The contract for the Furniture Removals and Storage Services will be let for an initial period of three (3) years, renewable for up to a further two (2) years.
- 6.3 The value of the 5 year contract from June 2005, if the contract is awarded as recommended in this report, is estimated to be £1,359,465.
- 6.4 The cost of the extension of the current contract with Dymocks International Limited from 1st April to 31st May 2005 is estimated to be £64,000 and will be funded from existing resources.
- 6.5 The total one-off cost of the transfer of goods from Dymocks International Limited to Robinsons International Removals Limited is estimated to be £39,390 for the Council and £7802 for BHP. This cost will fall in the financial year 2005/6 and will be funded from existing resources.
- 6.6 It is anticipated that the cost of the new contract will be funded from resources already identified in the Council's Temporary Accommodation Budget managed by the Housing Resource Centre and in Brent Housing Partnership's contractor budget.
- 6.7 The respective budgets for the new contract are estimated to be £1,155,520 for the Council and £203,945 for BHP over the 5 year life of the contract.
- 6.8 The contractor will invoice the Council for any services instructed by the Council, and BHP for any services instructed by BHP. The Conditions of Contract specify that BHP and the Council are severally liable under the contract and that the contractor cannot claim moneys owed to it by BHP from the Council (and vice versa).

- 6.9 Members may already be aware of previous discussions regarding proposals to reduce removals and storage costs by making a charge to customers for the service. Officers are currently exploring this further and a separate report will be presented to the Executive within six months.
- 6.10 A change in the Council and BHP's policy in relation to cost recovery from customers may result in a decreased level of furniture removals and storage services required from the contractor. However, this should not affect the award of this contract because the Instructions to Tenderers stated that the Council and BHP may during the duration of the contract decide to levy charges on the customers whose furniture is being removed and stored. In addition, the Conditions of Contract state that the Council and BHP do not guarantee the volume of work or the storage figures stated in the Tender Documents, that the figures stated are indicative only, and that the contractor accepts the contract on the basis that no claim can be made by the contractor against the Council or BHP due to a lower volume of work, lack of work continuity or lower storage figures than those stated or anticipated by the contractor.

7 LEGAL IMPLICATIONS

- 7.1 The Furniture Removals and Storage Contract is considered to be a Part B service in accordance with the Public Services Contracts Regulations 1993 and therefore is not subject to the full application of the Regulations.
- 7.2 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.
- 7.3 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.
- 7.4 Through its management agreement with the Council, BHP is responsible for discharging the majority of the Council's landlord functions. These functions include the safe removal and storage of belongings found on Council premises in accordance with the requirements set out above.
- 7.5 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.
- 7.6 Generally, this means that the Council is responsible for organising and covering the cost of the removal and storage of the possessions of Brent's homeless people. BHP is responsible for organising and covering the cost of the removal and storage of the possessions of people who have been evicted from Council housing or who are being moved to a different location by BHP.

In the situation where a person is evicted from a Council house, and that person later becomes a homeless client of the Council, the costs of removal and storage of that person's possessions are split between the Council and BHP as follows:

- (a) BHP covers the cost of the removal and 28 days of storage; and
- (b) the Council covers the storage costs from the 29th day of storage onwards.

If the person does not become a Council homeless client, BHP covers the cost of storage for a maximum of 6 months.

If BHP and the Council had separate contractors, the customer's personal property would have to be moved from BHP's contractor's store to the Council's contractor's store on the 29th day of storage. This would not be cost effective and would be very disruptive to the customer.

Thus, for operational reasons and in order to provide best value to the people of Brent, officers of the Council and BHP (in consultation with Legal Services) considered that it would be preferable for the Council and BHP to enter into the same contract with the one contractor. The Conditions of Contract specify that BHP and the Council are severally liable under the contract and that the contractor cannot claim moneys owed to it by BHP from the Council (and vice versa). The contractor will invoice the Council for any services instructed by the Council, and BHP for any services instructed by BHP. The Council and BHP will enter into a Service Level Agreement stating that they agree to act jointly in relation to all decisions which affect the overall contract (for example: one shall not terminate the contract or agree to alter the terms of the contract, particularly pricing, without the agreement of the other).

- 7.7 In relation to the recommended extension of the current contract with Dymocks International Limited, the Constitution requires Executive authorisation for further extension of a contract in circumstances where the contractual extension provisions have been exhausted. Such approval is sought by officers in the recommendations to this report.

8 DIVERSITY IMPLICATIONS

- 8.1 There are variations between the population of Brent and those applying for assistance as homeless. For example, those in the Black category made up just under 20% of Brent's population in 2001. However they accounted for 40% of all applications as homeless in 2003/4. Furthermore, those in the White category made up a fifth of all homeless applications, but were 45% of the resident population in the 2001 census. Reasons for these differences are complex and relate to a variety of social, economic and demographic factors, including income levels, family size, quality of housing and patterns of tenure.
- 8.2 The Housing Resource Centre's initial Equality Impact Assessment regarding homelessness and lettings has identified that current policy is specifically designed to ensure that those who are less able to access their own housing solutions are assisted. There are no specific diversity implications arising from the recommendations in this report.

9 BACKGROUND INFORMATION

- 9.1 Contract Documents for the 1999 – 2003 Furniture Removals and Storage Service Contract
- 9.2 Contract Management files for the 2004/5 tendering process held by the Housing Resource Centre.

9.3 Members wishing to inspect any of the above should contact:

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Mahatma Gandhi House
34 Wembley Hill Road
Wembley
Middlesex HA9 8AD

Attn. Jackie Blundell tel: 020-8937-2072

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