



**Executive**  
15 February 2010

**Report from the Director of  
Housing and Community Care**

Wards Affected:  
All

**Authority to Award the Contract for Furniture Removals  
and Storage Services**

Forward Plan Ref: H&CC-09/10-27

**Appendices 2 and 3 are not for publication**

**1 SUMMARY**

1.1 This report relates to furniture removals and storage services in respect of the personal property of homeless households and those who have been evicted from Council property and have left personal goods behind. The report requests authority to award a contract for furniture removals and storage services to commence on 1 April 2010 as required by Contract Standing Orders 88 and 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 RECOMMENDATION**

That the Executive:

2.1 Award the Contract for Furniture Removals and Storage Services to Crown Promotions and Removals Limited, the contract to run from 1 April 2010 until 31 March 2012, with an option to extend the contract for up to a further two years.

**3 DETAIL**

**Background**

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 – see paragraph 6.2 of this report.

This duty is discharged by the Council by contracting out removals and storage work to a private contractor. Brent Housing Partnership ("BHP") 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 and BHP currently have a contract with Robinsons Limited for the provision of its Furniture Removals and Storage services. This contract comes to an end on 31<sup>st</sup> March 2010.

### **Tender Process**

- 3.3 The 16<sup>th</sup> March 2009 Executive granted the Director of Housing and Community Care authority to invite tenders for a new contract for a Furniture Removals and Storage Service for two years with an option to extend for up to a further two years. It was originally intended that the contract would likely commence on 1 December 2009 but given the extra period required in the tender process because of the matters identified in paragraph 3.5 below the proposed commencement date is now 1 April 2010.
- 3.4 In early April 2009 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 24 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 30<sup>th</sup> April 2009. A total of 10 completed pre-qualification questionnaires were received.
- 3.5 The contract was originally only advertised in a trade publication and a local paper because an OJEU (Official Journal of European Union) Notice was not required because the proposed contract is for a Part B service (within the meaning of the EU procurement rules) which means that the placing of a Notice is not mandatory. However, in order to ensure the market was tested as extensively as reasonably possible, it was decided to place a Notice in the OJEU. The Notice appeared on 10<sup>th</sup> July, resulting in a further 9 responses received from contractors 'expressing interest' and a further 3 returned completed pre-qualification questionnaires.
- 3.6 Pre-qualification shortlisting was carried out on the 13 questionnaires by a panel of appropriately qualified and experienced individuals who assessed the contractors' financial viability, health & safety compliance, technical ability and quality assurance compliance. This exercise resulted in 4 contractors being shortlisted and invited to formally submit tenders.
- 3.7 On 22<sup>nd</sup> September 2009 the 4 shortlisted contractors were sent tender packs including a comprehensive Service Specification, Conditions of

Contract and Instructions to Tenderers. During the tender period one of the contractors formally withdrew from the process stating the reason as the recent winning of a large contract which would fully utilise their local depot.

#### **4 Evaluation Process**

- 4.1 All tenders had to be submitted to the Council no later than noon on 28<sup>th</sup> October 2009 and they were opened by Democratic Services at the Town Hall.
- 4.2 Site visits were undertaken by the Councils Management Services Unit during the week beginning 28<sup>th</sup> September 2009.
- 4.3 Tenders were evaluated by a 4 member panel consisting of representatives of the Housing Resource Centre, Brent Housing Partnership, the Procurement Team and Management Services. The 3 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 (see Appendix 1 for quality criteria).
- 4.4 Pricing information was received from each supplier in the form of a completed Pricing Matrix. During the tender process, all suppliers were provided with an evaluation model together with estimated volumes of the different priced items and were informed that the indicated volumes represented an approximation of the number and kinds of different types of moves and services which occurred between October 2008 and September 2009. Tenderers were informed that their submitted prices would be inputted into the model based on the indicated volumes, solely as a tool for pricing evaluation to give a total annual price. Tenderers were informed that this total overall price would be used for the purposes of evaluating the pricing component of the tender submission (weighted at 60% of the overall tender evaluation) and that the evaluation would employ a proportional scoring system whereby the tender offering the lowest total overall price will be awarded the maximum achievable score of 60 marks with the other tenders being scored proportionally on the price component – scores being based on the total overall price calculated for each tender relative to the total overall price of the lowest priced tender. Both the total overall price for each supplier as well as the weighted price is shown in the table at paragraph 4.7 of this report.
- 4.5 The panel met on 11<sup>th</sup> November 2009 and each submission was considered by the whole panel and an agreed but provisional mark awarded for each award criteria. On the 19<sup>th</sup> November 2009, two contractors attended interviews with the panel where questions relating to their tender submissions were put to them. The third contractor had scored very low marks in comparison with the other two contractors and was therefore not invited for interview.

- 4.6 After additional information was obtained from the contractors in order to further clarify their tenders, the panel came together again on 2<sup>nd</sup> December 2009 to finalise their scores and make their recommendation.
- 4.7 After the evaluation and discussions were completed, the three tenders were scored as follows:

Supplier	Annual Price (based on model)	Price Score (adjusted for 60% weighting)	Quality (adjusted for 40% weighting)	Total Points
A	£298,354	45.0	37.51	82.51
B	£223,550	60.0	36.27	96.27
C	£358,191	37.4	21.25	58.65

- 4.8 The Appendices show a more detailed breakdown of the evaluation and scoring. Appendix 1 contains the results of the evaluation of the quality component of the assessment criteria including the points awarded for each component. Appendix 2 (not for publication) is a pricing matrix showing the names of the three tenderers, their pricing for each of the relevant items, and the points awarded as a result. Appendix 3 (also not for publication) provides the identities of the 3 tenderers.
- 4.9 Crown Promotions and Removals Limited (Supplier B) submitted the lowest price tender which was 25% and 38% lower respectively than the other two tenders and was above the quality & technical threshold. The second placed tender, although scoring 3.4% higher than the Crown tender for the quality and technical criteria, would cost the Council an estimated extra £274,576 over the next 4 years (assuming that the contract is extended so as to run for its maximum terms of 4 years). As the most economically advantageous tender, officers recommend that the Executive authorise the award of the contract to Crown Promotions and Removals Limited.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 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.
- 5.2 The contract for the Furniture Removals and Storage Services will be let for an initial period of two (2) years from 1 April 2010, renewable for up to a further two (2) years.
- 5.3 The value of the 4 year contract from April 2010, if the contract is awarded as recommended in this report, is estimated to be £894,200 and this will be split between the Temporary Accommodation Budget (£760,070) and the Housing Revenue Account (£134,130).
- 5.4 The total one-off cost of the transfer of goods from Robinsons International Removals Limited (who are currently storing them as

incumbent provider) to Crown Promotions and Removals Limited is estimated to be £20,450 for the Council and £4,190 for BHP. This cost will fall in the financial year 2010/11 and will be funded from existing resources.

- 5.5 The current costs of this contract are estimated to be £1,000,500 split between the Temporary Accommodation budget (£850,425) and the Housing Revenue Account (£150,075) over the 4 year period of the contract – 2 years with an option for a 2 year extension. The Tender from Crown Promotions and Removals Limited, if accepted, will result in a decrease of £81,660 split between the Temporary Accommodation budget (£69,905) and the Housing Revenue Account (£11,755) over the 4 year period of the contract. These figures have already been taken into account in the preparation of future budget estimates.
- 5.6 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.
- 5.7 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 LEGAL IMPLICATIONS**

- 6.1 The Furniture Removals and Storage Contract is considered to be a Part B service in accordance with the EU Procurement Regulations and therefore is not subject to the full application of the Regulations.
- 6.2 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.
- 6.3 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.
- 6.4 Through its management agreement with the Council, BHP is responsible for discharging the majority of the Council's housing

management functions. These functions include the safe removal and storage of belongings found on Council premises.

- 6.5 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.
- 6.6 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 29<sup>th</sup> 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 29<sup>th</sup> 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).

- 6.7 As indicated in paragraph 5.1 above, as the contract will be a high value contract under the Council's Contract Standing Orders, Executive approval to award the contract is required.

- 6.8 As the procurement process is not subject to the full application of the EU regulations (see paragraph 3.5 of this Report) there is no requirement that a standstill period be observed before the contract is awarded.
- 6.9 In addition, the provisions of the Transfer of Undertakings (Protection of employment) Regulations 2006 are likely to apply to transfer 1 employee to the new provider from the current provider.
- 6.10 In considering the recommendations in this report, Members need to be satisfied on the basis of the information herein that the award of the contract to Crown Promotions and Removals Limited will represent best value for the Council and will result in the award of the contract to the tenderer offering the most economically advantageous tender.

## **7 DIVERSITY IMPLICATIONS**

- 7.1 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 nearly half of all applications as homeless in 2002/03. Furthermore, those in the White category made up just over 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.
- 7.2 The Council's Homeless Strategy aims to use the expertise developed in the area of tenancy protection to decrease homelessness approaches from the African and Caribbean communities by 5% over the period of the strategy.
- 7.3 The Housing Resource Centre's 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.

## **8 BACKGROUND INFORMATION**

- 8.1 Invitation to Tender documents for the 2010 – 2014 Furniture Removals and Storage Service Contract

- 8.2 Members wishing to inspect any of the above should contact:

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34 Wembley Hill Road, Wembley, Middlesex HA9 8AD,  
Attn. tel: 020-8937-2072

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