

	<b>Key Officer Decision</b>
	<b>Report to the Strategic Director of Regeneration &amp; Environment</b>
<b>Contract Award For The Provision Of Hard Facilities Management Services</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1 is exempt as it contains the following category of exempt information as specified in Paragraph 3 of Schedule 12 A of the Local Government Act 1972, namely: “Information relating to the financial or business affairs of any particular person (including the authority holding that information)”.
<b>No. of Appendices:</b>	Appendix 1 - Exempt
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Nick Ljustina, Operational Director, Property & Assets, nick.ljustina@brent.gov.uk 020 8937 5025 Russell Burnaby, FM Portfolio Manager, russell.burnaby@brent.gov.uk 020 8937 1771

## 1.0 Purpose of the Report

1.1 This report concerns the future contract provision for the delivery of Hard Facilities Management (FM) services for Brent Council’s operational buildings. This report requests authority to award contract for the provision of Hard FM services (planned, statutory and reactive maintenance) to Supplier A following a competitive tender. In accordance with the cabinet decision of 10<sup>th</sup> February 2020 delegating authority to approve the same to the Strategic Director for Regeneration & Environment for a period of 5 + 2 years.

## 2.0 Recommendation(s)

2.1 To award the contract for Hard FM services to Supplier A for an estimated contract value of £5.13m over five years with the option to extend for a further two years. The cost of the service will be met from existing revenue budgets. The contract will commence on 1 July 2021 to 30 June 2026 with an option to

extend for a further two years to 30 June 2028 for an estimated contract value of £7.17m.

### **3.0 Detail**

3.1 Brent Council currently outsources a selection of FM services across a number of sites through a service contract with Apleona. The existing Apleona FM contract covers the provision of the full Hard and Soft services in both the Civic Centre and Willesden Green Cultural Centre. For other operational buildings, Apleona covers Soft FM only. At the Civic Centre, this also includes the provision of catering/hospitality on a fixed income plus profit share basis. The current contract has been extended to 30 June 2021 in order to complete the retender and award a new contract.

The following recommendations received approval from Cabinet on 10 February 2020:

- Agreement for Hard FM services to be outsourced on the expiry of the existing contract in July 2021 and to further extend the outsourced Hard FM service arrangements in place at the Civic Centre and The Library at Willesden Green to the wider retained estate buildings to better serve the council's requirements and give consistency across the corporate portfolio.
- Agreement for Soft FM services (Security, Portering and Cleaning, but excluding Catering and Hospitality) to be delivered in-house beyond the current contract end date in July 2021.
- Agreement for authority to be delegated to the Strategic Director for Regeneration & Environment to approve the pre-tender considerations for the procurement of a contractor to undertake Hard FM services and thereafter arrange for officers to evaluate tenders on the basis of the approved evaluation criteria.
- Agreement for authority to be delegated to the Strategic Director for Regeneration & Environment, in consultation with the Cabinet Member for Regeneration, Property and Planning, to award the contract for Hard FM services from July 2021.

3.2 The procurement strategy to retender the contracts was approved in September 2020 and recommended adopting the OJEU restricted process for the tender.

3.3 The recommendation is to award the contract to Supplier A.

3.4 The decision was arrived at by implementing a tender process adopting the OJEU restricted procedure. The table below (Table 1) details the procurement timetable:

**TABLE 1: Procurement Timetable**

<b>ACTIVITY</b>	<b>DATE</b>
Advertise and Issue OJEU Contract Notice, including SQ	25 September 2020
Deadline for SQ clarification questions from Bidders	16 October 2020
Deadline for Authority to respond to SQ clarification questions	21 October 2020
<b>Deadline for Bidders to submit SQ Response</b>	30 October 2020 by 12 Noon
Evaluation of SQ submissions	30 October – 6 November 2020
Notify Bidders of outcome of SQ evaluation process and shortlist	12 November 2020
<b>Issue final ITT to shortlisted Bidders</b>	<b>16 November 2020</b>
Site Visits	Early December 2020
Deadline for clarification questions from Bidders	11 December 2020
Deadline for Authority to respond to clarification questions	16 December 2020
<b>Deadline for Bidders to submit ITT Response</b>	<b>15 Jan 2021 by 12 Noon</b>
Evaluation of Tenders & Internal Governance	18 Jan - 19 March 2021
<b>Contract Award Notification</b>	<b>22 March 2021</b>
Mandatory Standstill Period	22 – 2 April 2021
Formalise Contract & Award	w/c 6 April 2021
Contract Mobilisation Period	April – 30 June 2021
<b>Contract Start Date</b>	<b>1 July 2021</b>

- 3.5 Following the issue of a supplier brief via publication of OJEU Notice on 25 September 2021, twenty three (23) suppliers responded to the Selection Questionnaire based on the CCS standard.
- 3.6 The Invitation to Tender (ITT) was issued on 16 November 2021 to six (6) shortlisted suppliers, all six (6) shortlisted suppliers accepted the invitation to quote and attended the site visits. Of these six (6) suppliers, all six (6) submitted tender responses.
- 3.7 All submitted tender responses were deemed compliant. The tender evaluation award criteria is set out below:

**TABLE 2: Award Criteria**

<b>Award Criteria</b>	<b>Weighting (%)</b>
<b>Quality/Technical</b>	50%
<b>Social Value</b>	10%
<b>Pricing Schedule</b>	40%
<b>Total</b>	100%

- 3.8 All suppliers were evaluated in line with the above award criteria.
- 3.9 Dedicated separate evaluations were undertaken for Quality/Technical, Social Value and Price. The members of each panel were supported by the senior procurement officer and scores were agreed by consensus by the panel.
- 3.10 Each supplier's percentage scores for Quality/Technical, Social Value and Price including the final total score following the moderation are highlighted within Table 3.

**TABLE 3: Total Moderated Scores**

<b>SUPPLIER</b>	<b>QUALITY / TECHNICAL</b> Evaluation Score 50%	<b>SOCIAL VALUE</b> Evaluation Score 10%	<b>PRICE</b> Evaluation Score 40%	<b>FINAL SCORE</b>
	(Maximum Score Available 50%)	(Maximum Score Available 10%)	(Maximum Score Available 40%)	(Maximum Score Available 100%)
<b>Supplier A</b>	<b>42.40</b>	<b>8.00</b>	<b>40.00</b>	<b>90.40</b>
Supplier B	24.80	4.00	30.18	58.98
Supplier C	27.60	4.00	35.37	66.97
Supplier D	39.00	10.00	39.05	88.83
Supplier E	32.80	6.00	30.03	68.83
Supplier F	27.40	6.00	33.54	66.94

- 3.11 Supplier A achieved the highest score and are recommended as the supplier for the award of the Hard FM services contract. Supplier A has demonstrated the required level of expertise and experience to deliver Hard FM services to the council's operational estate and the tender exercise demonstrates they will provide value for money in delivering the contract for the full five year term.

## **4.0 Financial Implications**

- 4.1 The service will cost £1.03m per annum (including base contract cost and estimated reactive costs), £5.13m over 5 years with the option to extend for a further two years. The cost of the service will be met from existing revenue budgets. The contract will commence on 1 July 2021 to 30 June 2026 with an option to extend for a further two years to 30 June 2028 for an estimated total contract value of £7.19m.
- 4.2 Included within the contract price is the provision of planned and reactive maintenance services, incorporating a comprehensive repair threshold of £1,000 per repair. Any repairs above this threshold may incur additional charges.
- 4.3 Some of the budgets for hard FM services are currently held by other service areas where services are commissioned separately. These budgets will be identified and transferred to FM.
- 4.4 The Social Value offer by Supplier A highlights a 'monetary value' of £589,902 for the initial five (5) year term of the contract.
- 4.5 Supplier A Social Value Offer includes the provision of:
- New local jobs created – 4 per annum
  - Ensuring businesses in the supply chain to encourage improved gender pay balance – 12 hrs per annum
  - Ensuring businesses in the supply chain encourage increase Black, Asian and Minority ethnic (BAME) representation in the workforce – 3 days per annum
  - Contributing towards increasing number of trees and biodiversity – 172 trees per annum
  - Helping with community clear up days, gardening and food growing projects – 72 hrs per annum
  - Promoting greater environmental management, minimising waste and pollution, saving to landfill and carbon reduction initiatives – of 28 tonnes
  - Working alongside residents and organisations in parts of Brent that are particularly disadvantaged supporting charities enabling increased physical and mental wellbeing – £1,000
  - Reducing isolation for elderly people via social events – 40 hrs per annum
  - Supporting local culture and heritage by sponsoring neighbourhood schemes to promote local culture and heritage events – £1,250 per annum

## **5.0 Legal Implications**

- 5.1 This contract falls within the definition of a services contract under the Public Contract Regulations 2015 ('EU Regulations'). The value of the contract is above the EU procurement threshold for services (currently £189,330). This means the Council is required to comply with the full EU Regulations when procuring the contract. Officers are also required to observe the rules set out in the Council's Contract Standing Orders (CSO).

- 5.2 The contract is classed as a High Value Contract under CSO and Financial Regulations. Paragraph 89 (i) to (xi) of the CSO requires formal approval from Cabinet to procure and to award High Value Contracts.
- 5.3 The Cabinet on 10th February 2020 delegated authority to the Strategic Director for Regeneration & Environment to approve the invitation to tender, pre-tender estimates and evaluation criteria. In keeping with the CSO the Strategic Director should also confirm the availability of sufficient budgetary allocation to cover the proposed contract. Subject to the approval sought here, it is legally permissible for the Strategic Director for Regeneration & Environment to approve this authority to award contract.
- 5.4 This proposed key decision was entered in the Forward Plan and the necessary notice has been given. A period of five clear days, the call-in period, must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.
- 5.5 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender. For above EU Procurement threshold there is a mandatory 10-day standstill period between the notification of the contract award and the commencement of the contract.

## 6.0 Equality Implications

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no equality implications.

## 7.0 Consultation with Ward Members and Stakeholders

- 7.1 Ongoing consultation has been undertaken throughout the process from the initial delegated authority to award of contract. Engagement with stakeholder is set out in Table 4 below:

TABLE 4: Stakeholder Engagement

Stakeholder	Engagement	Action
Cabinet Member	All stages up to and including contract award.	Pre-procurement engagement and market testing. Consulted on each stage of procurement (Business Case, Procurement Strategy Report, Forward Plan entries, Contract Award report).
Strategic Director	Successful delivery of contract arrangements and securing Cabinet Member approvals.	Ensured Strategic Director updated on all related procurement activities and outcomes via fortnightly service meetings and associated update papers.
Project Sponsor (Operational	Successful delivery of contract requirements, updates and	Pre-procurement engagement and market testing. Regular updates via weekly meetings

Director, Property & Assets)	outcomes including all stages to Contract Award.	and Project Board meetings
Procurement	All stages to Contract Award.	Weekly meetings including the provision of, market testing, pre tender engagement tender development, procurement strategy, forward plan, evaluation and moderation of tenders to contract award.
Legal	All stages to Contract Award.	Consulted on each stage of the procurement.
Finance	All stages to Contract Award.	Consulted on each stage of the procurement.

## 8.0 Human Resources/Property Implications (if appropriate)

- 8.1 This service will be provided by an external organisation and there are no implications for Council staff arising from the Hard FM contract. Any TUPE issues arising from changing service providers (if applicable) will be dealt with in the contract between the parties.

**Report sign off:**

**Nick Ljustina**

Operational Director, Property & Assets