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| <p><b>Cabinet</b></p> <p>2 May 2017</p>                    |  <p><b>TOWER HAMLETS</b></p> |
| <p><b>Report of:</b> Zamil Ahmed - Head of Procurement</p> | <p><b>Classification:</b><br/>Unrestricted</p>                                                                 |
| <p><b>Contracts Forward Plan – Quarter One FY17-18</b></p> |                                                                                                                |

|                               |                                                      |
|-------------------------------|------------------------------------------------------|
| <b>Lead Member</b>            | Cllr David Edgar                                     |
| <b>Originating Officer(s)</b> | Zamil Ahmed – Head of Procurement                    |
| <b>Wards affected</b>         | All wards                                            |
| <b>Key Decision?</b>          | Yes                                                  |
| <b>Community Plan Theme</b>   | Creating and maintaining a vibrant, successful place |

**1. EXECUTIVE SUMMARY**

- 1.1. The Council's Procurement Procedures require a quarterly report to be submitted to Cabinet, laying down a forward plan of supply and service contracts over £250,000 in value, or capital works contracts over £5 million. This provides Cabinet with the visibility of all high value contracting activity, and the opportunity to request further information regarding any of the contracts identified. This report provides the information in period quarter one of the Financial Year.
- 1.2. Only contracts which have not previously been reported are included in this report.

**2. DECISION REQUIRED:**

**Cabinet is recommended to:**

- 2.1. Consider the contract summary at Appendix 1, and identify those contracts about which specific reports – relating to contract award – should be brought before Cabinet prior to contract award by the appropriate Corporate Director for the service area and
- 2.2. Confirm which of the remaining contracts set out in Appendix 1 can proceed to contract award after tender.
- 2.3. Authorise the Divisional Director Legal Services to execute all necessary contract documents in respect of the awards of contracts referred to at recommendation 2 above.
- 2.4. Review the forecast forward plan schedule detailed in Appendix 2 and identify any contracts about which further detail is required in advance of the scheduled quarterly forward plan reporting cycle.

### 3. **REASONS FOR THE DECISIONS**

- 3.1. The Council's Procurement Procedures require submission of a quarterly forward plan of contracts for Cabinet consideration, and it is a requirement of the Constitution that "The contracting strategy and/or award of any contract for goods or services with an estimated value exceeding £250,000, and any contract for capital works with an estimated value exceeding £5,000,000, shall be approved by the Cabinet in accordance with the Procurement Procedures". This report fulfils these requirements for contracts to be let during and after the period Q1 of the Financial Year.

### 4. **ALTERNATIVE OPTIONS**

- 4.1. Bringing a consolidated report on contracting activity is considered the most efficient way of meeting the requirement in the Constitution, whilst providing full visibility of contracting activity; therefore no alternative proposals are being made.

### 5. **BACKGROUND**

- 5.1. This report provides the forward plan for the period Q1 of the Financial Year in Appendix 1, and gives Cabinet Members the opportunity to select contracts about which they would wish to receive further information, through subsequent specific reports.

### 6. **FORWARD PLAN OF CONTRACTS**

- 6.1. Appendix 1 details the new contracts which are planned during the period Q1 of the Financial Year. This plan lists all of the new contracts which have been registered with the Procurement Service, and which are scheduled for action during the reporting period.
- 6.2. Contracts which have previously been reported are not included in this report. Whilst every effort has been made to include all contracts which are likely to arise, it is possible that other, urgent requirements may emerge. Such cases will need to be reported separately to Cabinet as individual contract reports.
- 6.3. Cabinet is asked to review the forward plan of contracts, confirm its agreement to the proposed programme and identify any individual contracts about which separate reports – relating either to contracting strategy or to contract award – will be required before proceeding.
- 6.4. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the Council's Tollgate process which provides an independent assessment of all high value contracts, and ensures that contracting proposals adequately and proportionately address both social considerations and financial ones (such as savings targets). The work of the Competition Board and Corporate Procurement Service ensures a joined-up approach to procurement.
- 6.5. The Tollgate process is a procurement project assurance methodology, which is designed to assist in achieving successful outcomes from the Council's high value contracting activities (over £250,000 for revenue contracts, and £5,000,000 for capital works contracts which have not gone through the Asset Management Board approval system). All Tollgate reviews are reported to

Competition Board, and when appropriate contract owners are interviewed by the Board; contracts require approval of the Board before proceeding.

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1. This report describes the quarterly procurement report of the forward plan for Q1 of the Financial Year and beyond, to be presented to Cabinet for revenue contracts over £250,000 in value and capital contracts over £5 million.
- 7.2. Approximately £20.8M of goods, services and works will be procured from external suppliers. Procured services comprise around 40% of the Council's annual expenditure and control of procurement processes is thus crucial to delivering value for money for local residents as well as managing the risks that may arise if procurement procedures go wrong. Consideration of the plan by Cabinet operates as an internal control and also provides the opportunity for the Mayor to comment on specific procurements at an early stage.
- 7.3. Appendix 1 details 11 contracts that will be out to tender in Q1 of 2017/18. The annual value of these contracts is approximately £14m and the cost of these will be met through existing budgets.

## **8. LEGAL COMMENTS**

- 8.1. The Council has adopted financial procedures for the proper administration of its financial affairs pursuant to section 151 of the Local Government Act 1972. These generally require Cabinet approval for expenditure over £250,000 for revenue contracts and £5m for capital works contracts.
- 8.2. Cabinet has approved procurement procedures, which are designed to help the Council discharge its duty as a best value authority under the Local Government Act 1999 and comply with the requirements of the Public Contract Regulations 2015. The procurement procedures contain the arrangements specified in the report under which Cabinet is presented with forward plans of proposed contracts that exceed specified thresholds. The arrangements are consistent with the proper administration of the Council's financial affairs.
- 8.3. Pursuant to the Council's duty under the Public Services (Social Values) Act 2012, as part of the tender process and where appropriate, bidders will be evaluated on the community benefits they offer to enhance the economic social or environmental well-being of the borough. This is in accordance with the Council's Procurement Policy Imperatives adopted at Cabinet on 9<sup>th</sup> January 2013. The exact nature of those benefits will vary with each contract and will be reported at the contract award stage. All contracts delivered in London and which use staff who are ordinarily resident in London will require contractors to pay those staff the London Living Wage. Where workers are based outside London an assessment will be carried out to determine if the same requirement is appropriate.
- 8.4. When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty.

This includes, where appropriate, completing an equality impact assessment as part of the procurement strategy, which is then considered as part of the tollgate process.

## **9. BEST VALUE (BV) IMPLICATIONS**

9.1. The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. The Council procures annually some £350m of supplies and services with a current supplier base of approximately 3,500 suppliers. The governance arrangements undertaking such buying decisions are set out in the Council's Procurement Procedures, which form part of the Financial Regulations.

9.2. Contracts listed in Appendix One are all subject to the Councils Tollgate process which involves a detailed assessment by Competition Planning Forum and Competition Board of the procurement strategy to ensure compliance with existing policies, procedures and best value duties prior to publication of the contract notice.

## **10. ONE TOWER HAMLETS CONSIDERATIONS**

10.1. Equalities and diversity implications – and other One Tower Hamlets issues – are addressed through the tollgate process, and all contracting proposals are required to demonstrate that both financial and social considerations are adequately and proportionately addressed. The work of the Competition Board and the Procurement & Corporate Programme Service ensures a joined-up approach to procurement.

## **11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

11.1. Contracts are required to address sustainability issues in their planning, letting and management. Again, this is assured through the Tollgate process, and supported through the Procurement & Corporate Programmes' Corporate Social Responsibility work stream.

## **12. RISK MANAGEMENT IMPLICATIONS**

12.1. Risk management is addressed in each individual contracting project, and assessed through the tollgate process.

## **13. CRIME AND DISORDER REDUCTION IMPLICATIONS**

13.1. There are no specific crime and disorder reduction implications.

## **14. EFFICIENCY STATEMENT**

14.1. Contract owners are required to demonstrate how they will achieve cashable savings and other efficiencies through individual contracting proposals. These are then monitored throughout implementation.

## **15. APPENDICES**

**Appendix 1** – new contracts planned: Q1 of the Financial Year and beyond.

**Appendix 2** – Cabinet Contract Forward Plan Forecast 2017-19

## Appendix one – new contracts planned: Q1 of the Financial Year 17-18

|                                                                                                         |                                     |                                                                                                                                                                                                                   |                                      |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Contract Ref & Title                                                                                    | <b>CS5218 – Youth Activity Hubs</b> |                                                                                                                                                                                                                   |                                      |
| Procurement Category:                                                                                   | Care & Commissioning                | Funding:                                                                                                                                                                                                          | Youth Service budget                 |
| Invitation to Tender <input type="checkbox"/><br>Contract Signature <input checked="" type="checkbox"/> | 01/09/2017                          | Contract Duration and Extensions:                                                                                                                                                                                 | 41 Months<br>(1/10/2017 – 31/3/2020) |
| Value P/A:                                                                                              | £1,000,000                          | Value Total:                                                                                                                                                                                                      | £3,417,000                           |
| Reviewed by<br>Competition Board <input type="checkbox"/>                                               | 15/05/2017                          | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                      |

### **Scope of Contract**

The aim of the project is to commission youth activity hubs that young people can attend to participate in positive activities as an additional supplement to the Council's youth offer. Youth activity hubs will be commissioned across 10 wards as set out below:

- Lot 1 = Shadwell,
- Lot 2 = Stepney Green,
- Lot 3 = Poplar,
- Lot 4 = Lansbury,
- Lot 5 = Spitalfields and Banglatown,
- Lot 6 = Mile End,
- Lot 7 = Bromley North,
- Lot 8 = Bromley South
- Lot 9 = Bow West
- Lot 10 = Bow East

Each Lot shall have a maximum value of £100,000. The total per annum contract value is £1,000,000. The total value for the life of the contract at 29 months is £2,416,666.66. There is an option to extend the contract by a further 12 months to 31/3/2020 which will take the maximum contact value to £3,416,666.66.

### **Contracting Approach**

There is a strong local market from which to commission services and it is intended to undertake the procurement as an Open Procedure under the Light Touch Regime in accordance with the Public Contracts Regulations. The contract will be let under lots based on the 10 wards indicated above. The contract period will be from 1st October 2017 to 31st March 2019 and it is envisaged that the length of the contract will provide sufficient time for the suppliers to embed the youth offer with young people.

The service will support the provision of training and work experience for both school leavers and unemployed adults in order that they can be equipped to work successfully in the industry workplace.

### **Community Benefits**

The benefits to the local community will be that young people will have an opportunity to participate in activities that will promote learning and employment opportunities, reduce the involvement of young people in crime, prevent youth offending, reduce risk other risk taking behaviour, support young people with SEN and others with protected characteristics.

|                                                                                                         |                                                             |                                                                                                                                                                                                                   |                                                                                                                           |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Contract Ref & Title                                                                                    | <b>CLC5221 Tower Hamlets Prostitution Support Programme</b> |                                                                                                                                                                                                                   |                                                                                                                           |
| Procurement Category:                                                                                   | Care Commissioning                                          | Funding:                                                                                                                                                                                                          | MOPAC                                                                                                                     |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 12/05/2017                                                  | Contract Duration and Extensions:                                                                                                                                                                                 | Initially 18 months from 1 <sup>st</sup> October 2017, with an option of an extra 2 years extension dependant on funding. |
| Value P/A:                                                                                              | £153,000 for the 1 <sup>st</sup> 18months                   | Value Total:                                                                                                                                                                                                      | £357,000                                                                                                                  |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 03/04/2017                                                  | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                                                                                                           |

### **Scope of Contract**

The prostitution project has been running for the past 4 years and has been successfully providing support to women in the sex trade, working with enforcement agencies to deal with problems relating to ASB and violence against women and girls etc. The main objective of the project has been to provide outreach, casework and support services to women. The contract with the current service providers, (Providence Row and Beyond the Streets) is reaching expiration on 31st March 2017. Prostitution has been identified as one of the 9 strands of Violence Against Women & Girls (VAWG) in the LBTH Action Plan published in January 2013 and in the VAWG strategy in 2015/16 and continues to be a priority area for the Mayor, with objectives related to this in the strategic plan for 2017/18. The Tower Hamlets Community Plan 2015/16 and the Substance Misuse Strategy Action Plan 2016/17 also place huge emphasis on the need to tackle domestic violence, prostitution and ASB by providing support services such as drug and alcohol treatment, mental health and sexual health clinics. It is estimated that approximately 200 women work in the sex trade in Tower Hamlets.

The project is funded via London Crime Prevention Funds (LCPF), allocated via the Mayor's Office for Policing and Crime (MOPAC). Funding confirmation for the continuation of the project will be received by early March 2017, and due to EU legislation around Procurement the project will now need to go through a re-procurement process. Reduced funding for 2017/18 onwards require the role of the current Tower Hamlets Prostitution Coordinator (LBTH post) amalgamated into the commissioned project. The main role of the Prostitution Coordinator is to provide a comprehensive partnership approach to the issues and problems sex working has upon the individuals and the community.

The following services will be provided by the appointed agency:

- Contraception including condoms and long acting reversible contraception
- Outreach Sessions
- End to End Case Management Service
- Partnership work with the Criminal Justice System
- Work with Police led Diversion Scheme
- GU screening and fast-track into clinic/treatment;
- Health services such as vaccinations
- Needle exchange
- Basic food and drink
- Basic clothing, including underwear
- Advice and support in accessing welfare benefits

Referrals and access into:

- Accommodation
- Psychiatric and mental health services
- Drug and alcohol services
- Community and support groups
- Domestic violence services

- Health services
- Social Services
- Sexual health and family planning services

### **Contracting Approach**

Although there a number of voluntary sector organisations who have experience of working with sex working women, this project requires a dedicated agency who have a track record of delivering outstanding outcomes for vulnerable women affected by prostitution. A strong partnership and working relationship is also required to be able to work with enforcement agencies such as the Police and other parts of the Criminal Justice System. The current DV and VAWG team have previously considered bringing this project in-house, but a separate service is required which targets prostitution in its entirety by working alongside the DV and VAWG team and also sharing resources with them as at times all the above services may be working with the same client. A competitive tendering process will be carried out to ensure the best agencies come forward and bid for this project, this will not only benefit the community and the cohort of clients but will also ensure targets set with MOPAC are also met.

### **Community Benefits**

- Providing support for sex-working women to exit the sex trade and as a result reducing the number of prostitutes and prostitution related problems such as ASB, sexual grooming, pimping, drug dealing, robbery, noise, litter, harassment, soliciting kerb-crawling
- Providing sex workers who have complex needs with support around safeguarding, safety planning, accessing accommodation, substance misuse services, physical health & mental health service
- Supporting women in reporting instances of violence to the Police and statutory services
- Raise awareness around the personal safety of women and reduce the demand for Prostitution in the borough
- Provide a borough-wide partnership response in supporting women who are sex working via the Tower Hamlets Prostitution Partnership ( THPP)

|                                                                                                         |                                                             |                                                                                                                                                                                                                   |                                      |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Contract Ref & Title                                                                                    | <b>AHS5223 Mother and Baby Health and Wellbeing Service</b> |                                                                                                                                                                                                                   |                                      |
| Procurement Category:                                                                                   | Care & Commissioning                                        | Funding:                                                                                                                                                                                                          | Public Health Grant                  |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 01/06/2017                                                  | Contract Duration and Extensions:                                                                                                                                                                                 | 3 years + option of 2 year extension |
| Value P/A:                                                                                              | £328,031                                                    | Value Total:                                                                                                                                                                                                      | £1,640,155                           |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 15/05/2017                                                  | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                      |

### **Scope of Contract**

The programme (previously named the Breast Feeding Support Service) will have a primary focus on infant feeding, promoting breast feeding wherever possible, providing specialist support for babies with complex feeding problems, and advising mothers on introducing solid foods in a way that optimises baby's health and wellbeing.

The service will also have a wider health promotion role. This will include supporting infant attachment and maternal emotional health and wellbeing and providing brief interventions and referrals e.g. in relation to smoking cessation, family planning and domestic violence.

The service will work closely with midwives, health visitors, children's centre and the Baby Friendly Initiative (BFI) service, supporting training of front-line staff and the collection, reporting and evaluation of infant feeding data to ensure that the service is provided in ways that are tailored to mothers' and babies' needs across Tower Hamlets.

The programme will also provide training and supervision for volunteer breast feeding helpers and supporters who work alongside the programme's mother and baby workers and may provide a route for them into future employment.

Public consultation in 2016 demonstrated a very high level of support for the service from the women and families that have benefitted from breast-feeding support over a number of years.

### **Contracting Approach**

Open competitive procurement.

### **Community Benefits**

Community benefits will be sought and constitute 5% of the award scoring at tender evaluation.

|                                                                                                         |                                                                                                               |                                                                                                                                                                                                                   |                                      |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Contract Ref & Title                                                                                    | <b>AHS5224 School Health and Wellbeing Service (including the Child and Family Weight Management Service)</b> |                                                                                                                                                                                                                   |                                      |
| Procurement Category:                                                                                   | Care & Commissioning                                                                                          | Funding:                                                                                                                                                                                                          | Public Health Grant                  |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 05/06/2017                                                                                                    | Contract Duration and Extensions:                                                                                                                                                                                 | 3 years + option of 2 year extension |
| Value P/A:                                                                                              | £1,700,400                                                                                                    | Value Total:                                                                                                                                                                                                      | £8,502,000                           |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 15/05/2017                                                                                                    | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                      |

### **Scope of Contract**

The school health service aims to ensure that school aged children and young people (5-19 years) are supported to live healthy lives and have the appropriate access to healthcare to minimise health related impediments to achieving their full potential. This includes support for emotional health and wellbeing as well as physical health. A key objective is that every school in Tower Hamlets has access to a named school nurse.

The child and family weight management service currently provides 12 week multi component (healthy eating, physical activity and behaviour change) programmes and maintenance programmes for at least a further 9 months for TH residents:

- Women with a BMI of 30 or more and had a baby within the last 2 years
- Children and young people who are overweight or obese with/without co-morbidities
- Parents/carers of overweight and obese children

The commissioning intention is to discontinue the Child and Family Weight Management as a separate service at the end of the current contract in 2018 and to re-procure the School Health service including specialist input on healthy weight in children and families as part of an integrated service. This gives effect to one of the savings proposals set out in the MTFs approved by the Council in February 2017, realising an overall saving of £268k per year or £1.34m over the proposed full contract term.

**Contracting Approach**

Open competitive procurement.

**Community Benefits**

Community benefits will be sought and constitute 5% of the award scoring at tender evaluation.

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|---------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Contract Ref & Title                                                                                    | <b>AHS5225 Pharmacy Public Health Services</b> |                                                                                                                                                                                                                   |                                      |
| Procurement Category:                                                                                   | Care & Commissioning                           | Funding:                                                                                                                                                                                                          | Public Health Grant                  |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 01/06/2017                                     | Contract Duration and Extensions:                                                                                                                                                                                 | 3 years + option of 2 year extension |
| Value P/A:                                                                                              | £643,000                                       | Value Total:                                                                                                                                                                                                      | £3,215,000                           |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 15/05/2017                                     | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                      |

**Scope of Contract**

Community pharmacies are essential providers of local and accessible preventative health services alongside other NHS services. Services are provided on a tariff-based pay per item basis. The proposal is to decommission the following services which are currently provided by pharmacies:

- Sexual health and contraception services – including chlamydia testing, routine contraception and emergency hormonal contraception
- Tobacco cessation services and products such as nicotine replacement therapy
- Supervised consumption of Methadone and Buprenorphine.

An opportunity to achieve a small saving (£30k per year) in the cost of services is identified in the MTFs so the tariffs payable will be rebased to achieve this. This is likely to be primarily through the tobacco cessation services.

Pharmacy services will be subject to annual review and the ability to vary service specifications when appropriate.

**Contracting Approach**

As the aim is to ensure that community pharmacies provide the important local access to the services across all parts of the borough there will be limited competition procurement but a requirement that pharmacy outlets are located in Tower Hamlets and commit to a minimum level of activity. Qualifying providers will be required to comply with all appropriate clinical and regulatory requirements in order to participate.

|                                                                                                         |                                                                                   |                                                                                                                                                                                                                   |                                                                        |
|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| Contract Ref & Title                                                                                    | <b>AHS5226 London Smoking Cessation Transformation Programme – Communications</b> |                                                                                                                                                                                                                   |                                                                        |
| Procurement Category:                                                                                   | Care & Commissioning                                                              | Funding:                                                                                                                                                                                                          | Funded by London boroughs` contributions. Tower Hamlets = £27k (17-18) |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 01/06/2017                                                                        | Contract Duration and Extensions:                                                                                                                                                                                 | 12 months                                                              |
| Value P/A:                                                                                              | Up to £250K                                                                       | Value Total:                                                                                                                                                                                                      | £250K*                                                                 |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 15/05/2017                                                                        | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract |                                                                        |

### **Scope of Contract**

The contract will be for the development and delivery of a communications campaign; the aim of the campaign will be to increase the number of people calling the national Smoke free phone number, where smokers who wish to quit will be offered the opportunity to take up an enhanced stop smoking telephone support service. The campaign will use digital marketing to direct smokers from across London who wishes to quit smoking to the telephone service. This is a pilot programme that is aiming to channel shift smokers away from face to face interventions to use digital solutions including apps.

### **Contracting Approach**

What type of procurement is envisaged e.g. open competitive procurement? Open competitive tender. This is a pilot programme, any view to extend or re-commission would be dependent on the outcomes of the pilot.

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|--------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Contract Ref & Title                                                                                               | <b>DR5205 Pest Control Services</b> |                                                                                                                                                                                                                   |                                 |
| Procurement Category:                                                                                              | Services                            | Funding:                                                                                                                                                                                                          | Revenue                         |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input checked="" type="checkbox"/> | 08/05/2017                          | Contract Duration and Extensions:                                                                                                                                                                                 | 24 Months + 36 Months extension |
| Value P/A:                                                                                                         | £75,000.00                          | Value Total:                                                                                                                                                                                                      | Up to £375,000.00               |
| Reviewed by Competition Board <input checked="" type="checkbox"/>                                                  | 06/03/2017                          | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract |                                 |

### **Scope of Contract**

There is a requirement for the Corporate Landlord Model to procure pest control services for its portfolio of over 200 CLM buildings. The Corporate Estate covers a wide range of buildings which are generally classified as: 1.Admin buildings 2.Children's Centre, 3.Youth Centre, 4.Community buildings, 5.Park buildings, 6.Idea Stores, libraries, stop shops, 7. Day Centre & Adult Residential.

The scope of services is to provide a clean and pest free environment for staff and visitors. There is also a requirement for the landlord to ensure the fabric of the estate is kept to a standard that reduces any risk arising from rodent or pest damage. This contract is an ongoing requirement and will protect the corporate estate and satisfy insurance criteria.

There will be 2 Lots within the contract

- Lot 1 Pest Control Survey
- Lot 2 Maintenance and ad –hoc services

There will be single suppliers allocated to each Lot to minimise the risk of conflict of interest.

Lot 1 will have a supplier to survey each site once every year. The contractor will then create a maintenance programme of infected sites.

Lot 2 suppliers will undertake the works identified in Lot 1.

### **Contracting Approach**

The contract will be tendered according to the EU procurement regulations in the form of an open tender in 1 stage. A short list of 4 – 6 bidders will be evaluated on a criteria designed to identify the most economically advantageous offer based on a combination of the quality of the vendor's solution (40%), price (60%).

A corporate spend report for FY 2013-2016 indicated that 2/3 companies such as Rentokill and Raptor are being used as well as the In house team on an ad-hoc basis. The In House team are unable to provide all of the ad-hoc requirements, due to their staff resource being allocated to a housing contract. They were invited to make a proposal for the CLM requirement in 2016. The proposal included employing two FTE's and acquiring 2 vehicles in order to provide a number of visits. The proposal exceeded expected market price and the services offered in the proposal were limited and required sub-contracting for pests not covered as well as bird control measures. Therefore Facilites sought permission to procure a service through the Competition Board.

Scope of services is driven by the requirements of the service area. In order to ensure that this contract is fit for purpose a high level of stakeholder engagement will be needed ensure that requirements are captured and described accurately as outputs within the specification.

The contract will provide for an annual renegotiation based on the requirement to pay the LLW and an annual index related increase. The annual index is not yet identified but could be limited to increases in council budgets or related to an external index such as the Consumer Price Index (CPI). The LLW is announced in October each year and Employers have 6 months within which to implement the increase. Annual increases will be applied from April each year.

As the contract will cover a period of high activity in relation to changes in property use, disposals and the addition of additional properties – new properties is not intended to be limited to the new Civic Centre. The variation clause will need to provide for flexibility ie. a standard variation clause to add/removed properties and services at short notice.

A performance measurement model is to be developed to meet the Councils expectations for service and value. Performance Indicators (PIs) and Key Performance Indicators (KPIs) to be developed in consultation with key stakeholders and be directly related to the contract extension.

The contract will provide a for a schedule of rates to include additional work and emergency responses.

### **Community Benefits**

The service will provide a number of community benefits which includes;

- Potential to encourage Apprenticeship schemes through the specification;
- Employment of staff is within the borough of Tower Hamlets; positively encourage tenders submissions from suppliers with good records for training and skills development.
- Payment of London Living Wage (LLW)
- The likely hood of being a registered company within the Tower Hamlets Community.
- Local recruitment
- The ITT will request community benefit and initiatives

|                                                                                                         |                                                                |                                                                                                                                                                                                                   |                                 |
|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Contract Ref & Title                                                                                    | <b>DR5206 – Grounds Maintenance and Arboriculture Services</b> |                                                                                                                                                                                                                   |                                 |
| Procurement Category:                                                                                   | Services                                                       | Funding:                                                                                                                                                                                                          | Revenue                         |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 08/05/2017                                                     | Contract Duration and Extensions:                                                                                                                                                                                 | 36 Months + 24 Months extension |
| Value P/A:                                                                                              | £80,000                                                        | Value Total:                                                                                                                                                                                                      | £400,000                        |
| Reviewed by<br>Competition Board <input checked="" type="checkbox"/>                                    | 06/03/2017                                                     | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract |                                 |

### **Scope of Contract**

There is a requirement for the Corporate Landlord to procure Grounds Maintenance services and Arboriculture Services within its portfolio of 200 buildings. The Corporate Estate covers a range of building which are generally classified as: 1. Admin buildings 2. Children's Centre, 3. Youth Centre, 4. Community buildings 5. Park buildings, 6. Idea Stores, Libraries, stop shops, 7. Day Centre & Adult residential.

Historically, this contract has always been delivered in-house by the Green Team, due to the increase in the number of sites requiring the service the in-house team is unable to adequately resource for the new sites.

The scope of services is driven by the requirement to provide a well groomed external environment for staff and visitors. The contract proposes to provide a range of services such as; Grass cutting, Flower beds, Hanging baskets, Shrub beds, Mixed borders, Maintenance of hedges, Litter clearance, Vegetation Control to Hard Services, Maintenance of Children's Play areas, Cleaning of External furniture, Tree Survey and Maintenance, Reactive Works.

There will be 2 Lots within the contract

- Lot 1 – Grounds Maintenance
- Lot 2 – Arboriculture Survey

A single supplier will be appointed to each Lot to minimise the risk of conflict of interest.

### **Contracting Approach**

The market for delivering these services is well developed and competitive. There are firms operating at local, regional and national level that are likely to bid across both lots. The procurement will be carried out in accordance with the EU Open Procedure. The advert will be published in OJEU, Council website and Contract Finder via the Council's tendering portal to allow more local suppliers and SMEs to tender for the contracts. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Tender Documents. A pre-determined set of criteria will be used to identify the most economically advantageous tenders; schedules of rates will be established through a competitive process.

### **Community Benefits**

The procurement will seek community benefits from the suppliers, and these would include apprenticeship, work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities.

Bidders will be asked to demonstrate how their approach to employment can support the creation of local training and employment. Payment of the London Living Wage will be a minimum requirement set out in the terms of the contract.

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|-----------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>Contract Ref &amp; Title</b>                                                                                       |            | <b>P5219A – Professional Valuation Services – Asset Valuations</b>                                                                                                                                                |                                 |
| <b>Procurement Category:</b>                                                                                          | Services   | <b>Funding:</b>                                                                                                                                                                                                   | HRA, General Fund Revenue       |
| <b>Invitation to Tender</b> <input checked="" type="checkbox"/><br><b>Contract Signature</b> <input type="checkbox"/> | 27/06/2017 | <b>Contract Duration and Extensions:</b>                                                                                                                                                                          | 60 Months + 12 Months extension |
| <b>Value P/A:</b>                                                                                                     | £60k-£80k  | <b>Value Total:</b>                                                                                                                                                                                               | Between £360k-£480k             |
| <b>Reviewed by Competition Board</b> <input type="checkbox"/>                                                         |            | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                 |

**Scope of Contract**

This procurement is for the appointment of an accredited and competent chartered surveying firm to deliver a range of professional valuation services including annual asset valuations, rating advice and reinstatement valuations for insurance purposes.

The Council has a statutory obligation to value the its corporate and housing assets on annual basis for accounting purposes. This contract will ensure this is delivered in the medium term and that a consistent approach is taken.

Historically these services have been delivered through a an outsourced contract managed by the Asset Management team. This is mainly due to the specialist nature of the activities, lack of resources (due to recruitment and retention issues), cost of delivery and variable volumes. The implementation of the corporate landlord operating model has seen a major shift in the focus of service delivery for the Asset Management team. The core objective of the service is to support Council and Mayoral objectives of delivering housing, delivering an efficient and cost effective property estate and supporting the delivery of a new civic presence in Whitechapel.

This procurement will ensure that the services are delivered in the medium term and provide a less onerous contract management requirement. Longer term contracts will also encourage bidders to commit resources to delivering good services and ensure that the commercial element of the tender is competitive. The procurement strategy has been developed to encourage local SME's to bid and ensure that where appropriate more specialist services have been grouped together.

The services included in this contract are as follows:

- General Fund and Housing revenue account annual asset valuations
- Reinstatement valuations for insurance valuations
- Rating valuation advice

**Contracting Approach**

The market for delivering these services is well developed and competitive. There are firms operating at local, regional and national level that are likely to bid across all lots. The Council currently has national firm

delivering these services (although the actual delivery is sub-contracted) through an outsourced model.

The procurement will be carried out in accordance with the EU Open Procedure. The advert will be published in OJEU, Council website and Contract Finder via the Council's tendering portal to allow more local suppliers and SMEs to tender for the contract. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Selection Questionnaire (SQ). A pre-determined set of criteria will be used to identify the most economically advantageous tenders; schedules of rates will be established through a competitive process.

**Community Benefits**

The procurement will seek community benefits from the suppliers, and these would include work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities.

Companies invited to bid will be asked to demonstrate how their approach to employment can support the creation of local training and employment.

Payment of the London Living Wage will be a minimum requirement set out in the terms of the contract.

|                                                                                                         |                                                                                          |                                                                                                                                                                                                                   |                                       |
|---------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Contract Ref & Title                                                                                    | <b>P5219B – Professional Valuation Services – RTB, Acquisitions &amp; General Advice</b> |                                                                                                                                                                                                                   |                                       |
| Procurement Category:                                                                                   | Services                                                                                 | Funding:                                                                                                                                                                                                          | HRA, General Fund Revenue and Capital |
| Invitation to Tender <input checked="" type="checkbox"/><br>Contract Signature <input type="checkbox"/> | 27/06/2017                                                                               | Contract Duration and Extensions:                                                                                                                                                                                 | 48 months                             |
| Value P/A:                                                                                              | Up to £360,000                                                                           | Value Total:                                                                                                                                                                                                      | Up to £1.440m                         |
| Reviewed by Competition Board <input type="checkbox"/>                                                  | 03/04/2017                                                                               | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract |                                       |

**Scope of Contract**

This procurement is for the appointment of accredited and competent chartered surveying firms to deliver a range of professional valuation services including Right to Buy valuations, acquisition of land and buildings and disposals of land and buildings (residential and commercial) and associated advice. The procurement includes the provision of right to buy valuations and this contract will be awarded to two providers (following a recent audit recommendation).

Historically the above services have been delivered through a range of outsourced contracts managed by the Asset Management team. This is mainly due to the specialist nature of the activities, lack of resources (due to recruitment and retention issues), cost of delivery and variable volumes. The implementation of the corporate landlord operating model has seen a major shift in the focus of service delivery for the Asset Management team. The core objective of the service is to support the Council's and Mayoral objectives of delivering housing, delivering an efficient and cost effective property estate and supporting the delivery of a new civic presence in Whitechapel.

This procurement will reduce the overall number of suppliers, and provide a less onerous contract management requirement. Longer term contracts will also encourage bidders to commit resources to delivering good services and ensure that the commercial element of the tender is competitive.

The procurement strategy has been developed to encourage local SME's to bid and ensure that where appropriate more specialist services have been grouped together. Three lots have been created as follows:

- 1) Right to buy valuations including re-determination advice and representation
- 2) Residential acquisitions for social housing and investment

3) General valuation advice including commercial and residential acquisitions and disposals and associated services

The Council has a statutory obligation to provide Right to Buy Valuations under the Housing Act and the existing contract is now holding over.

Lot 2 will provide the Asset Management team with the support to acquire up to 100 properties to support its social housing requirement (as approved by Cabinet in March 2017) and the services in this lot will also support the cabinet decision to acquire properties for the Council’s investment vehicle.

Lot 3 will provide access to specialist support for the disposal and acquisition of property. Specialist support will include feasibility studies and building surveying services.

**Contracting Approach**

The market for delivering these services is well developed and competitive. There are firms operating at local, regional and national level that are likely to bid across all lots. The Council currently has a good mix of SME's and nationals delivering these services through an outsourced model. The procurement will be carried out in accordance with the EU Open Procedure. The advert will be published in OJEU, Council website and Contract Finder via the Council's tendering portal to allow more local suppliers and SMEs to tender for the contract. In response to the notices suppliers interested in tendering will be required to formally express an interest in order to gain access to the Selection Questionnaire (SQ). A pre-determined set of criteria will be used to identify the most economically advantageous tenders; schedules of rates will be established through a competitive process. Two suppliers will be appointed onto lot 1 – Right to Buy Valuations while other lots will each have one supplier.

**Community Benefits**

The procurement will seek community benefits from the suppliers, and these would include work experience placements, promoting job fairs and offering graduate placements and / or administrative job opportunities. Companies invited to bid for inclusion will be asked to demonstrate how their approach to employment can support the creation of local training and employment.

|                                                                                                                       |                                                      |                                                                                                                                                                                                        |                       |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Contract Ref &amp; Title</b>                                                                                       | <b>R5236 ICT Specialist Interim Support Services</b> |                                                                                                                                                                                                        |                       |
| <b>Procurement Category:</b>                                                                                          | Corporate Services                                   | <b>Funding:</b>                                                                                                                                                                                        | Transformation budget |
| <b>Invitation to Tender</b> <input checked="" type="checkbox"/><br><b>Contract Signature</b> <input type="checkbox"/> | 01/06/2017                                           | <b>Contract Duration and Extensions:</b>                                                                                                                                                               | 6 month               |
| <b>Value P/A:</b>                                                                                                     | -                                                    | <b>Value Total:</b>                                                                                                                                                                                    | £420,000              |
| <b>Reviewed by Competition Board</b> <input type="checkbox"/>                                                         | -                                                    | <input type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement<br><input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract |                       |

**Scope of Contract**

To provide specialist IT support to the ICT department in a time of significant change and turnover. The areas covered would be those considered to be performed by the ICT management team and consist of:

- Support and guide the Centralisation of ICT from a number of business units
- Provide Programme Management for the IT Transformation Programme
- Provide Technical Support for the Enterprise and Programmes in the form of Solution and Enterprise Architecture including Digital knowledge.
- Provide specialist technical support to support the council in the recruitment and on-boarding of a

permanent Divisional Director of IT to undertake the ongoing role of delivering the ICT strategy and service. (April – September 2017).

- Provide commercial support to the management of the Council's external IT partner, including:
  - Technical input into contractual reviews to ensure that the supplier is meeting contractual obligations.
  - Review of contractual performance measures and advice on areas for improvement.
  - Oversee the commissioning of new services through the contract.

### **Contracting Approach**

The required services will be procured through an appropriate public sector framework contract to ensure service is appropriately resourced.

## Appendix 2 – Contract Forward Plan Forecast 2017-19



London Borough of Tower Hamlets

### Cabinet Procurement Forward Plan 2017/18 - 2018/19

| Quarter | FY      | Direct | Existing Contract Number | Contract Title                                                                                                     | Contract Exp. date | Total Value (extract: Bravo Contracts register) |
|---------|---------|--------|--------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------|
| Q2      | 2017/18 | D&R    | DR4454                   | General Building Works MTC                                                                                         | 30/05/2018         | £6,000,000                                      |
| Q3      | 2017/18 | RE     | R4206                    | Pan London Out of Hours Service                                                                                    | 29/09/2018         | £1,000,000                                      |
| Q3      | 2017/18 | AHS    | PH4509                   | PHARMACY CONTRACTS - covering public health services – smoking cessation, sexual health and supervised consumption | 30/09/2018         | £1,120,000                                      |
| Q3      | 2017/18 | RE     | R4725                    | Supply of office stationery and associated items                                                                   | 29/09/2018         | £1,740,000                                      |
| Q3      | 2017/18 | AHS    | ESCW PH 4661             | Fit4Life Centre                                                                                                    | 30/09/2018         | £690,000                                        |
| Q3      | 2017/18 | AHS    | ESCW PH 4557             | Fit4Life Specialist Weight Management                                                                              | 30/09/2018         | £630,000                                        |
| Q4      | 2017/18 | RE     | R4841                    | Assist in the calculation and forecasting of business rate income.                                                 | 01/11/2018         | £1,000,000                                      |
| Q4      | 2017/18 | RE     | R3886                    | Future Sourcing of Back Office (FSBO)                                                                              | 29/04/2019         | £64,546,623                                     |
| Q1      | 2018/19 | CLC    | CLC4371                  | Highway Maintenance and Improvement Works                                                                          | 29/06/2019         | £60,500,000.00                                  |
| Q1      | 2018/19 | CS     | CS2436                   | Leisure Management Contract                                                                                        | 29/04/2019         | £23,550,000                                     |
| Q1      | 2018/19 | AHS    | ESCW PH 4905             | Health Visitor Service                                                                                             | 31/03/2019         | £21,500,000                                     |
| Q1      | 2018/19 | D&R    | E2877                    | Procurement of a Local Education Partnership for Building Schools for the Future                                   | 01/01/2019         | £180,000,000                                    |