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| Cabinet 27 June 2018 |  TOWER HAMLETS |
| Report of: Zena Cooke, Corporate Director, Resources | Classification: Unrestricted |
| Contracts Forward Plan – Quarter One (FY2018-2019) | |

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| Lead Member | Councillor Candida Ronald, Cabinet Member for Resources |
| Originating Officer(s) | Zamil Ahmed – Head of Procurement |
| Wards affected | All wards |
| Key Decision? | No |
| Forward Plan Notice Published | 29 May 2018 |
| Reason for Key Decision | Significant Financial Expenditure and Significant Impact on two or more wards. |
| Community Plan Theme | A fair and prosperous community |

1. EXECUTIVE SUMMARY

- 1.1. The Council's Procurement Procedures require a quarterly report to be submitted to Cabinet, setting out a forward plan of supply and service contracts over £250K in value, or capital works contracts over £5m. 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 quarter one of the current Financial Year.
- 1.2. Only contracts which have not previously been reported are included in this report.

2. DECISION REQUIRED:

Mayor in 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
- 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 2.2 above
- 2.4. Review the procurement forward plan 2018-2022 schedule detailed in Appendix 2 and identify any contracts about which further detail is required in advance of the 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 £250K, and any contract for capital works with an estimated value exceeding £5m 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 quarter one of the current 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. Council's procurement procedures and processes have undergone major improvements to ensure they are clear, concise and transparent. Our systems, documentations and guidance to suppliers have been transformed to ensure they reflect best practice in Public Sector procurement. Our efforts in maintaining effective dialogue with our bidders during the procurement process has helped to minimise procurement challenges.
- 5.2. To ensure the Council continues to be recognised for its sound procurement practices and effective engagement with the supply community, it is imperative that delays in contract award are minimised and adherence to the timetable outlined within our Invitation to Tender documentations.
- 5.3. The importance of procurement as an essential tool to deliver Councils wider social, economic and environmental aims has resulted in the need to ensure effective elected Member engagement in the pre-procurement and decision making process as identified in the recent Best Value audit.
- 5.4. This report provides the forward plan for quarter one of the current 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.
- 5.5. Additionally, the report also includes a Procurement Forward Plan 2018-2022 to provide Mayor and Cabinet members with high level visibility of our planned

procurement activity and the opportunity to be engaged in advance of the procurement cycle.

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 Strategic Procurement 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 £250K, for revenue contracts, and £5m, for capital works contracts which have not gone through the Asset Management Board approval system). All Tollgate reviews are presented to Strategic Procurement 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 quarter one of the Financial Year and beyond, to be presented to Cabinet for revenue contracts over £250K, in value and capital contracts over £5m.
- 7.2. Approximately £41.5m 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 tax payers 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.

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. 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 Council's Tollgate process which involves a detailed assessment by Procurement Review Panel and Strategic Procurement 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 Strategic Procurement Board and Corporate Procurement Service ensures a joined-up approach to council's procurement activities.

11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 11.1. Contracts are required to address sustainability issues in their planning, letting and management. This is assured through the Tollgate process, and supported through the 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 - Procurement Forward Plan 2018 -2022

Appendix one – new contracts planned: Q1 of the Financial Year 2018-19

| | | | |
|---|---|---|---------------------------|
| Contract Ref & Title | R5345 - Enforcement agents | | |
| Procurement Category: | Corporate Services | Funding: | General |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 4 year contract (1+1+1+1) |
| Value P/A: | Based on income earned by contractors- c£1.4 million. | Value Total: | £6 million approximately. |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

The Council has a statutory duty for the collection of unpaid Council Tax, Business Rates, Sundry Debtors and PCN's. The use of Enforcement Agents (formerly bailiffs) is covered within various sections within Local Government Finance Acts and The Tribunal Court and Enforcement Act 2007. The use of certificated Enforcement Companies is an integral part of the overall collection process for Council Tax, Business Rates and PCN's and contributes greatly to ever increasing collection levels for the Council. The Council always attempts to secure a mutually acceptable payment plan from its debtors first, rather than referring the matter to Enforcement Company. The use of an Enforcement Company always follows the usual legislative enforcement process. In addition, the Council requires all suppliers to provide a collection service for Sundry Debtor arrears.

Contracting Approach

It is proposed to make use of existing frameworks. For example, The Yorkshire Procurement Organisation and Rotherham Council both have current frameworks that will be accessible to the Council. Both frameworks have a comprehensive list of suppliers comprising the most of the recognised market leaders. Procurement via a framework will have the advantage that an assessment of the qualifications and stability of the businesses listed have already been undertaken. Therefore the procurement process can relate solely to the Council's requirements and criteria.

Community Benefits

All debts due to the council need to be collected, failure to do so may impact on providing services. Maximising revenue will contribute toward keeping costs down for Tower Hamlets Residents.

| | | | |
|---|--------------------------------------|--|----------------|
| Contract Ref & Title | R5342 - Managed Print Service | | |
| Procurement Category: | Revenues | Funding: | Print Budget |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 3 plus 2 years |
| Value P/A: | £792,000 | Value Total: | £3,960,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

The scope of this contract is to procure a managed print service. This includes the appointment of single provider to manage councils printers and photocopiers. A managed print service will help to refresh and reduce existing printers and photocopiers, improve end-user experience, reduce costs to realise MTFS savings and improve service through contract driven service level agreement (SLA).

Contracting Approach

The market for delivering managed print service is well developed and competitive. The established G-Cloud online platform provided by the Central Government Digital Marketplace will be used for this procurement. It will enable the Council to procure efficiently and effectively through a recognised contract framework. The scale of this project is to achieve pricing efficiencies and cost effectiveness implementation. Year on year savings are expected to be achieved through print cost reduction.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|--|---|--|
| Contract Ref & Title | R5336 – Mobiles Phones Contract | | |
| Procurement Category: | Resources | Funding: | Revenues |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/07/2018 | Contract Duration and Extensions: | 24 Months Plus option to extend by another 24 months |
| Value P/A: | £425,000 | Value Total: | Up to £1.7 million |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

To renew the corporate mobile phones contract, this is one of the third party (schedule 25) contracts managed by the council's strategic partner, Agilisys. The new contract is to be managed in-house and seeks to include tariffs for increased data to enable faster access to the internet, free minutes to make and receive calls, unlimited text messaging, provision for mobile device management and zero device costs for catalogue-listed mobile phones. The decision was taken to manage mobile telephony in-house in the future in order to make savings on the management fees charged by Agilisys. Managing contracts in-house is part of the future ICT transformation and sourcing strategy that was approved by cabinet on 27th February 2018.

Contracting Approach

The market for delivering this service is well developed and highly competitive. There are suitable firms operating at local, regional and national level that are likely to bid for the contract. An Invitation to Tender (ITT) will be issued as a competition run under the terms and conditions within the Crown Commercial Services' (CCS) framework agreement, which includes the major mobile phone network vendors, which should ensure that tender submissions will be competitive. The scale of the programme should achieve pricing efficiencies and year on year savings.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|---|--|---|
| Contract Ref & Title | P5343 - Parking IT Solution | | |
| Procurement Category: | Corporate Services | Funding: | Parking revenue account |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | August 2018 | Contract Duration and Extensions: | 5 +2 years |
| Value P/A: | Estimated £100k (based on current contract) | Value Total: | Estimated £500k (based on current contract) |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Parking & Mobility Services provides a vital service for the community by ensuring traffic flow and road safety in the borough. An efficient and effective Parking Management Information System is an essential and valuable tool to ensure compliance with restrictions and access to parking-related products to maximise the debt and income collection while providing excellent customer services.

Scope of Contract

The scope of the contract is the provision of a parking and mobility software operating system including, but not limited to, the following functionalities; Hosted and supplier-maintained solution, integrated virtual permits system, notice Processing – on-street and off-street parking and moving traffic contraventions, including CCTV enforcement and vehicle removals. Abandoned vehicle reporting and enforcement module, permits processing system including applications for suspensions, dispensations and skip licences. Integration of cashless parking and permit enforcement into handheld devices. Provision of the most up-to-date handheld software, hardware, and associated ANPR enforcement solutions, as required. Integrated customer (self-service) applications for reporting and requesting parking services, including but not limited to permit, suspension, dispensation and skip licence applications and abandoned vehicle reports. Software-assisted solutions to support representations and appeals staff to manage correspondence. Enhanced self-serve products for customers to monitor progress of challenges and representations. Blue Badge, Freedom pass and Taxi card processing system. Integration with the Council payments system. Potential to integrate with single Council customer online portal (not yet developed). On-street furniture fault-reporting and fault-monitoring system. Council Tax and the Electoral Roll. Integration with the Council's internal databases where possible, for example the LLPG, core data. Integration with the Council's external partner systems where possible, for example DVLA, TRACE, the Environmental and Traffic Adjudicators.

The current system manages the permit and parking contravention notice (PCN) processes, as well as other parking-related activities. This contract will allow continuity of the service, so that appropriate parking infrastructure can be provided, maintained and enforced across the borough.

Contracting approach

It is proposed that an open tender process will be used as the market for this service is mature with 5 or 6 main competitors, so shortlisting by means of a prequalification exercise will not be necessary. This tender will be advertised in the European Journal as the potential value is well over the threshold for services as defined in the Public Procurement Regulations and the EU Procurement Rules.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|--|---|-----------------------|
| Contract Ref & Title | P5233 - Street Lighting Replacement Programme | | |
| Procurement Category: | Works | Funding: | Capital |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 18/06/2018 | Contract Duration and Extensions: | 4 years (3 + 1 years) |
| Value P/A: | Varies between 2.6m-3.75m | Value Total: | £15m |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

To undertake Borough-wide capital replacement of all street lighting lamp columns and lighting including installation of LED energy saving lanterns. This contract will include all associated works for delivering major works street lighting scheme including the transferring of services and providing new ones where necessary. The Council has an active programme of improvement works designed to deliver key elements of the Mayor and Council's priority outcomes. The budget approval was part of the capital programme agreed at cabinet in February 2017. The provision of £15m capital funding was previously agreed at MAB in 2015.

Contracting Approach

It is intended to procure this contract through the Crown Commercial Services Framework Agreement – RM1089 Traffic Management Technology 2 (Lot 9 – Street and Exterior Lighting). Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for relevant lighting materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme. This contract will support the best value procurement of street lighting improvement works within the Borough through the selection of suitably qualified and experienced provider.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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| Contract Ref & Title | THH5346 - Housing Fire risk Assessments | | |
| Procurement Category: | Construction & FM | Funding: | Delegated Capital |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/09/2018 | Contract Duration and Extensions: | 4 Years |
| Value P/A: | £200,000 | Value Total: | £800,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

The procurement is to establish a cyclical programme of the statutory Fire Risk Assessments and associated consultancy services to all housing blocks and associated properties. The provision of the service will be in accordance with CIC Consultants Contract Conditions.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required.

Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates / day rates for relevant assessments. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include;

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|---|---|---|----------------------|
| Contract Ref & Title | THH5347 – Housing Door Entry Maintenance | | |
| Procurement Category: | Construction & FM | Funding: | Delegated Revenue |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/09/2018 | Contract Duration and Extensions: | 2 Years plus 2 Years |
| Value P/A: | £200,000 | Value Total: | £800,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This contract is intended to replace the existing door entry maintenance contract that will not be extended beyond March 2019. The contract is for maintenance of the door entry systems that are already installed and are newly installed in the Housing stock. Maintenance of automatic gates may be included.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required. Expression of interest will be issued to all suppliers on the framework. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for the maintenance of door entry system including materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|---|---|-----------------|
| Contract Ref & Title | THH5351- Tower Hamlets Homes Tree Maintenance Contract | | |
| Procurement Category: | FM and Works | Funding: | THH Core Budget |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 5 years |
| Value P/A: | Up to £100,000 | Value Total: | £500,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

Tower Hamlets Homes manages over 4000 trees on housing estate land on behalf of London Borough of Tower Hamlets. This contract is for a specialist tree contractor to provide tree maintenance works including emergency out of hours services work to ensure the health and well-being of the trees stock, mitigating risk to people and property.

Contracting Approach

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. 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.

Tower Hamlets Homes manages its tree stock through a three year cyclical programme where an external surveyor inspects all communal trees. Following the survey THH then issues the identified work to a separate tree contractor to carry out any work based on a risk/H&S priority, when Priority 1 works are due to be completed within 3 months, Priority 2 work within 6-9 months, Priority 3 within 12 months and Priority 4 within 24 months of the completion of the survey. The cyclical tree survey does not form part of this contact.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|---|--|--|
| Contract Ref & Title | THH5022 Framework for Cleaning Materials and Equipment | | |
| Procurement Category: | Corporate Services | Funding: | THH: Delegated for our service. Contract Services: through SLA income |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 3 years plus 1 year |
| Value P/A: | THH: £600,000 pa Contract Services: £167,000pa | Value Total: | THH: £2.4m Contract Services: £670k |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This procurement is for establishing a framework of suppliers for Cleaning Materials and Equipment jointly for Tower Hamlets Homes (THH) and the Council's in-house Contract Services team.

Tower Hamlets Homes provide cleaning services to 920 residential blocks belonging to Tower Hamlets Council. 160 estate based caretakers undertake the cleaning duties of all the communal areas within the blocks and the externals of the estates. THH have a mixture of tenanted and leasehold properties and residents pay for a cleaning service to be delivered to the communal areas of their blocks via their rent and service charges. For this reason, it is essential the Caretakers have the right products to deliver a high standard of cleaning and obtain value for money for our residents and leaseholders through the procurement process. THH is also responsible for cleaning car park areas and playgrounds within the THH estates, look after all the horticulture and the grass cutting of all the green spaces around the residential blocks.. THH currently spend £600,000 annually on cleaning materials and equipment.

Contract Services delivers a catering service to 96% of Local Authority Maintained Schools including Dining Centres and Welfare meals in Tower Hamlets. The service also deliver a cleaning service to 30% of Schools where there is an annual SLA in place which includes the cost of cleaning materials. In catering, this is included in the school meal price. Contract Services currently spend £167,000 annually on cleaning materials and equipment.

Historically the requirement for materials have been sourced from a number of suppliers without an official contract in place. The new contract will reduce the overall number of suppliers and provide a less onerous contract management requirement. Longer term contracts will also encourage suppliers to commit resources to delivering good services and ensure that the commercial element of the tender is competitive.

The focus of this Contract is to drive the best possible market prices for cleaning materials supply and long term commitment of suppliers return high quality service that will enable THH and Contract Services to continually deliver essential services to residents.

Contracting Approach

Due to the very large pool of cleaning materials used the intention is to appoint a minimum of three suppliers to the framework. Materials will be called off from the cheapest supplier of each product; should the first supplier not be able to provide a certain product due to market unavailability or stock, we will have the option of calling off the second supplier on the framework and a third to keep the service running at its optimum without causing any service disruption.

The market for delivering these Goods is well developed and competitive. There are firms operating at local, regional and national level that are likely to bid.

This Procurement Process will be carried out in accordance with the EU 'Open' Procedure. The advert will be published in OJEU, the Council's Website and Contract Finder via the Council's tendering portal (Due North). 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.

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|---|---|---|---------------------------------------|
| Contract Ref & Title | THH4348 - Housing TV and Broadband Maintenance and New Installations | | |
| Procurement Category: | Construction & FM | Funding: | Delegated Capital and Revenue Budgets |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/10/2018 | Contract Duration and Extensions: | 2 Years plus 2 Years |
| Value P/A: | £500,000 | Value Total: | £2,000,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This contract is intended to replace the existing TV and Integrated Reception System maintenance contract that will not be extended beyond March 2019. In addition the contract will provide a facility for the installation of new TV and Broadband systems.

Contracting Approach

It is intended to procure this contract through an existing OJEU compliant framework agreement, subject to the Framework having suitably qualified and experienced consultants and scope for the services required. Expression of interest will be issued to all suppliers on the framework. All suppliers interested in tendering will be required to register on the Council's tendering portal in order to gain access to the tender documents. A pre-determined set of criteria will be used to identify the most economically advantageous tender. The pricing matrix will be made up of schedules of rates for the maintenance of TV Aerial including materials and there installations and rates for day works. A single supplier will be appointed to deliver the programme.

Community Benefits

The contract will be structured and tendered to take account of the council's procurement imperatives and approach to delivering community benefits. Community benefits commensurate with the contract size will be sought from the provider through the tender process.

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|---|--|--|-----------------|
| Contract Ref & Title | P5332 Insurance Litigation Services | | |
| Procurement Category: | Corporate | Funding: | Insurance Fund. |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input checked="" type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 5 years |
| Value P/A: | £200,000 (Maximum) | Value Total: | £1,000,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 01/05/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input checked="" type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This service is to provide legal services to the Council in the event of litigated insurance claims. A framework arrangement has been set up by the Insurance London Consortium (ILC). The ILC is a consortium of 9 London Boroughs including LB Croydon who is the lead agency in the consortium and LB Tower Hamlets. A panel of 5 firms has been identified through a Restricted Tender process advertised in OJEU.

Contracting Approach

As and when external legal support is required, the council can call-off from this framework in order to engage one of the law firms listed, in accordance with the framework call off terms.

The insurance service has made an allowance of £200,000 expenditure per annum for the call-off. However this is the maximum sum, this is to ensure that potential contingencies are allowed for. It is anticipated, based upon previous years expenditure the actual spend should be much less.

In order to ensure that the costs of litigation are controlled the insurance team has recently restructured and it is intended that more claims will be dealt with in-house. However at some stage it will be necessary to call upon the services of an external lawyer in the event of a complex and high-value claim against the Council.

When the Council need to appoint a law firm the call off from the framework will be made on a "taxi rank" basis. That is law firm will be each given an opportunity to take on work in turn. In this way each firm will be ensured an approximate same share of the work. The prices given at the time of the tender mentioned above will be applicable at this time. The litigation industry has recognised experts in specific areas such as child abuse, or human rights cases or finance. Therefore the framework has been designed to be flexible so that in the event of there being a need to hire a law firm with certain specialist skills the taxi rank system can be waived and the law firm on the panel with the required specialist skills can be appointed. If no Panel member has he required skills then the authority may approach a law firm outside the panel.

Community Benefits

As this is a framework developed in collaboration with 8 other London Local Authorities, there are no opportunities to tie the providers in specific benefits to the community. Overall however, the availability of this service does provide a benefit to the community in that the Council's interests when insurance claims are subject to dispute or litigation are protected, ensuring that spurious and dubious insurance claims against the Council are subject to a rigorous legal process.

| | | | |
|---|--|--|----------------------|
| Contract Ref & Title | P5353 Motor Vehicle Procurement | | |
| Procurement Category: | Supplies | Funding: | General Fund |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | June 2018 | Contract Duration and Extensions: | Up to 10 years (DPS) |
| Value P/A: | £625,000 | Value Total: | Up to £6,250,000 |
| Reviewed by Competition Board <input type="checkbox"/> | 01/06/2018 | <input type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This project is to enable the Transport Services Unit to procure via the best available terms (eg. Leasing, Contract Hire or other purchase methods including Prudential Borrowing), motor vehicles and associated equipment and fittings. This would be carried out in accordance with the needs and requirements of the Council's various Departments. The duration of this contract is likely to cover the life-span of most vehicles supplied under this project and to allow subsequently a new formal Fleet Replacement Strategy to be created meeting the future needs of all Fleet Users.

The contract has important benefits to the local Community and residents specifically and London in general in several ways. The Council's present fleet has performed well but may now be regarded as old in commercial and technical terms. Maintenance costs are now increasing as major components are worn out and need to be replaced to ensure the vehicle remains serviceable.

The Council's present fleet does not meet the new and stringent exhaust emission requirements recently announced by the Mayor of London for introduction, albeit in stages from 2017 to 2020. Some further consultation is proposed. However, as a minimum, the Borough's western extremity which overlaps the TfL Congestion Charge Zone, will form an initial part of the Ultra-Low Emission Zone applicable to all vehicles. Consultation continues as to the possible extension of this zone which would, most likely include the entire Tower Hamlets area. The keys benefits to implementing this project therefore include reduced fuel consumption, a significant reduction to vehicle emissions including Nitrogen Oxide (NOx), Particulate Matter (PM) as part of each vehicle's compliance with Stage 6 of the European Standards (known as Euro 6/VI). Some improvement to CO2 emissions is also anticipated as vehicles will be more fuel efficient and where possible using automated transmission systems to ensure vehicles are driven in the correct gear at all times.

A substantial part of the Council's Passenger Transport fleet is now over ten years old and replacement is now urgent required. In addition to the technical benefits already noted, new vehicles would offer clients (our passengers) easier access/egress to vehicles via improved and revised step/floor and platform designs, re-designed seating, and the latest integrated climate control systems. This would ensure a constant ambient temperature inside the vehicle regardless of external weather conditions. New vehicles are inherently quieter and offer a smoother ride with improved air suspension systems.

The opportunity under this project will also include the introduction of fully electric vans and cars following successful testing and trialling over the past eighteen months. This would be new innovation and would work in partnership with other Council departments to install the necessary infrastructure to support the growing number of electric vehicles being introduced by the Council and other organisations in the area including Tower Hamlets Homes.

This project seeks to include the replacement of up to 160 new vehicles, including as noted above, cars, vans, trucks, passenger vehicles and other types for specialist or dedicated purposes. Procurement of new vehicles categories into two phases

- Phase 1 - includes minibuses on lease
- Phase 2 - LCV's and all smaller vehicles on lease.

The project proposes to seek supply of vehicles via established Public Sector frameworks and Consortia, noting the specialisms of certain frameworks for specific vehicle types. Approval to seek vehicles via the best

available terms including leasing, contract hire and direct purchase where this should prove prudent to do so. In addition to this we will be working on the development of a Dynamic Purchasing System (DPS) with the Procurement Department.

- A Dynamic Purchasing System (DPS) is an electronic system designed for the purchase of commonly-used goods, works or service over a stated period of time.
- It is a process designed to assist the buyer by setting up and maintaining a list of providers from whom the buyer can achieve better value for money for commonly used purchases, such as consultancy, design and print, passenger transport, translation services – all as and when the need arises.
- A DPS can last for a longer time period to a framework and new buyers can join at any time, so you always have fresh competition joining your personal marketplace.

It remains vital that the Council's vehicle fleet fully meets or exceeds the operational standards required by all appropriate enforcement organisations whilst also minimising any environmental impacts of its daily activity.

Contracting Approach

The project proposes to seek supply of vehicles via established Public Sector frameworks and Consortia, including a LBTH Dynamic Purchasing System, noting the specialisms of certain frameworks for specific vehicle types. Approval to seek vehicles via the best available terms including leasing, contract hire and direct purchase where this should prove prudent to do so.

Community Benefits

The new Passenger Vehicle fleet within the project would provide significantly improved vehicles for Home to School transport services, with improved features and operational reliability. Vehicle interiors would be re-designed to provide pleasant surroundings a more comfortable journey. This would benefit all passengers but particular those with special needs, and vulnerable adults and elders.

The Council's present fleet is old and includes vehicles meeting only European Emission standards of Level 4 and 5. Whilst functional and routinely satisfactory, there is awareness that these vehicles continue to cause increased levels of air pollution, which could be improved by using newer and cleaner vehicles. The Council's Clean Air Strategy must be supported in real terms and this commitment may be exemplified by the Council's commitment to introduce new zero or low emission vehicles. This would also support the Council's objective to minimise the impacts caused to the environment in general for the benefit of all citizens.

| | | | |
|---|--|---|---------------------|
| Contract Ref & Title | LPG5297 - Print and Design Framework (2018) | | |
| Procurement Category: | Corp Services | Funding: | GF and Departmental |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 01/01/2018 | Contract Duration and Extensions: | Up to 10 years |
| Value P/A: | £500,000 | Value Total: | £5,000,000 |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 11/12/2017 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

This is an update on and further to the Report to Cabinet dated January 2018 when the strategy for the provision of print and design services for four years via an LBTH framework was approved.

A Strategy Review has been undertaken and various alternatives considered and the proposal now is to take advantage of changes to the Public Contract Regulations that came about with the PCR 2015 and these made the use of Dynamic Purchasing Systems (DPS) much more flexible and user-friendly.

The proposal involves the setting-up of a DPS instead of a Framework, which has several advantages, including:

- 10-year life instead of 4 years (reduced procurement costs)
- The facility to recruit new suppliers over its entire life (increased competition, new ideas, replacement of natural commercial wastage)
- Simpler quotation processes (no cumbersome mini-competition processes)
- Bespoke software that facilitates the quotation process (fully auditable processes)

A further advantage is that the proposal includes the option of opening up the DPS to other local authorities, with the benefit of generating income on all sales made to external users. This will support the council's savings targets.

The value shown above is the anticipated LBTH spend over the 10-year life of the DPS.

| | | | |
|---|--|---|-------------------------------|
| Contract Ref & Title | P5350 - Affordable Workspace at Bethnal Green Library | | |
| Procurement Category: | Construction and FM | Funding: | N/A (Concession Contract) |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | July 2018 | Contract Duration and Extensions: | 3 plus 2 years |
| Value P/A: | Estimated maximum £114,417 | Value Total: | Estimated maximum £572,085 |
| Reviewed by Competition Board <input type="checkbox"/> | 01/06/2018 | <input checked="" type="checkbox"/> London Living Wage <input checked="" type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

Provision of affordable workspace at the first floor of Bethnal Green Library, Cambridge Heath Road, London, E2 0HL incorporating the demise as referred to in the Lease, the particulars of which will be outlined within the returned Method Statements by Contractors as part of the procurement process.

Contracting Approach

The Competitive procedure with Negotiation procurement route is proposed for this service, this approach will enable the Council to select which elements of the service to dialogue. To ensure that the maximum return possible is achieved, one of the dialogue areas will be Community Benefits. By discussing this during dialogue the Council will better understand the initial proposals from bidders and will be in a position to help bidders fully understand Council's objectives.

Community Benefits

Community Benefits to be drawn from Contractor's Community Benefits Plan (CBP) submitted as part of the procurement process. CBP will be scored past on the following:

- Contribution to overall Whitechapel High Street Fund project targets (being new jobs created, businesses supported and start-up businesses assisted);
- Commitment to running events for the local community and encouraging community participation, including in conjunction with the Bethnal Green Idea Store (Library Service);
- Project impact on the site and the immediate area, assessed in potential for crime reduction and reduced risk of dilapidation; and
- Promotion of Social Cohesion in the area (as informed by the goals contained with the *Getting along together* LBTH Social Cohesion Toolkit)

| | | | |
|--|--|---|---------------------|
| Contract Ref & Title | CS5275 Speech and Language Therapy (SaLT) | | |
| Procurement Category: | Care & Commissioning | Funding: | Children's Services |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/> | 30/04/2018 | Contract Duration and Extensions: | 12+12+12 months |
| Value P/A: | £240k | Value Total: | Up to £720k |
| Reviewed by Competition Board <input checked="" type="checkbox"/> | 16/04/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

The Council has a statutory duty to provide support for children and young people with special educational needs. One such service is Speech and Language Therapy (SaLT), which for this service will support primarily school pupils to access the national curriculum.

The service will be for primary school pupils in mainstream and special schools within the London Borough of Tower Hamlets. The principal mode of delivery for the service will be to train teaching professionals to be able to deliver some SaLT through newly acquired skills and tools to be used in the classroom; then via formal and accredited training courses teaching professionals will be able to deliver more complex SaLT. This approach will be complimented by group and 1:1 interventions delivered directly by the service provider.

Whilst primarily the service will be delivered in schools and term time there is scope for providers to consider a nuanced approach to delivery, which could include work outside of the locations and times cited.

Providers will contribute into the review of individual Education, Health & Care Plans as well as annual or other periodical reviews by schools.

Contracting Approach

We intend to go through an open tender for the service; this is in line with both internal procurement policy and also EU procurement regulations. Cabinet has previously approved this service via the local authority entering into a section 75 agreement with Tower Hamlets CCG; however after reviewing this arrangement it is clear it not due to the nature of the CCGs contract with the provider, and thus the local authority will now lead on tendering for this service.

The service specification has been drafted, reviewed and agreed trilaterally across Pupil Services, SEND and Children's Commissioning; the specification will inform the assessment criteria and the panel will be comprise of representatives from the 3 aforementioned departments.

We intend to tender this service for a 1 year +1+1. This is to allow a more comprehensive consideration of the service, with potential opportunities for a joint approach with the CCG.

Community Benefits

The specification requires that any new recruitment into the funded service must make reasonable efforts to recruit locally. The provider will also procure facilities within Tower Hamlets as and when required i.e. spaces for delivery of training and will respond more broadly to this question in the tender response.

| | | | |
|---|---|---|-----------------------|
| Contract Ref & Title | HAC5356 0-5 specialist community Public Health nursing | | |
| Procurement Category: | Services | Funding: | Public Health Grant |
| Invitation to Tender <input checked="" type="checkbox"/> Contract Signature <input type="checkbox"/> | 10/09/2018 | Contract Duration and Extensions: | 3 + 1 + 1 |
| Value P/A: | £7,038,489 | Value Total: | £21,115,467 (3 years) |
| Reviewed by Competition Board <input type="checkbox"/> | 01/06/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

Responsibility for commissioning the 0-5 specialist community Public Health nursing services transferred from NHS England to the Council on 1st October 2015. These services are comprised of the Health Visiting Service and the Family Nurse Partnership.

These services are currently delivered in Tower Hamlets through two local providers. The Health Visiting Service is delivered by Tower Hamlets GP Care Group CIC and the Family Nurse Partnership is delivered by Compass Wellbeing CIC.

Contracting Approach

A full EU open tender procurement process will be required. The tender will be under one contract divided into 2 lots. The market for providing these services has matured since commissioning responsibility transferred from NHSE. Should there be a sole applicant Public health commissioners will seek to move to a negotiated open tender process. Commissioners will review whether there are options for partnership or consortium delivery.

Community Benefits

Community benefits commensurate with the contract size will be sought from the provider through the tender process. Benefits would be expected to include local employment opportunities, volunteer opportunities, work placements and work with local schools.

| | | | |
|--|--------------------------|---|--------------------|
| Contract Ref & Title | Contract Services | | |
| Procurement Category: | Corp Services | Funding: | Traded Service |
| Invitation to Tender <input type="checkbox"/> Contract Signature <input type="checkbox"/> | N/A | Contract Duration and Extensions: | FY 2018/19 |
| Value P/A: | As per table below | Value Total: | As per table below |
| Reviewed by Competition Board <input type="checkbox"/> | 01/06/2018 | <input checked="" type="checkbox"/> London Living Wage <input type="checkbox"/> New Procurement <input type="checkbox"/> Collaboration <input checked="" type="checkbox"/> Re-procurement of existing Contract | |

Scope of Contract

Contract Services manages vital catering services for the provision of school meals, meals on wheels as well as other catering and hospitality services requirements. Continuation of the provision of these live services is essential in order to feed our customers.

It is known that relatively recent history has seen a continuous turnover of managerial staff, each with varying degrees of cognisance of procurement procedures, with the result that many of the supply contracts have either been commissioned in a way that is ultra vires to due commissioning process. There is now a collaborative effort in place between Contract Services Management, Legal Services and Procurement to address these shortfalls but the diverse range of contracts involved means that a number of different strategies will need to be deployed to address them all.

Whilst resolving ultra vires contracts is merely a matter of time and persistence, there is also need to ensure a continuation of supplies to meet the needs of Contract Services whilst the corrective actions are undertaken.

Procedures lay down that Purchase Orders (PO's) cannot be cleared unless there is a supporting contract in place.

Contracting Approach

It is requested that the contracts listed in the table below be procured through Procurement Across London (PAL) framework as well through the council's quotation procedures for an interim period. Cabinet approval is being sought to agree the award of the interim contracts for a period of twelve months to enable service provision to continue whilst the remedial actions are undertaken.

| Sites | Supplier | Description of Catering Supplies | 2018/19 Value |
|---------------|-------------------------|---|----------------------|
| Welfare | Prescott Thomas | Supply of fresh fruit & Vegetables from April 2018 - March 2019 | £25,000 |
| All Schools | Prescott Thomas | Supply of fresh fruit & Vegetables from April 2018 - March 2019 | £460,000 |
| CPU Education | Prescott Thomas | Supply of fresh fruit & Vegetables from April 2018 - March 2019 | £85,000 |
| Welfare | RAJ Foods | Halal, Kosher & Ethnic Meals from April 2018 - March 2019 | £45,000 |
| All Schools | Jones Dairies | Supply of local Organic Milk from April 2018 - March 2019 | £60,000 |
| Welfare | William White Meats Ltd | Supply of fresh & frozen meat from April 2018 – March 2019 | £60,000 |
| All Schools | William White Meats Ltd | Supply of fresh & frozen meat from April 2018 – March 2019 | £1,000,000 |
| CPU Education | William White Meats Ltd | Supply of fresh & frozen meat from April 2018 – March 2019 | £85,000 |
| Swanlea | William White Meats Ltd | Supply of fresh & frozen meat from April 2018 – March 2019 | £30,000 |