

**Cabinet Member Decision Report, 22 September 2017****Report title:** Removal and Storage Services Contract**Wards:** All**Portfolio:** Councillor Jennifer Brathwaite, Cabinet Member for Housing and Environment**Report Authorised by:** Sue Foster: Strategic Director for Neighbourhoods and Growth**Report Author:** Gifty Maccarthy, Procurement Officer, 0207 926 3207 gmaccarthy@lambeth.gov.uk**Report summary**

This report seeks the approval for a contract award for a Council wide Removal and Storage Framework Agreement to Robert & Denny's Ltd. The Framework contract has been divided into two lots following a tender exercise. Lot 1 will be for small scale responsive removals and void properties and Lot 2 will be for large scale planned removal services and specialist removals. This report details the Official Journal of the European Union (OJEU) competitive tender to appoint suppliers who have been successful in their bids to provide removal and storage services for the Borough. This service is an example of successful category management as it will be accessed by Lambeth Housing Management Service, the Voids team, and services in the Adults, Children & Health Directorates. The removal and storage services need to provide a reliable service, value for money and also provide social value benefits which includes engaging local suppliers that will create jobs within the borough.

**Finance summary**

The overall framework agreement for the two lots is for four years at an estimated cost of £318,000 a year and a total cost of £1,272,000 over four years). Lot 1 is estimated to be £120,000 per annum and Lot 2 is estimated to cost £198,000 a year.

**Recommendations**

1. To award Roberts and Denny's London Ltd the contract as the main supplier for Lot 1 to provide removal and storage services and to appoint Reserve Contractors, who would be called upon in the event that the Main Contractor is unavailable or unwilling for whatever reason to do the works as follows: Movecorp Ltd, Benjamin Oswald, Grays Storage & Removal Ltd, Crown Promotion & Removal, Simply Logistics Ltd, FH Barritt Transport, Clapham Removals and Clockwork Removals. The contract value for Lot 1 is £120,000 a year and will commence on 16 October 2017 for four years.
2. To award Roberts and Denny's London Ltd the contract as the main supplier for Lot 2 to provide removal and storage services and to appoint Reserve Contractors who would be called upon in the event that the Main Contractor is unavailable or unwilling for whatever reason to do the works as follows: Movecorp Ltd, Crown Promotion & Removal Ltd, Simply Logistic Ltd, Grays Storage and Removal Ltd, Clockwork Removals, Clapham Removals. The contract value for Lot 2 is £791,845 and will commence on 16 October 2017 for four years.

**Reasons for Exemption from disclosure:** The accompanying part II report is exempt from disclosure by virtue of the following paragraphs of Schedule 12A to the Local Government Act 1972:

Paragraph Three: Information relating to the financial or business affairs of a particular person. (Including the authority holding that information).

## **1. Context**

- 1.1 In order to deliver the outcomes set out in the Council's Community Plan 2016-2021, Lambeth residents have more opportunities for better quality homes, a reliable removals and storage service is required as follows:
- Lambeth Housing Management (formerly Lambeth Living): tenants moving into void properties, by virtue of temporary decants, litigation cases and those who are downsizing.
  - The Major Capital Projects team within Neighbourhoods and Growth for their six planned regeneration schemes.
  - Older Persons (commissioning) for decants and removals to Extra Care schemes.

It is therefore proposed to procure a framework of removals and storage firms, including where possible local providers, that secures the most advantageous terms for Lambeth by providing the following; a simplified pricing structure and quotation process that complies with Lambeth's Contract standing orders. A reliable and responsive service with quicker turnaround times for void properties providing increased rental income for the council.

### **1.2 Current situation:**

The three area Housing Voids and Customer Services Teams in Lambeth Housing Management have access to the Yorkshire Purchasing Organisations (YPO) Removals and Storage Framework. This is a framework with a list of suppliers providing removals services. To be included on the framework, the suppliers competed in a tender exercise carried out by YPO following the EU directives. However the three area housing managers have reported the following issues with the YPO framework including:

- The supplier was not able to give upfront quotes. They had to view the property first.
- The quotes were very high and did not demonstrate value for money.
- Unreasonable waiting times given e.g. 2 months; the Voids team need to turn around void properties quickly.
- Poor communication.
- Additional cost for insurance.

The above issues led to situations where tenants were unable to move in by their tenancy start date thereby requiring rent adjustments which results in additional rent loss to the council.

- 1.3 This is gateway 3 report, the gateway 2 report was cleared in March 2016.

## **2 Proposal and Reasons**

- 2.1 A framework agreement for Removal and Storage be set up and divided into two Lots – Lot 1 will be for small scale responsive removals for void properties and Lot 2 will be for large scale planned removal services and specialist removals for the regeneration schemes within the borough. In creating the framework there will be advantages including long term relationships, the reduction of financial and decision making approval chains, ensuring probity is maintained throughout according to EU and Lambeth procurement regulations. Also the adoption of performance measure indicators,

a platform for the use of integrated procurement routes and value management, risk management and whole life costing tools.

- 2.2 A full OJEU procurement exercise was carried out for the 2 Lots. Tenderers were invited to complete Business Questionnaire alongside with Quality questions. Suppliers was also asked to complete estimated pricing documents to establish competitive pricing. Nine suppliers responded to Lot 1 and seven suppliers responded to Lot 2. All suppliers were successful in both Lot 1 and Lot 2.
- 2.3 The tenderers for the 2 Lots were assessed against the following evaluation criteria, 50% Price 50% Quality. The tenderer with the highest scores for each Lot selected has been selected as the main Supplier to be the first point of contact for any Works Orders and the others appointed as Reserve Contractors.

**3. Finance**

3.1 Lot 1 - Short notice removals and storage

Area	Average No. of removals (based on 14/15 data)	Cost per annum	Cost over 4 year framework
North	58	£42k	£168k
Central	70	£42k	£188k
South	48	£36k	£144k
<b>Total cost (rounded)</b>		<b>£120k</b>	<b>£480k</b>

The three areas do have sufficient revenue budgets in 2017-18 to cover the above estimated costs.

3.2 Lot 2 - Decants removals and storage

The Major Capital Projects Team who are responsible for the following six estate regeneration projects will access this framework;

- Cressingham Gardens
- Knights Walk
- South Lambeth
- Central Hill
- Fenwick
- Westbury

3.3 It is estimated that the Estate Regeneration programme will have 1,000 decants of which 250 will be double decants. This includes both leaseholders and tenants. Therefore with an average cost of approximately £600 per move, the total cost for the 6 planned regeneration schemes will be in the region of £600,000. These are expected to run from 2017 - 2021.

3.4 Sheltered Housing/ extra care expect the number of decants between 2017 and 2021 will be 276, with an estimated removal cost of £600 per move. The past and future spend for removals/ storage are as follows;

- 2014/15 - £7,200
- 2015/16 - £30,000
- 2016/17 - £25,200
- 2017/18 - £44,400
- 2018/19 - £58,000

Total = £165,600

- 3.5 There are sufficient revenue budgets in place for Lot 1 in Area Housing Management. Lot 2 is funded from capital and both the Estates Regeneration and the sheltered housing/ extra care decants do have capital budgets in place. The cost per annum is broken down as (£120,000 revenue and £198,000 capital) and a total cost of £1,272,000 over 4 years (£480,000 revenue and £792,000 capital) with no option to extend. However, the total value of the contract may be less as this is a Framework contract with no obligation to spend the entire contract value depending on changes that might occur during the lifetime of the contract.

<b>Summary Table</b>	Per annum	4 yr framework
Lot 1 - Short notice removals and storage; Voids Teams	£120,000	£480,000
Lot 2 - Decants removals and storage (i) 6 Regeneration Schemes	£150,000	£600,000
Lot 2 - Decants removals and storage (ii) Sheltered housing / extra care (including Homelessness and mental health)	£48,000	£192,000
Estimated total cost	£318,000	£1,272,000

#### **4. Legal and Democracy**

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member for Housing and Environment. Before exercising that authority, this report should be reviewed by the Procurement Board.
- 4.2 The Contract Standing Orders require that contracts valued above £100,000 should be competitively tendered and this report sets out how officers have complied with this requirement.
- 4.3 The EU procurement regime applies to the proposed award by virtue of the Public Contracts Regulations 2015. For contracts for goods which valued above the £164,176 threshold, the full application of the EU procurement regime applies. As such, the Council has a duty to publish a contract notice in the official journal to and follow one of the procurement procedures prescribed in the regulations. This report describes how officers met these obligations.
- 4.4 As soon as possible after making the decision to award the contract, the Council must provide a written notice to the unsuccessful bidders, naming the winning bidder and describing the characteristics and relative advantages of the successful tender. The notice also has to state when the 'standstill period' is expected to expire and the date before which the contracting authority will not enter into the contract.
- 4.5 This proposed key decision was entered in the Forward Plan on 4 March 2016 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member for Housing and Environment. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

## 5. Consultation and co-production

- 5.1 Consultation has been taken place with the Council's stakeholders as well as the Cabinet Member for Planning, Regeneration and Jobs, Councillor Matthew Bennett (at gateway 2) and the Cabinet Member for Housing and Environment, Councillor Jennifer Brathwaite (at gateway 3).
- 5.2 Benchmarking was undertaken and 25 suppliers were engaged during the PIN exercise.

## 6. Risk management

Risk	Risk Level	Control Measures
Staff entering into tenants homes	Low	All staff will have valid DBS in place.
Lack of business continuity of supplier	Low	Using a framework allows for a large number of suppliers which can be used by the organisation as the preferred supplier without any bias.
Vulnerable Tenants	Low	Identified before work take place and ensure suppliers are notified suitably trained including DBS checks.

- 6.1 The main suppliers for each Lot will be required to submit insurance certificates, health and safety processes and accreditation documentation will be verified before contract starts.

## 7. Equalities impact assessment

- 7.1 An equalities impact assessment has been completed and published on Lambeth website [here](#).

## 8. Community safety

- 8.1 The risk of potential opportunist crimes would be reduced by having one company responsible for all removals, rather than residents each appointing their own removers. All operatives will be uniformed and carry identification. Any other apparent "removers" could, therefore be challenged.

## 9. Organisational implications

The chosen suppliers' vehicles all conform to low emissions zone regulations and they have a regulated Waste Carrier's licence. The information is on EU supply.

### 9.1 Environmental

Procurement provides business unit with a choice of a framework or full tendering. Creating this framework will ensure we gain the best value and generate the highest possible efficiencies for the contracts.

### 9.2 Staffing and accommodation

TUPE not applicable. The suppliers will pay London Living Wage.

### 9.3 Procurement

Gateway 2 report was approved on 24/02/2016. The recommendation to commence procurement for two OJEU compliant framework agreement was approved.

The framework be monitored and operationally managed by the contract managers. All staff and suppliers changes will be managed by the contract managers for each section Voids, Regeneration and Growth and Adults, Children and Health.

A separate part 2 (exempt from disclosure) report is attached to this report.

### 9.4 Health

N/A

## 10. Timetable for implementation

Task	Date
Procurement Board	04 July 2017
Decision online	14 September 2017
Call In Period ends	29 September 2017
Contract in place	16 October 2017

### Audit Trail

Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Jennifer Brathwaite	Cabinet Member for Housing and Environment	14/06/2017	25/07/2017	
Sue Foster	Strategic Director for Neighbourhood and Growth	28/07/2017	02/08/2017	
Neil Wightman	Director of Housing Services	14/06/2017		
Julian Hart	Estate Regeneration and Housing Delivery Programme Consultant	14/06/2017		
Mandy Green	Associate Director: Commissioning Strategic Housing, Regeneration and Communities	14/06/2017	15/06/2017	
Rachel Willsher	Head of Procurement	14/06/2017	19/06/2017 13/09/17	
Saif Mahamroot	Procurement Category Manager	12/05/2017	13/06/2017	Throughout
Andrew Ramsden	Assistant Director Finance (Neighbourhood & Growth)	14/06/2017	12/07/2017	3
Shankar SivaAnanthan	Group Manager (Finance Clearance)	14/06/2017	12/07/2017	3
Michael O'Hora	Legal Team	14/06/2017	16/06/2017	4
Alex Harris	Democratic Services	14/06/2017	19/06/2017	4
Procurement Board date		11/07/2017	18/07/2017	

### Report History

<b>Original discussion with Cabinet Member</b>	24/02/2016
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	Yes
<b>Key decision report</b>	Yes
<b>Date first appeared on forward plan</b>	04.03.16
<b>Key decision reasons</b>	Expenditure, income or savings in excess of £500,000
<b>Background information</b>	Prior Information Notice (Tender document) <a href="https://www.lambeth.gov.uk/sites/default/files/brl_removals_and_storage_service.pdf">https://www.lambeth.gov.uk/sites/default/files/brl_removals_and_storage_service.pdf</a>
<b>Appendices</b>	N/A

**APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION**

**I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Mandy Green, Associate Director - Commissioning Strategic Housing, Regeneration and Communities

**I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council (if required), and approve the above recommendations:**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Post:** Councillor Jennifer Brathwaite: Cabinet Member for Housing and Environment

**Any declarations of interest (or exemptions granted):** None

**Any conflicts of interest:** None

**Any dispensations:** None