

Decision Maker: PORTFOLIO HOLDER FOR SUSTAINABILITY, GREEN SERVICES AND OPEN SPACES

Date: 22nd November 2022

Decision Type: Non-Urgent Non-Executive Non-Key

Title: FUTURE CENTRAL DEPOT SECURITY PROVISION

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Chief Officer: Colin Brand, Director of Environment and Public Protection

Ward: All

1. REASON FOR REPORT

- 1.1 The Council's Central Depot requires 24/7 security and manned guarding and the current contract, provided by MPD FM Ltd, operating under a three-year framework provision since 1st April 2020, ends on 31st March 2023.
 - 1.2 The specification calls for control of access and marshalling during the daytime at the Baths Road entrance where heavy vehicle operations for the Council's main Environment contractor are undertaken. When the depot is closed, keyholding, manned guarding and regular patrols around the site and monitoring of closed circuit television form part of the specification.
 - 1.3 The majority of the costs of this contract provision are re-couped from the waste and recycling contractor who occupies the larger part of the depot the site. This leaves the Council paying only 25% of the contract with 75% re-charged out to Veolia Environmental Services.
 - 1.4 This report summarises the considerations and recommendations for the provision of security at Central Depot from 1 April 2023.
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2. RECOMMENDATION(S)

- 2.1 That the Portfolio holder for Sustainability, Green Services and Open Spaces agrees that from 1st April 2023, security at Central Depot is provided by Veolia Environmental Services as part of the Waste Collection Contract through a variation process for a period of 4 years at an estimated total cost of £504k for the period of the variation (of which £126k only is charged to the Council).

Impact on Vulnerable Adults and Children

1. Summary of Impact: The security contract helps to keep all staff and visitors to Central Depot safe including vulnerable adults and children.
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Transformation Policy

1. Policy Status: Existing Policy:
 2. Making Bromley Even Better Priority (delete as appropriate):
(5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: £126k over a 4-year period
 2. Ongoing costs: £4,650
 3. Budget head/performance centre: Transport Operations and Depot Management
 4. Total current budget for this head: £594k
 5. Source of funding: Existing revenue budget 2022/23
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Personnel

1. Number of staff (current and additional): No Bromley Council staff impacted.
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: None:
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: The contract variation identified in this report is provided for within the Council's Contract Procedure Rules.
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Property

1. Summary of Property Implications: None
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: No significant sustainability implications with the security cabin maintained.
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Customer Impact

1. Estimated number of users or customers (current and projected): All Central Depot staff, 180,000 households across the borough and businesses/ sub-contractors that visit the site.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not applicable

3. SUMMARY OF BUSINESS CASE

- 3.1 The current contractor is MPD FM Ltd of 20, Rainham Road North, Dagenham, RM10 7FD. who has fulfilled the requirement since April 2020.
- 3.2 Depots security is overseen by the Transport Operations Manager who manages depots and works closely with Veolia Environmental Services and the Council's client-side officer, to ensure a safe, compliant and secure premises.
- 3.3 Veolia Environmental Services operate the larger proportion of the depot in connection with the street environment and, waste service contracts that they conduct on behalf of the Council. The depot houses a large fleet of specialist municipal vehicles to support this contract provision. Security at Central Depot is vital for the protection of these assets.
- 3.4 During the previous contract term, in order to ensure integration with the wider management of Central Depot, various improvements were made to communication methods with the security points.
- 3.5 Access to the Council's depot CCTV system is enabled along with a unique LBB e-mail address for the security guard which allows users to liaise directly with the gate house and a two-way radio system has been introduced. This has greatly improved day-to-day transport workings on the site through the past two years, particularly as the depot is open 7 days per week in connection with waste services and in winter too, when gritting operations are underway.
- 3.6 These improvements have contributed to developing better management and support for our contractor's operations based at the depot.
- 3.7 During the recent pandemic, the security guard played a key role in communicating with operational staff and controlling site access for both the Council and its waste contractor.
- 3.8 The requirement for 24/7 security at Central Depot is to ensure:
- --Expensive fleet and plant are kept safe from theft and vandalism,
 - --The safety of staff and visitors to a busy operational site,
 - --Efficient logistics of the site through communication and signposting, and
 - --Prevention of any opportunities for the use of fleet for terrorism acts.

Service Profile / Data Analysis / Specification

- 3.9 Central Depot: Manned guarding on a 24-hour basis, 7 days per week. Security 'day guard' performs access gate control, CCTV monitoring, marshalling duties for heavier vehicles, accepts deliveries and participates in safety management at the Baths Road end of the depot. 'Night guard' includes CCTV monitoring, regular recorded site patrols, out-of-hours key holding, access control and support in emergencies.
- 3.10 Customer Profile: Central Depot incorporates the Waldo Waste Transfer Station and the related Reuse and Recycling Centre used by the public during weekdays and at weekends. It also includes the office and deployment base of all street environment and waste service staff. The Council maintain offices for Environment and Transport staff.

Options Appraisal

- 3.11 The following options were considered:

- --Option 1 – Not providing security at Central Depot from April 2023 (£0k)

- --Option 2 - Using an Eastern Shires Purchasing Organisation (ESPO) framework to procure a 4 year contract for the provision of security at Central Depot (Costs are included in the Part Two report)
- --Option 3 – Using a Variation to the Waste Collection Contract to include the provision of security at Central Depot, which will be for 4 years (Total Contract Cost: £506k, Total Cost to the Council £126k)

3.12 Option 1 was discarded because without security provision the risks of damage to expensive property, service disruption and potential harm to people would be significant.

3.13 Previously for depot security, the Council has utilised a security framework operated by the Eastern Shires Purchasing Organisation (ESPO) called Framework 347. Option 2 proposes the continuation of this arrangement. Access to pricing documents has been granted and this option would provide a value for money solution to the Council.

3.14 However, Option 3 delivers additional benefits through a more collaborative working approach with the Waste Collection Contract Service Provider and operational experience that Option 2 is unable to deliver.

Preferred Option

3.15 The preferred option is Option 3, which means that the provision of security would be placed directly with the larger occupant of the site, who would then re-charge the Council its proportion of the costs.

3.16 Security provision for the Churchfields Waste Transfer Station and Reuse and Recycling Centre is already an element of the Waste Collection Contract, therefore, it would be in keeping with the services provided by the Waste Collection Service Provider to expand this service to Central Depot.

3.17 The total cost of this option is £504k for the 4-year term. The cost proposal provided by the Waste Collection Service Provider, Veolia, although not the lowest are in keeping with the lowest tier of security providers shown in the ESPO framework matrix.

3.19 There is an option to extend the Waste Collection Contract for a further 8 years. If this option is taken, then the Council would also have the opportunity to extend the security provision variation for a further 8 years. This means that the total contract value of the security variation could potentially be £1.517m over 4 plus 8-year contract term.

3.20 The variation will be taken in accordance with the Public Procurement Regulations 2015 Regulation 72b.

3.21 Varying the Waste Collection Contract would reduce the administrative burden for the Council in undertaking a mini tender under the ESPO framework. In addition, there is a risk that the company that has the lowest framework cost would not submit a tender.

3.22 The benefits of Veolia managing the provision of security include improved communications between the main occupier of the site and the security team, better understanding of the operational nature of the site and the ability to share staffing across the two waste sites in Bromley. Veolia are also keen to realise these benefits and as such have proposed to waiver their profit margin for the provision of security at Central Depot.

3.23 The day-to-day liaison with the security guard will still rest with the Transport Operations team who manages the Council's premises interests at the depots, however such an arrangement would result in Veolia having more input to the workings of the contract, tailored to the varied

and specialised heavy vehicle operations, which take place throughout the day and the importance of protecting the fleets when the depot is closed.

4. MARKET CONSIDERATIONS

- 4.1 As described above, the Council has considered utilising an ESPO security framework as well as varying the Waste Collection Contract for the provision of security at Central Depot.

5. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES

- 5.1 This contract is carbon neutral, with the security guards continuing to use existing accommodation and facilities at both sites from which to operate from.
- 5.2 The guard is in contact with the general public from time to time offering guidance and advice, particularly when the sites are closed. For some members of the public having this point of contact contributes to Bromley's Tackling Loneliness Strategy in Bromley.
- 5.3 The presence of the guard is key to ensuring that the site remains safe when closed, and that in the event of an emergency, a presence remains on site with the ability to liaise with site managers, contractors, control centres and the emergency services. Bromley Council is responsible for the safety of staff, visitors and trespassers on this operational site.
- 5.4 This proposal has been judged to have a positive impact upon the local communities with Veolia being a key provider of the Council and locally acknowledged as the main occupant of Central Depot.
- 5.5 For Central Depot during the working day, the heavy operations end of the depot (winter gritting, waste) is properly controlled in terms of access, traffic flow, marshalling, site safety, receiving and advising visitors and delivery drivers, remaining in regular contact with the Transport Operations office which manages the depot.

6. STAKEHOLDER ENGAGEMENT

- 6.1 The proposal herewith has been shared with attendees of both the Service Collaboration Board and Central Depot User Group meetings, which covers all current and potential occupants of the site.

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

7.1 Estimated Value of Proposed Action:

The total cost of the depot security contract for the remaining 4 years of the Waste Collection Contract term would be £504k and the total cost should the 8 year extension be enacted would be £1.512 million. £1.512 million is less than 1% of the total Waste Collection Contract value when the extension period is incorporated.

The costs of depot security to the Council would be 25% of the total cost, re-charged through the existing waste contract arrangements to the depot budget. The estimated annual cost to the Council would be £31,500 and the cost to the Council of the remaining 4 year term of the Waste Collection Contract would therefore be £126,000. For the extension period, the indicative cost would be £252k, therefore making the total for the £378k.

Veolia, as the main occupant, would continue to pay 75% of the security costs at a value annually of £94.5k and over the remaining 4 year contract term £378k.

7.2 Other Associated Costs:

None

7.3 Proposed Contract Period:

It is proposed that the variation to include the provision of security at Central Depot within the Waste Collection Contract commences on the 1st April 2023 and ends when the current Waste Collection Contract ends on the 31st March 2027.

7.4 Timetable for renewal of depot security:

Step	Task	Deadline
1	Report to Procurement Board, Finance and Legal Depts.	November 2022
2	Communication to current provider informing them of the proposed change	December 2022
3	Review Site Security Assignment Instructions	January 2023
4	Prepare Waste Contract Variation/CCN	February 2023
5	Final preparation for hand over	March 2023
6	CCN Signed	March 2023
7	Contract Start Date	1st April 2023

8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN)

- 8.1 An impact Assessment is not required as there will no change in service provision and the service has a small positive impact in that it helps to maintain the safety of all including vulnerable adults and children.
- 8.2 There is a potential impact to existing security staff, but this will be covered as part of the TUPE process.

9. TRANSFORMATION/POLICY IMPLICATIONS

- 9.1 The “Making an Even Better Bromley” priority 5 around managing resources well refers to the Council’s intention to provide efficient and effective services and value for money to our residents. For the objective of providing a safe, clean and green environment great for today and a sustainable future, the provision of security at Central Depot will ensure that waste and street environment services are regularly provided and that everyone entering Central Depot is kept safe.
- 9.2 Central Depot is the main base for the Council’s front-line services such as waste/recycling collection, waste disposal, street cleansing, transport and winter service. The depot must comply with health & safety and environmental regulations which include the protection of the site when not in use. The assets of both the Council and its contractors, used in delivering essential services are housed at the depot and need to be protected and available for use. Therefore, the provision of security will assist LBB in meeting all of the priorities set within the Environment Portfolio Plan 2022-23 (the Council’s environmental service aims and objectives).
- 9.3 Private Security Industry Act 2001 requires security guards to be licenced by the Security Industry Authority (SIA).

10. IT AND GDPR CONSIDERATIONS

- 10.1 Compliance with GDPR is an important element for the provision of security services, with the security guards having access to CCTV for the site. Veolia have provided details of the GDPR policy and GDPR is discussed at all Contract Management Meetings.

11. PROCUREMENT CONSIDERATIONS

- 11.1 This report seeks to vary the Council's waste collection contract with Veolia Environmental Services to include provision of security at the central depot site from 1 April 2023 with the value of the variation being £504k over a 4-year period. The Council's contract with Veolia is in place for 4 years, ending 31 March 2027, with a further option to extend for 8 years, meaning the whole life value of the variation could be up to £1,512k for the contract's entire duration.
- 11.2 This was originally procured as an above-threshold contract following a competitive tendering process. The variation stated above can be completed in compliance with Regulation 72 of the Public Contract Regulations, in accordance with 72 (b).
- 11.3 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1, and for this authorisation, only the value of the Council's contribution is being considered. For a contract of this value, the Approval of the Portfolio Holder following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 11.4 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.
- 11.5 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

12. FINANCIAL CONSIDERATIONS

- 12.1 The annual cost of the contract variation to the council is £31,500, over 4 years this is £126k if the 8yr extension was activated this would be a further £252k making the total cost for 12yrs £378k.
- 12.2 There is sufficient budget within the Transport and Depot management service to fund this cost and therefore would not create any additional pressure for the council.

13. PERSONNEL CONSIDERATIONS

- 13.1 TUPE will apply to this contract and relevant information has been obtained from the existing supplier and made available to the waste contractor.

14. LEGAL CONSIDERATIONS

- 14.1 The Council has the legal power to hold, maintain and develop its landholdings and buildings in connection with its functions. In furtherance of these powers the Council may provide and commission through a contract the security services outlined in this report.
- 14.2 The commissioning of a security services contract for the depot is a public services contract within the meaning of the Public Contracts Regulations 2015 (Regulations) and as such needs to be procured in full compliance with the Regulations.
- 14.3 However, the recommendation to this report is seeking to vary the Council's waste collection contract with Veolia Environmental Services (Veolia) to include provision of security at the central depot site from 1 April 2023 with the value of the variation being £504k over a 4-year period and potentially over an extended term of £1,512k.

- 14.4 The Waste Collection Contract with Veolia is also a contract that was procured by the Council in accordance with its obligations under the Regulations.
- 14.5 Regulation 72 however permits certain variations or modifications to a public contract during its term without the need to carry out a new procurement exercise.
- 14.6 Regulation 72(1) (b) permits a modification/variation to a Public Contract where there is a requirement for additional works, services or supplies by the original contractor (Veolia) that have become necessary and were not included in the initial procurement where a change of contractor i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement and ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority - provided that any increase in price does not exceed 50% of the value of the original contract.
- 14.7 The report has explained how the case for a modification/variation will be met in accordance with Regulation 72 (1) (b). In particular, due to the fact that majority of the existing security services are for the benefit of Veolia and for which Veolia and the Council pay their defined proportions of the cost for all the services, it is considered that the enhanced new specification is of mutual benefit to both the Council and Veolia. These benefits would not otherwise be achievable with a separate contractor providing the security services as is happening now under the current contracting arrangements. Veolia do currently provide security services in relation to another Council depot. The opportunity for the Council and Veolia to make alternative and more suitable contracting arrangements for the provision of security services at the Central depot has since become necessary in order to secure the mutual benefits now that they have become available since the initial procurement as described in this report. In terms of contract value, the proposed variation is not substantial and is below 50% (here below 2%) of the overall contract value.
- 14.8 The Council's requirements for authorising a variation under CPRs is set out in the procurement comments to this report. It will be necessary to publish a notice as required by Regulation 72.
- 14.9 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.
- 14.10 TUPE considerations have been addressed elsewhere in this report

Non-Applicable Headings:	Strategic property
Background Documents: (Access via Contact Officer)	None