

REPORT TO:	Cabinet Member for Resources and Financial Governance
SUBJECT:	Procurement of Asbestos Surveying Service Provider
LEAD OFFICER:	Ozay Ali, Interim Director of Homes & Social Investment
CABINET MEMBER:	Councillor Carlton Young, Cabinet Member for Resources and Financial Governance
WARDS:	All
<p>Our priorities – 2021-2024 for Croydon will support the delivery of the new administration priorities as set out below:</p> <p>We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe. To ensure we get full benefit from every pound we spend, other services in these areas will only be provided where they can be shown to have a direct benefit in keeping people safe and reducing demand.</p>	
<p>FINANCIAL IMPACT</p> <p>The Asbestos Surveying service is for 3 years with an option to extend for further twelve months at a time, up to a maximum term of 2 years (3+1+1). The combined budget for the for portfolio properties for Facilities management, Housing and School teams services is £775,000 for the length of the contract split equal proportion with the two service providers at the value of £387,500 and is projected to be sufficient for the asbestos surveying service as a call off arrangement.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO: No</p>	

The Leader of the Council has delegated to the Cabinet Member for Resources and Financial Governance the power to make the decisions set out in the recommendations below:

1. RECOMMENDATIONS

1.1 The Cabinet Member for Resource & Financial Governance in consultation with the Leader, is recommended by the Contracts and Commissioning Board to approve the award of contract to two Leading Providers for the provision of Asbestos Surveying services in accordance with the South Eastern Framework for an initial period of 3 years, with an option to extend for up to two periods of twelve months, up to a maximum contact terms of 5 years, to the bidders named in the Part B report for value contained therein.

2. EXECUTIVE SUMMARY

- 2.1 On 3rd April 2020, the Contract commissioning board endorsed the recommended Asbestos Surveying services and the procurement process was undertaken in accordance with the approved strategy (Ref: CCB1563/19-20), to support the Council's property portfolios for Housing, Facilities Management and Council's maintained Education estate.
- 2.2 The purpose of this report is to recommend an award of contract and to appoint the selected Bidders for the delivery of Asbestos Surveying services to the Council. Exempt information is provided within the associated Part B report.
- 2.3 The proposed contract is supporting the various essential asbestos surveying requirements identified from the Council's property portfolios for Housing, Facilities Management and School teams. This will therefore enable the Council to comply with its statutory obligation contained within the Control of Asbestos Regulations 2012 and the Health & Safety At Work Act 1974.
- 2.4 The proposed contract term will be for a period of 3 years commencing from November 2020 with an option to extend for a further one year plus one year up to a maximum period of 5 years (3+1+1). This will be delivered in accordance with the South East Consortium JCT Measured term contract 2011 terms and conditions for professional services. There will be call off agreement with no guaranteed work levels or minimum work level requirements under the contracts.
- 2.5 The contents of this report details the procurement process undertaken and advises the recommendation that Bidder A and B be awarded the contract (named in the part B report), with the housing asbestos surveying work being allocated to each provider as a North and South programme of works for estimated equal value, the FM and Schools being managed as a call off agreement split in equal value with both providers in accordance with the tender documents, as both tender submissions demonstrated most economically advantageous tender.
- 2.6 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
02/02/2021	CCB1643/20-21

3. DETAIL

- 3.1 In accordance with Croydon's Corporate Plan 2018-2022 and following the pre-market engagement exercise which led to the approved RP2 How We Buy strategy report (CCB1563/19-20), the South East Consortium Framework was deemed the most suitable procurement route for this contract. The South East Consortium framework was set up following the outcome of the OJEU procurement process (Ref: 2017/S 122-247184) and is compliant with PCR2015. The framework agreement is valid from 16/10/2017 to 15/10/2021.

The Council has used South East Consortium frameworks previously with the access agreement signed and agreed.

3.2 The contract for the existing service provider expired on 1st April 2020 and was not extended for a further year due to not offering the Council the best quality or value for money for asbestos surveying services. The Council's contingency plan is in place whereby the Council can commission asbestos surveys via the Council's existing term contract with GrahamFM.

3.3 The existing contractor was given 3 months written notice of the Council's intention and were issued with a letter to terminate their contract in line with the terms and conditions of their contract as their contract with Croydon Council is purely based on a call off arrangement and legal support was not required.

3.4 The planned commissioning outcome is the development of a two contracts with two professional Service Providers as a partner, for the provision of Asbestos Surveying services. The pre-determined outcomes to be achieved from this provision of service that may be required on an ad-hoc basis are:

- That the Council continues to ensure that its premises and places of work meet the legal duties as an employer;
- To ensure our premises are safe to meet the expectations of residents and service users;
- To ensure that all premises are compliant with current legislative requirements;
- The Council have specialist asbestos surveying arrangements that are both flexible and meets the future needs of the Council and take a holistic approach to asbestos management;
- The Council is provided with the most cost effective and efficient means of monitoring and analysing asbestos performance data to identify opportunities to reduce costs through greater economies of scale, technology and innovation;
- Delivery of social value that will benefit the borough of Croydon.

3.5 This contract will make provision for supporting the Facilities Management, Housing and schools teams' property portfolio to deliver day to day operational business. The scope of services to be provided from this proposed contract include the following: -

- Asbestos surveys (Management, Refurbishment & Demolition, Re-inspections)
- Air monitoring to support asbestos removals (Background, Leak, Personal,

- Reassurance, Certificate of Reoccupation)
- Bulk sampling of materials suspected to contain asbestos
- Asbestos awareness training
- Emergency works such as sampling and air monitoring services for potentially contaminated spaces (attendance within 4 hours)

Procurement process

- 3.6 The Council received six tender submissions which were then subject to the agreed published evaluation criteria and scoring allocation arrangements. The successful/unsuccessful bidders will receive feedback relating to the tender submission. Specific details as to the qualitative benefits of the preferred Bidder's tender are contained in Part B.
- 3.7 On completion of the quality assessment, the price element of the tender submissions was conducted and evaluated with the lowest tender price scoring the highest percentage sub-weightings. For further details of the breakdown based on the total 40% Tier One weighting, reflecting the applied Tier Two sub-weighting criterion. Specific details as to the commercial bids obtained are contained in Part B.
- 3.8 The 60% quality weighting ratio ensured better emphasis on quality and as such is expected to produce cost savings over time as the data produced is more likely to be a true reflection of site conditions and therefore reducing the need to revisit to cleanse the supplied data.
- 3.9 The result of the respective bidder's scores for each sub-weighting criteria were then added together to give the total score. The bidders were then ranked by their total combined quality and price score with the highest ranked Bidders A and B scoring 68.15% and 67.71% respectively as outlined below. Notably, Bidder A and B received the highest evaluation score for quality and ranked 1st out of 6 bidders whilst achieving low score for price and ranked 5 and 6. They obtained a good quality scores with added value and demonstrated ability of meeting the Council's requirements. PSP was not applied this is in accordance with the SEC Framework Agreement terms and conditions.

Tier 1 Criteria	Tier Two Weighting	Bidder A	Bidder B	Bidder C	Bidder D	Bidder E	Bidder F
Qualitative	60%	43.00%	43.00%	38.00%	34.00%	17.00%	12.00%
Quantitative (Tier One)	40%	25.15%	24.71%	29.24%	32.76%	27.22%	29.16%
Total	100%	68.15%	67.71%	67.24%	66.76%	44.22%	41.16%

- 3.10 Based on the outcome of a robust evaluation process, it is recommended for Bidder A and B to be awarded the contract, with the housing asbestos surveying work being allocated to each provider as a North and South programme of works for estimated equal value, the FM and Schools being managed as a call off agreement split in equal value with both providers in accordance with the tender documents.

3.11 This project falls within the category:

- (i) expenditure required to deliver the council's provision of essential statutory services at a minimum possible level
- (ii) urgent expenditure required to safeguard the vulnerable citizens

4. CONSULTATION

4.1 The Council undertook a pre-market engagement with potential providers to inform its final procurement strategy to determine the best competitive prices and to ensure performance and capacity issues are met. Following the outcome of the pre-market engagement, the potential Suppliers informed the Council that the delivery of the contract should be split between two leading Providers with equal value based on a call off basis for Corporate, Schools and Housing (allocated by locality between North and South) to enable delivery of the Council's full programme of asbestos surveying requirements. This was clearly set out within the final Invitation to Tender pack, with regards to the contract being awarded to the two potential Providers with the highest combined quality and price scores, giving evidence of delivering the most advantageous tender.

4.2 The project team members were established to enable appropriate and relevant disciplines within the Council to evaluate the tender submissions and determine which tender fulfils Council's requirements, offering the most economically advantageous bid.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000
Capital Budget available	155	155	155	155
Expenditure				
Effect of decision from report				
Expenditure				
Remaining budget	155			

5.2 The effect of the decision

5.2.1 The effect of the decision to award contract to Bidder A and B will enable the Council to commission the Asbestos Surveying related services on an ad-hoc

basis (if instructed and/or successful), will commit in accordance within the allocated budget of £775,000 for the contract term of three years with option to extend for two further twelve months. As per the agreed strategy report, it was deemed not to apply the Council's PSP. Therefore, for the purpose of the contract award, it is recommended for the maximum contract value to reflect £775,000 and Head of Finance to give approve the capital budget.

5.3 The project of the Asbestos Surveying risks:

Risk	Detail	Mitigation	RAG
New contractor may not be able to meet the requirements of the Council	This will prevent the Council from delivering business as usual services or support FM, Housing and Schools initiatives and projects such as	The 60/40 quality/price ratio and effective evaluation of tender responses should mitigate this to as low as possible. Also the outcome of the pre-market engagement analysis (Appendix 1) has informed the Council that the delivery of the Asbestos surveying services programme should be split on equal proportion between two Leading Providers.	
Poor performance from incumbent contractor	This will impact the Council's ability to obtain quality Asbestos Surveying reports for remedial works to be carried out on FM, Housing and School buildings	Two Leading Providers will be awarded to deliver the proposed contract which will enable competition throughout the contract term and ensure good quality reports are delivered. Regular monthly meetings will be held to continue to engage the contractor until the agreed termination date.	

5.4 Options

5.4.1 Following the outcome of the tender evaluations, Bidder A and B has demonstrated its bid offering the most economically advantageous tender. Should the Council not proceed with the award, they would be in breach of their Statutory compliance to enable buildings to be managed and maintained to a usable standard for service users. This also ensures that assets are being utilised to their maximum potential to generate income/funds for the Council. The users/occupiers of our maintained buildings need to feel comfortable and assured that asbestos is being properly managed within their place of recreation/work.

5.4.2 The asbestos management and monitoring is a statutory requirement. Under the Control of Asbestos Regulations 2012 the Council has a legal duty to

manage asbestos within its premises and to assess the presence and condition of any asbestos-containing materials. Expenditure under this contract ensures the Council is able to function and carry out its duties safely in terms of protecting employees, service users, residents, schools etc. from asbestos exposure.

5.4.3 In relation to spending controls in place due to the Section 114 notice, this expenditure falls under the following categories:

(i) expenditure required to deliver the council's provision of essential statutory services at a minimum possible level – as explained above, there is no minimum level of work under the contracts and, as such, the contract will be managed on a call off basis to control spend in accordance with minimum levels of service required and prioritise cases where harm might be caused to residents/service users.

(ii) urgent expenditure required to safeguard the vulnerable citizens – at times, urgent surveys may be required in order to address asbestos discovered. This might occur in any of our buildings, some of which service vulnerable citizens

Under the criteria within Section 115(6A) of the Local Government Finance Act 1988, this proposed expenditure prevents the Council's financial situation from getting worse. This is because, if the Council fails to comply with its statutory duties by failing to deliver this service, as outlined, this could result in claims being made against the Council.

5.5 Future savings/efficiencies

5.5.1 The savings overtime is based on the data produced as it's more likely to be a true reflection of site conditions and therefore reducing the need to revisit to cleanse the supplied data. The two service Providers will support the delivery of services and contract management arrangements.

Approved by: Felicia Wright, Head of Finance – Place

6 LEGAL CONSIDERATIONS

6.1 The legal considerations are as set out within this report.

Approved by: Kiri Bailey, on behalf of Sean Murphy, Director of Law and Governance

7. HUMAN RESOURCES IMPACT

7.1 This report does not invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 and no Human Resource impact for Council staff.

8 EQUALITIES IMPACT

- 8.1 Equality considerations were taken into account as part of the requirements defined within the final ITT document (including the Terms and Conditions of Contract), including the need to submit their policy on disability, age & pregnancy or maternity for review to support the Council with delivering its public sector equality duties and reporting. The Bidders is expected to pay the London Living Wage as a minimum and demonstrated commitment to deliver social value outcomes.
- 8.2 The Equality Policy 2016 - 20 sets out the Council's commitment to equality and its ambition to create a stronger, fairer borough where no community is held back. The policy reflects the council's statutory duties under the Equality Act 2010 and is supported by the equality objectives set out in the Opportunity and Fairness Plan 2016-2020.
- 8.3 An Equality Impact Assessment has been undertaken to ascertain the potential impact on protected groups. This concluded that the recommendations in the report will have no negative impact on groups that share protected characteristics and there are no equality issues arising from this report. As such no further action is deemed necessary.

Approved by; Yvonne Oytkio on behalf of Equalities

9 ENVIRONMENTAL IMPACT

- 9.1 In accordance with the contract terms and where required, Bidder A and B will be required to comply with environmental legislations and regulations. There will also be a requirement to support the Council's vision and aims which will contribute to reducing Croydon's CO2 emissions.

10 CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no immediate adverse Crime and Disorder impacts arising from this report.

11 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 Bidder 'A' and 'B', has achieved the overall highest combined score of 68.15% and 67.71% therefore demonstrated the most economically advantageous tenders whilst meeting the Council's requirements as set out within the invitation to tender pack.

12 OPTIONS CONSIDERED AND REJECTED

- 12.1 Other options for the proposed service provision were considered and has been reflected within the original CCB approved procurement strategy report, including the agreed recommendation to carry out the procurement exercise via the OJEU restricted procedure. The other options identified and considered were assessed as being unviable or more expensive.
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BACKGROUND DOCUMENTS: None