

BUSINESS CASE 24328–**SECURITY CONTRACT RENEWAL PROCUREMENT AUTHORISATION****EXECUTIVE SUMMARY****About a project**

PCC under its legal responsibilities must make provision for security at its buildings, events and elections. The provision covers keyholding, patrols and guarding at buildings and depots including 365-day cover which also includes callouts. Part of this also meets the council's responsibility for staff safety and public safety.

Security services are essential because the authority has legislative compliances requiring security around events to enable delivery. There is also a requirement that in line with the council's insurance policies we take all reasonable precautions to stop theft and damage to our property, lack of cover could adversely affect the insurance cover.

The authority also has a duty of care to protect staff at council facilities and security form part of these measures.

With the impending introduction of Martyn's Law PCC will be required to ensure that it has proportionate counter terrorism plans and measures at buildings, outdoor spaces and gatherings which security will form part of.

The contract will also cover part of PCCs mitigation regarding insurance cover for both claims against the council and claims regarding theft or damage.

The current contract covers three areas:

- Facilities Management within Customer and Corporate services,
- Events within Place
- Elections within Executive

Current Contract spend

The current annual spend is: £888,000

- Facilities Management – £787,00
- Events - £90,000
- Elections - £11,000 not including by-elections or general elections

Existing contractual arrangements

The current contractual arrangements have expired, subsequently the incumbent contractor is working on an extension basis.

The current contract requires the provider to work within the SIA guidance and current legislation. This covers various security services such as static guarding for PCC buildings and depots where controlled access and protection of property is required along with security patrols regarding PCC premises 365 days a year along with call out and key holding.

Security at events is much broader due to the role they play regarding public safety and counter terrorism in line with much broader legislation and licensing. There is a varied requirement covering: door staff, static guards, drugs and explosives dogs, close protection, search teams, traffic checkpoints and pit staff.

These services form part of a legal requirement to deliver events.

Elections presently has no security contract in place which leaves the returning officer vulnerable as the present contractor is not obligated to provide services for this. Post Covid, the elections team, as part of its safety measures, were required to provide security staff at all 114 polling stations and the count centre. Subsequent years security has been needed at schools and military facilities that have been used and at the count centre as part of its safeguarding and integrity at elections.

Objectives

To carry out a new procurement of security services contract for a maximum period of 10 years (initial contract period 5 years with an option to extend it further for up to 5 additional years). Estimated total contract value is £8,880,000.

- To have in place a 5 +5 year or 5 + 3+2 contract for security covering Facilities Management, Elections and Events.
- To have in place the ability to provide security for static sites where required that is registered with the SIA.
- To provide patrols on sites and other PCC premises.

- To provide key holding and call out if required for PCC sites.
- To provide a range of services in line with legislation and guidance regarding events delivered by PCC including a command-and-control structure.
- To provide security officers at various polling stations where there are young children or vulnerable adults, also at the count venue to ensure the integrity of the election.
- To provide officers at all polling stations in times such as COVID 19

Outcomes and Benefits

A longer-term contract allows for both business continuity and the ability to predict future cost and spending in relation to security within PCC.

It allows for a better working relationship between PCC and the contractor who will be able to understand our business and identify any areas of improvement and possible savings.

Ensuring that services are in line with any changes to government legislation involving security.

Reducing the risk of spiralling costs and ensuring that the authority has the required cover it needs so as not to leave it open to claim or risk.

To achieve efficiencies and control high costs of re-tendering by the Council and suppliers alike.

Financing

All three areas will be financed from existing annual Revenue budgets

Estimated contract value:

The estimated annual contract value is – £888,000 per annum which will break down as follows:

- Facilities Management– £787,000
- Events - £90,000
- Elections - £11,000 not including by elections or general elections

It is estimated that over the life of the contract the value will be £8,880,000 (over 10 years).

Key Risks

Failure to secure a contract will leave PCC exposed to reputational risk and financial loss should it be unable to provide cover at events or elections, risk of damage to property or noncompliance with any legislation or insurances or risk to staff or public health or well-being.

An inability to adequately demonstrate in a court correct cover in place and protect the council from claim.

Failure to appoint before changes in forthcoming legislation and pay increased rates due to demand.

Security contractor unable to cover elements currently not under contract and leave PCC exposed.

Timescales

Stage	NEW DATES	STAGE OF PROCESS
Pre-tender	By 015/03/24	Business Case & Executive Decision sign-off
	By 15/07/24	Democratic Service process completed and signed: Key Decision
	By 22/03/24	Pre-Publication Gateway (sourcing strategy) sign-off
Selection Questionnaire	03/04/24	Tender launched on Proactis – advert out
	07/05/24, Noon	Deadline for SQ returns
	09/05 – 11/06	SQ Evaluation and shortlisting to Stage 2
T e n	12/06/24	ITT out to shortlisted bidders and letters to unsuccessful

09/07/24, Noon	Deadline for receipt of tenders
11/07 – 29/08	Tender Evaluation
30/08/24	Selection of MEAT Tender & Decision to Award
09 – 13/09	Contract Award Report Sign-Off
18/09/24	Publication of Reports - Part 1
18/09/24	Send out Intention to Award letters (Standstill)
19 – 30/09	Standstill period
01/10/24	Issue Contract Award Letters (if unchallenged)
01/01/25	Contract Commences

** Please note Part 5 – Part 7 have not been completed as part of the Business Case as these questions relate to capital borrowing loan repayments. This is a revenue procurement and these sections do not apply.*

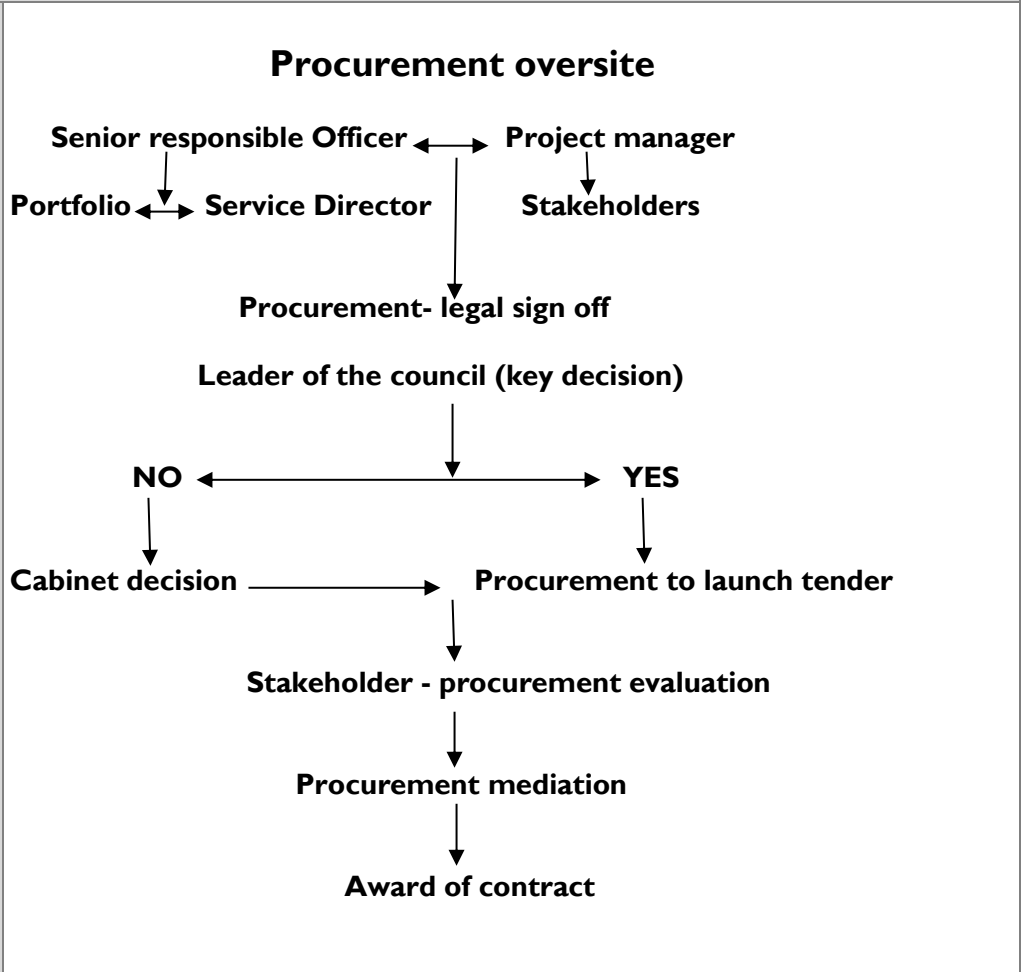
RECOMMENDED DECISION			
It is recommended that the Leader of the Council:			
1. Approves the Business Case			
2. Authorises the undertaking of a new procurement and tender process for security services contract/-s. This will be achieved through outsourcing the provision to external contractor/-s.			
3. Grants authority for the award of contract/-s to Head of Facilities Management (Soft Services or Hard Services) where they would otherwise not have the authority to do so.			
PART I: PROJECT PARTICULARS			
Project Value (indicate capital or revenue)	Revenue	Contingency (show as £ and % of project value)	N/A
Programme		Is the project on the 'Priority List' or a Council Pledge (Y/N)	No
Directorate	People	Service Director	
Senior Responsible Officer	Ann Thorpe	Project Manager	Ray House
Address and Post Code	N/A	Ward	N/A
Detailed Description of Proposal			
<p>This will be run as a full procurement exercise due to the value and term of commitment of this contract.</p> <p>This procurement will cover the security contract renewal for a period of 5 +5 or 5+3+2 to secure best value for PCC for a fixed term.</p> <p>The tender will be launched with prequalifying questions in a first round to narrow down the companies to those that meet the specification we have set and are looking for. This will be followed by the main tender asking these companies to evidence and answer the questions set out.</p> <p>The tender will have 2 Lots contained within it the first for all keyholding, keys and building security. The second for Events, Elections and Plymouth Active Leisure. This is because these activities have specialist requirements to comply with the law and legislation and pose greater reputational and claims risk.</p> <p>It is anticipated that some security companies will be able to fulfil both lots and offer best value, but this does give PCC protection and assure the correct company/companies are appointed.</p> <p>The new contract will be for an initial period of 5 years with an option to extend it further for additional two periods of 3 years and 2 years. The overall contract period will not exceed 10 years. Below are reasons for this approach:</p> <ul style="list-style-type: none"> • Best value responses • Fixed costs or annual increase • Ability to forecast annual spend • Partnership working with contractors regarding the way PCC works <p>The Council has varied the current contract by extending it by 1 year to ensure service continuity until the new contract deriving from the tender can commence. The tender will need to be completed, including a 3-month handover period, before 2025.</p> <p>Due to the implementation of new legislation in 2025 around counter terrorism and security it is important that this contract is secured before this change drives the market value for security up.</p>			

PART 2: VISION AND STRATEGIC CASE			
This is the opportunity to explain the strategic fit and should include how it helps to deliver the Corporate Plan / Plymouth Plan / Joint Local Plan, including how it assists delivery of the vision for the Council.			
<p>a) What is the business need and current issues that this project seeks to address</p> <p>b) Identify and list the objectives</p>	<p>PCC is required by legislation to provide security at events to meet its licensing objectives as stipulated under the Licensing Act.</p> <p>The procurement will need to meet varied requirements across all areas of the procurement from basic guarding to close protection and counter terrorism.</p> <p>Security will also form part of the response plan regarding new legislation coming into force in 2025 where local authorities and others by law must have a counter terrorism plan and response in place for all places of gathering, events or places of work.</p> <p>It is the initial responsibility of PCC that security is on site at facilities and public buildings to deal with issues and not the responsibility of the police. This is a licensed activity by the Security Industry Authority and can be only carried out by licensed officers and registered companies.</p> <p>The procurement looks to appoint a company / companies that will meet the specific needs listed above regarding events, facilities, elections and Plymouth Active Leisure. And as such giving us best service, cover and value.</p> <p>This helps meet the following objectives in the Plymouth Plan:</p> <p>Providing quality public services, providing prevention and early intervention. Working with the police to tackle crime and anti-social behaviour.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • Carry out a full procurement process to the wider market. • Set a specification that meets the diverse requirements. • Set out accurate costings to allow the ability to predict future spending. • Carry out a robust evaluation and appointment. • Ensure that there is a handover period in place before contract commencement. 		
<p>a) How does this meet your objectives above</p> <p>b) List the outcomes and benefits of this proposal</p>	n/a		
How much additional Council Tax per year will this generate	n/a		
How much Business Rates per year will this create	n/a		
How much New Homes Bonus Grant will this raise	n/a		
How much CIL levy liability will be collected	n/a		
How many jobs will this proposal create (FTE)	Direct jobs	Indirect jobs	Apprenticeship/Trainee
	n/a		
What are the consequences of not proceeding	<p>If this procurement were not to proceed there are two potential issues. Extend the contract by exemption/noncompliance leaving PCC vulnerable to the good will of any contractor with no fixed prices or contractual agreement that they must provide a service. This would all need to be renegotiated. This also being outside of the agreeable extensions from a procurement and legal perspective.</p>		

<p>a) On completion of the project how will you know and report that the objectives have been met</p> <p>b) Date Benefit Realisation will be completed.</p>	<p>On completion of the procurement there will be a contract award report followed by award of contract letters and standstill period. After the standstill period contracts will be awarded and handover period will commence.</p> <p>The contract will have regular contract management meetings from Facilities Management and Event/ Elections.</p> <p>There will be set KPIs and monitoring throughout the contract</p>
<p>How does it deliver the Corporate Plan – http://www.plymouth.gov.uk/aboutcouncil/corporateplan</p>	
<p>Growing Plymouth</p>	<p>n/a</p>
<p>Caring Plymouth</p>	<p>n/a</p>
<p>How does it deliver the , Plymouth Plan / Joint Local Plan https://plymswdevonplan.co.uk/policy</p>	<p>Providing quality public services; Providing prevention and early intervention; Working with the police to tackle crime and anti-social behaviour.</p>
<p>How does it achieve Growth Asset and Municipal Enterprise (GAME) objectives</p>	<p>n/a</p>
<p>How does it Deliver Public Health and Social Equality outcomes.</p>	<p>n/a</p>
<p>Is this a Statutory Obligation of the Council</p>	<p>No, but the council would not be to operate within legislation and its legal responsibilities without this contract.</p>
<p>In scope</p>	<p>Out of scope</p>
<p>Security requirements within PCC at Events, Facility Management, Election and Plymouth Active Leisure.</p> <p>Also, any internal partners such a parking, schools.</p>	<p>Third party events on PCC land.</p>

PART 3: PROJECT DEVELOPMENT, PROCUREMENT AND DELIVERY

Project Governance
(insert flow chart)



Who are the key customers and beneficiaries

Facilities Management (parking, schools)
Events Team
Electoral Services
Plymouth Active Leisure

Which Partners are you working with

Facilities Management
Events, Elections

Who are the stakeholders

Facilities Management
Events, Elections

Which Members have you engaged with and how have they been consulted

Councillor Chris Penberthy (Cabinet Member for Housing, Co-operative Development and Communities)
Councillor Jemima Laing (Deputy Leader and Cabinet Member for Children’s Social Care, Culture, Events, and Communications)

Procurement Options
How have you
engaged with the
Strategic
Procurement Service
on the options and
preferred approach.

In line with the Council Contracts Standing Orders and Public Contracts Regulations 2015 the following procurement route to the market options have been considered:

Option 1: Restricted Procedure – Public Contracts Regulations 2015

Advertising the opportunity to the open market. The subject matter and value of the proposed contract/-s would make this procurement subject to the full force of the Public Contracts Regulations 2015. This is the most expensive and time-consuming option.

Restricted Procedure is a two-stage process. The opportunity will be openly advertised within the UK marketplace. Any interested party can express an interest and submit a pre-selection documentation – a Selection Questionnaire.

Stage 1 - is a pre-selection stage which is used to assess the suitability of suppliers. This enables a detailed selection assessment. Submissions will be evaluated resulting with a shortlist of submissions to advance to Stage 2.

Stage 2 - is the tender stage and is used to determine a successful supplier to whom a contract will be award. The contract will be awarded to the most economically advantageous tender (MEAT).

This procedure lends itself to a market with a substantial number of suppliers.

Option 2: Open Procedure – Public Contracts Regulations 2015

Advertising the opportunity to the open market. The subject matter and value of the proposed contract/-s would make this procurement subject to the full force of the Public Contracts Regulations 2015.

Open Procedure is a one-stage process. The opportunity will be openly advertised within the UK marketplace. Any interested party can express an interest and submit a tender which comprises a Selection Questionnaire and contract award criteria.

This procedure lends itself to a market with limited number of suppliers.

Option 3: Request for Quotation (RFQ)

In line with the Council's Contract Standing Orders the Procurement will seek at least 3 written quotations, from local suppliers, where possible. By undertaking a Request for Quotation the Council may select any supplier it thinks may be capable of delivering the contract in its entirety. This is a one-stage process, which comprises suitability assessment criteria and contract award criteria. The contract will be awarded to the most economically advantageous tender (MEAT).

RECOMMENDATION:

It is recommended that Option 1: Restricted Procedure, subject to Public Contracts Regulations 2015 is used. Recommendation is based on:

1. High value of the contract deriving from a tender – the total value of the contract deriving from this tender exceeds the GPA threshold for Services which mandates the use of a sourcing process to the full force of PCR 2015
2. The size of the security marketplace – there are many suppliers in the market that may bid for this opportunity, which lends itself to the use of the Restrictive Procedure

Should a change in circumstances occur and the recommended procurement route cannot be undertaken or no longer represents best value for the Council any subsequent procurement route undertaken will be in accordance with the Council's Contract Standing Orders and Procurement Law.

Who is your Procurement Lead	Gosia Anthony, Category Lead (FM)
-------------------------------------	-----------------------------------

PART 4: OPTION ANALYSIS

Option Analysis Undertaken

Option 1: Do Nothing – Rejected as this would leave the Council at an unacceptable risk due to lack of security provision.

Option 2: Contract extension – This contract has already been extended previously. Issuing another extension is not preferred by Legal Services moving forward.

Option 3: Undertake a fully compliant procurement process by 30/12/24 when the current Contract expires.

The preferred option is Option 3

ANALYSIS OF PREFERRED OPTION

Demonstrate how this is the best option and most cost effective approach of achieving the objective you have identified. Provide evidence and validate how this is value for money.

1. PCC has a continuous requirement for a provision of security services.
2. The existing contract is due to expire on 30/12/24.
3. A tender exercise is mandated by the PCR 2015 regulations.
4. A competitive tender offers the Council the best opportunity to obtain competitive prices from the marketplace. **Please proceed to Part 8 Consultation / Endorsement**

PART 5: TIMESCALES AND CONSTRAINTS

Mandate Date	Presentation to CCIB date	Contract Award date	On Site date	Completion date
Have you engaged with Planning Department (if PP is required make sure you engage with planning prior to your BC going to CCIB)	N/A			
Is the budget cost reflective of planning requirements				
Who is your Planning Officer				
Planning Consent Date				
Give reasons for specific completion date				

PART 6: AFFORDABILITY AND FINANCING

In this section the robustness of the proposals should be set out in financial terms.

The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole.

CAPITAL COSTS AND FINANCING

What is the estimated impact on the Annual Band D Council Tax as a result of making the investment decision (Corporate Borrowing only)		2018/19	2019/20	2020/21				
		£	£	£				
Breakdown of project costs including fees surveys and contingency	N/A		£					
			£					
			£					
			£					
	TOTAL		£					
Provide details of proposed funding								
Which alternative external funding sources been explored (Provide evidence)								
Are there any bidding constraints and/or any restrictions or conditions attached to your funding								
Tax and VAT implications								
Tax and VAT reviewed by								
Confirm you have taken necessary advice if this proposal is State Aid compliant								
Will this project deliver capital receipts? (If so please provide details)								
Capital avoidance								
Schemes in excess of £0.5m should be supported by a Cost Benefit Analysis. Calculations undertaken should be attached as an appendix to support financial implications shown below. Please contact your revenue accountant for assistance with this section.								
Is the capital ask greater than £0.5m	Y/N	If the answer is yes, have you attached the Cost Benefit Analysis			Y/N			
Capital spend profile	Prev. Yr.	18/19	19/20	20/21	21/22	22/23	Future Yrs.	Status
Total capital spend								Funding to match with Project Value (Section I)
SI06 or CIL (Provide PA or site numbers)								

REVENUE COSTS AND IMPLICATIONS							
Feasibility Cost of Developing the Capital Project (To be incurred at risk to Service area)							
Feasibility cost of developing the project				Not required			
Revenue cost code for the feasibility costs							
Revenue costs incurred for developing the project are to be included in the capital total, the expenditure could be capitalised if it meets the criteria							
Budget Managers Name							
Ongoing Revenue Implications for Service Area							
	Prev. Yr.	18/19 £	19/20 £	20/21 £	21/22 £	22/23 £	Future Yrs.
Service area revenue cost							
Loan repayment (terms agreed with Treasury Management)	N/A as not a capital project						
Other (eg: maintenance, utilities, etc)							
Total Revenue Cost (A)							
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)	N/A as not a capital project						
Total Revenue Income (B)							
Service area net (benefit) cost (B-A)							
Has the revenue cost been budgeted for or would this make a revenue pressure							
Which cost centre would the revenue pressure be shown					Has this been reviewed by the budget manager		Y/N
Name of budget manager							
Loan value £	Interest Rate	%	Term Years	Annual Repayment	£		
Revenue code for annual repayments							
Service area or corporate borrowing							
Revenue implications reviewed by							

PART 7: ACHIEVABILITY				
Is there an impact on the service delivery during delivery of project. How will this be mitigated	There cannot be any disruption to the service.			
Interdependencies – are there any projects reliant on the delivery of this project.	N/A			
KEY RISKS				
Include up to 5 key risks depending on scale of project, the first two risks are required to be mitigated along with a further 3 key risks to the project..				
Potential Risk 1 Identified				
Description	No funding failure risks as an essential service			
Mitigation				
Risk assessment	Initial	Post mitigation	Current	Current total rating
Likelihood To be scored 1 (low) – 5 (high)				
Impact To be scored 1 (low) – 5 (high)				
Trend		Lead officer		
		Risk champion		
Calculated risk value in £ <i>(Extent of financial risk)</i>				
Potential Risk 2 Identified				
Description	Provide details of cost risk if the proposal overspends			
Mitigation				
Risk assessment	Initial	Post mitigation	Current	Current total rating
Likelihood To be scored 1 (low) – 5 (high)				
Impact To be scored 1 (low) – 5 (high)				
Trend		Lead officer		
		Risk champion		
Calculated Risk Value in £				
Potential Risk 3 Identified				
Description				
Mitigation				
Risk assessment	Initial	Post mitigation	Current	Current total rating
Likelihood To be scored 1 (low) – 5 (high)				
Impact To be scored 1 (low) – 5 (high)				
Trend		Lead officer		
		Risk champion		
Calculated Risk Value in £				

Potential Risk 4 Identified				
Description				
Mitigation				
Risk assessment	Initial	Post mitigation	Current	Current total rating
Likelihood To be scored 1 (low) – 5 (high)				
Impact To be scored 1 (low) – 5 (high)				
Trend		Lead officer		
		Risk champion		
Calculated Risk Value in £				

Potential Risk 5 Identified				
Description				
Mitigation				
Risk assessment	Initial	Post mitigation	Current	Current total rating
Likelihood To be scored 1 (low) – 5 (high)				
Impact To be scored 1 (low) – 5 (high)				
Trend		Lead officer		
		Risk champion		
Calculated Risk Value in £				

PART 8: CONSULTATION / ENDORSEMENT

Date business case went to CMT (if required)			Equalities Impact Assessment updated from Project Mandate stage (Y/N)	
Author of Business Case	Date	Document Version	Reviewed By	Date
Senior Responsible Officer sign off I confirm the Business Case is policy compliant, affordable, value for money and has been fully risk assessed.				

CONFIRMATION OF PROMOTORS APPROVAL

Cabinet Member		Service Director	
<i>Councillor Tudor Evans OBE (Leader of the Council)</i>		<i>Giles Perritt</i>	
Either email dated:		Either email dated:	<i>13/3/24</i>
Or signed:		Signed:	
Date:		Date:	
		Service Director	
		<i>All covered by G Perritt</i>	
		Either email dated:	<i>date</i>
		Signed:	
		Date:	