

# Policy and Sustainability Committee

10.00am, Thursday, 9 July 2020

## Award of Security Services Contract

Item no	
Executive	Executive
Wards All	City wide
Council Commitments	

### 1. Recommendations

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- 1.1 It is recommended that the Policy and Sustainability Committee:
  - 1.1.1 Approves the award of a contract for Security Services to G4S Secure Solutions (UK) Limited; and,
  - 1.1.2 Approves the commencement of the contract on 1 October 2020 for an initial period of two years, with two further optional 12-month extensions, at an estimated total value of £7,025,602.

**Stephen S. Moir**

Executive Director of Resources

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## Award of Security Services Contract

### 2. Executive Summary

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- 2.1 This report seeks approval to award a contract for Security Services to G4S Secure Solutions (UK) Limited to commence on 1 October 2020 for an initial period of two years, with two further optional 12 month extensions, at a total estimated value of £7,025,602.

### 3. Background

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- 3.1 The Council has a requirement for Security Services across the operational estate which has historically been awarded as three individual contracts managed by separate directorates:
- 3.1.1 Facilities Management (FM), in the Resources Directorate is responsible for manned guarding which encompasses; corporate buildings, depots, local area offices, bus station and libraries;
  - 3.1.2 Culture, in the Place Directorate, has the responsibility for event and performance security services at the cultural venues which include, The Assembly Rooms, The Usher Hall, Ross Band Stand and Churchill Theatre; and
  - 3.1.3 Safer and Stronger Communities, in the Communities and Families Directorate, is responsible for transport marshals who supervise three taxi ranks on Friday and Saturday evenings and additional locations during festive periods.
- 3.2 The current contracts, originally awarded by three mini competitions from Scotland Excel (SXL) Security Services and Equipment framework 08-14, were aligned to expire on 30 June 2020.
- 3.3 Due to a delay in the procurement process, as a result of the COVID-19 Pandemic, the manned guarding element has been extended to 30 September 2020 until the completion of the re-tendering process. This was approved under urgency provision by Waiver of the Contract Standing Orders, on 4 May 2020, and was noted at the meeting of the Policy and Sustainability Committee on 28 May 2020.

## 4. Main report

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- 4.1 Commercial and Procurement Services (CPS) has carried out consultation with all service areas to facilitate a consolidated approach to market and make the Council a more attractive customer to the security industry through economy of scale.
- 4.2 The requirement of this procurement exercise was to identify a service provider who has the capacity and capability to provide all security services to the Council.
- 4.3 The Scotland Excel (SXL) framework was awarded in December 2019.
- 4.4 On 31 January 2020, CPS published an Invitation to Quick Quote on Public Contracts Scotland (PCS), to the four service providers named on lot three of the SXL Security Services and Cash Collection framework 07-19, with a tender submission deadline of 3 March 2020. Tender responses were received from all four providers and the consensus evaluation date was arranged for 16 March 2020, which was subsequently delayed, until 12 May 2020, as a result of the COVID-19 pandemic.
- 4.5 To identify providers offering Best Value the tender evaluation included an emphasis on quality as well as price and submissions were assessed on the basis of most economically advantageous tender.
- 4.6 A cost/quality ratio of 40%/60% was applied to encourage competitive hourly rates and to ensure that the quality was of a high standard. To further protect the quality element, a minimum quality threshold of 60% was applied, with the Council having discretion to disqualify tenderers who did not achieve this threshold.
- 4.7 A summary of the tender process is attached at Appendix 1 and the recommendation for award of contract is based upon the completed evaluation scores for the tenders as detailed below:

Tenderer	Price score % (out of 40)	Quality Score % (out of 60)	Combined Score % (out of 100)
G4S Secure Solutions (UK) Limited	35.27	56.25	91.52
Tenderer B	35.15	55.50	90.65
Tenderer C	34.26	47.25	81.51
Tenderer D	40.00	36.00	76.00

- 4.8 The contract will be managed by the Council's Security Manager, within Property and Facilities Management, in accordance with our Contract Management arrangements, who will track benefits and monitor Key Performance Indicators (KPI).
- 4.9 It is anticipated that the contract will commence on 1 October 2020 for an initial two year period with two further optional 12 month extensions.

## **5. Next Steps**

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- 5.1 Subject to approval, the services will commence on 1 October 2020 and will allow the Council to meet its obligations in regard to the provision of Security Services.
- 5.2 A transition period is required between the incumbent contractor and G4S Secure Solutions (UK) Limited following the contract award as there are Transfer of Undertakings (Protection of Employment) (TUPE) considerations for this contract. This would be for the outgoing and incoming contractors to deal with and ensure staff rights were protected under the relevant legislation.
- 5.3 Contract and Grants Management team will engage with the Council's Security Manager, to support implementation and contract management delivery throughout the contract lifecycle. All efficiencies identified in the procurement process should be delivered by the service area through proactive service provider engagement, monitoring of management information, application of KPI's and tracking of relevant budgets.

## **6. Financial impact**

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- 6.1 The contract value is estimated at £7,025,602 over the contract period.
- 6.2 The contract pricing is fixed for the first year from contract start date, thereafter any price increases will require to be supported with documentary evidence and will be validated against changes in market pricing, tracked in accordance with Scotland Excel's indexation model.
- 6.3 Fair Work criteria confirmed that employees of G4S Secure Solutions (UK) Limited will be paid the real living wage. Rates influenced by by the Scottish Living Wage (as set by the Living Wage Foundation) or National Living Wage (The UK minimum wage) will be increased annually to reflect any changes to the National Living Wage and Scottish Living Wage. The terms differentiate between wage increases and operational costs will be subject to Scotland Excel established price variance procedure.
- 6.4 The estimated cost savings, based upon a comparison of the bid from G4S Secure Solutions (UK) Limited against an average of the other bids, are £254,421 over the life of the contact and potential extension periods.

- 6.5 The financial impact on the main service user of the contract, Property and Facilities Management, when compared to FY 2019/20 spend, will result in an unbudgeted increase of £107,760 per annum. There is no material impact anticipated on the budgeted spend that Culture or Safer and Stronger Communities have for such security services.
- 6.6 The costs associated with procuring this contract are estimated to be between £20,000 and £30,000.

## **7. Stakeholder/Community Impact**

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- 7.1 Consultation and engagement have been undertaken in the form of a supply market awareness event and with all internal service users.
- 7.2 There are no impacts on carbon, adaption to climate change and sustainable development arising directly from this report.
- 7.3 The Council's Sustainable Procurement Strategy was considered and applied through the request of community benefits. The service provider will be required to deliver community benefits in line with the value of the contract; which will include a new employee, from a priority group, who has been unemployed for a minimum of twelve months. Community benefits will be monitored throughout the life of the contract by the Facilities Management Security Manager.
- 7.4 The contract recommended for award is compliant with procurement regulations and the Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provisions of this service is thereby reduced.

## **8. Background reading/external references**

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- 8.1 Not applicable.

## **9. Appendices**

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- 9.1 Appendix 1 – Summary of Tendering and Tender Evaluation Process

## Appendix 1 – Summary of Tendering and Tender Evaluation Process

<b>Contract</b>	<b>Security Services Contract</b>	
Contract Period	1 October 2020 – 30 September 2022 with two optional twelve-month extensions (2 + 1 + 1)	
Estimated Contract Value (including extensions)	£7,025,602	
Procurement Route Chosen	Mini competition from Scotland Excel Security Services and Cash Collection Framework Reference 07-19.	
Tenders Returned	4	
Name of Recommended Service Provider	G4S Secure Solutions (UK) Limited	
Price / Quality Split	<b>60 % Quality</b>	<b>40 % Cost</b>
	<p>To encourage competitive fixed hourly rates a cost ratio of 40% has been established.</p> <p>It is essential that the quality is of a high standard, therefore the driving factor is quality, to further protect this element a minimum quality threshold of 60% was applied.</p> <p>Events Stewarding Scenario - 20%</p> <p>Manned Guarding - Capital Works Scenario - 20%</p> <p>Manned Guarding - National Events Scenario - 15%</p> <p>Taxi Marshals Scenario - 15%</p> <p>Performance Management - 15%</p> <p>Marine Security - 10%</p> <p>Business Continuity - 5%</p> <p>Community Benefits - Non-Scoring (Dealt with under Scotland Excel framework selection)</p> <p>Fair Work Management - Non-Scoring (Dealt with under Scotland Excel framework selection)</p>	
Evaluation Team	Three Council Officers from; Facilities Management, Cultural Venues and Safer and Stronger Communities.	