



C A B I N E T P R O C U R E M E N T A N D I N S O U R C I N G C O M M I T T E E

Confirmed 9 November 2020 CPIC meeting minutes

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AGENDA ITEM 6

UNRESTRICTED MINUTES OF A MEETING OF THE CABINET PROCUREMENT COMMITTEE

MONDAY, 9TH NOVEMBER 2020

Chair	Cllr Deputy Mayor Rebecca Rennison in the Chair
Councillors Present:	Councillors Deputy Mayor Anntoinette Bramble, Cllr Jon Burke and Cllr Caroline Woodley
Also in attendance:	Councillor Carol Williams
Apologies:	nil

Officers in Attendance	<p>Mr Rotimi Ajilore – Head of Procurement</p> <p>Merle Ferguson - Procurement Strategy & Systems Lead</p> <p>Ms Dawn Cafferty – Category Lead Social Care</p> <p>Ms Karen Tait-Lane - Category Lead – Construction & Environment</p> <p>Ms Judith Hughes – Category Lead – Corporate</p> <p>Mr Clive Sheldon - Lawyer – Procurement - Legal & Governance</p> <p>Kevin Keady - Head of Parking Services</p> <p>Michael Wiktoro - Interim Area Services Manager</p> <p>Michael Pegram - Head of Insurance</p> <p>Norman Harding - Fleet Manager</p> <p>Matthew Cain - Head of Digital</p> <p>Mr Clifford Hart – Senior Governance Services Officer – Legal & Governance</p>
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1 APOLOGIES FOR ABSENCE

There were no apologies for absence.

NOTED

2 Urgent Business

There were no items of urgent business.

NOTED

3 DECLARATIONS OF INTEREST - Members to declare as appropriate

There were no declarations of interests.

NOTED

4 NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATION RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS

There were no representations.

NOTED

5 DEPUTATIONS/PETITIONS/QUESTIONS

There were no deputations, petitions or questions.

NOTED

6. UNRESTRICTED MINUTES OF THE CABINET PROCUREMENT COMMITTEE HELD ON a. 7 SEPTEMBER, and b: 5 OCTOBER

RESOLVED

That the unrestricted minutes of the meetings of Cabinet Procurement Committee held on 7 September, and 5 October 2020 be confirmed as an accurate record of the proceedings.

7. Parking Services Enforcement - Business Case - Key Decision No. NH .12

The Chair asked for an introduction of the report.

The Head of Parking Services - Mr Kevin Keady advised the meeting of :

- the exceptional performance over the past few years, and continued ease for customers buying permits, paying for, or appealing against Penalty Charge Notices, and an ability to tackle nuisance and dangerous parking both on-street and on estates, and working with residents and communities to create bespoke solutions to resolve parking issues.
- LBH being one one of few London councils continuing a business as usual operation throughout the pandemic ensuring traffic movement

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being unobstructed, easy access for over 9000 key workers to support the borough's pandemic response, operating, mitigated against the severe financial impact in neighbouring councils that ceased parking enforcement during the lockdown

- the comprehensive review of the service in line with the Mayor's 2018 Manifesto to review all outsourced services with a view to bringing them in-house, with the insourcing appraisal reviewing the external parking enforcement service resulting in recommendations to bring Parking Enforcement services in house from 1 April 2022.
- an in-house provision allowed for significant annual savings, supporting local employment by seeing the transfer of approximately 130 APCOA workers to LBH, and compliance with TUPE regulations (pay, terms and conditions of employment), a comprehensive review of the staff structure once it was brought in-house, and all employees assured of transition to the in-house operation, conducted in full compliance with the TUPE Regulations
- the report sought approval to commence the insourcing of parking enforcement from the external contractor before contract expiration in March 2022, noting that the commencement of procurement exercises for the elements of service that would continue to be outsourced (Parking CCTV hardware/software and removal trucks which will follow the normal procurement process along with a business case).

In thanking Mr Keady for his detailed introduction reminded the meeting of the exempt appendices referred to and that the Committee would need to wait to the end of the public agenda to ask any points of clarification.

The Chair then asked Councillor Burke as lead Member on the report to give comments.

Councillor Burke commented that:

- that the Parking team should be thanked for their excellent considerable work in bringing the report and proposals to the Committee
- the long standing ambition of his, and that of the administration to review wherever possible and bring back in external contracted services, and being in line with one of the Mayor's overarching priorities, recognising that this was not always possible
- the evident costs saving as a result together with the benefits afforded to a parking service operative in being a council employee in terms of pay and conditions and future prospects
- the positive opportunities of employment of local people/residents and a building of good expertise in house and local employment as a result of the inhouse process

The Chair welcomed Councillor Williams to the meeting, and Councillor Williams commented;

- That she wished to place on record her thanks to officers in bringing the proposals for consideration in an excellent and timely manner,
- that the insourcing proposals would offer a better service for the whole borough and employees would come under the Council's generous terms and conditions, and in line with the Mayor's priorities
- that in building on the success of the proposed insourcing that employment opportunities would increase as a result and that residents of the Borough would benefit as a result
- that the proposals were welcomed by the Unions and they would be very supportive of the insourcing

Deputy Mayor Bramble and Councillor Woodley echoed the sentiments expressed in welcoming the proposals and the hard work and efforts of both members and officers, and in reference to paragraph 5.4.2 of the report to tackle inequality with regard to better job opportunities, a delivery of a high quality well run service, and an ability to effectively assess and review performance.

The Chair thanked Members for their contributions and commented that

- as the Council would manage this and other new insourced services that standards would be set and targets etc worked out as a measure of performance
- some further clarification of how the process of the service being insourced would be managed, and the the further work required in terms of the fleet management and CCTV contracts, and whether the proposals for the insourcing would assist in the proposed vehicle maintenance proposals later in the agenda

In response Mr Keady commented that:

- that he acknowledged and thanked the Committee for their supportive comments in terms of the considerable hard work and effort in getting the proposals to where they were now
- in terms of the next steps in outline a project plan had been drawn up and a transition team established to work closely with the existing provider who had been a market lead for many years, and the importance of working effectively with them during transition period, and that the process would commence by December, and consultation with workers and the Trade Unions around February 2021
- in terms of the overall position of the CCTV/Infrastructure contracts his contract manager Mr Wiktorko would give an overview and he thanked Mr Wiktorko for the hard work in drawing up much of the contract detail and information provided for Members on this matter

The Interim Service Area Manager - Mr Wiktorko reported that :

- there would be considerable liaison with the Council's legal service to clarify the position of possible transfer of the existing two CCTV/Infrastructure contracts given the required six months notice

period required for termination, with expiry of the contracts in March 2022

- that in terms of the possibility of electrification of vehicles this was a possibility which would be explored, though there were possible complications because of technical issues, however the service was intending to liaise with the fleet manager in the coming weeks to address these issues.

The Chair thanked officers for their clarifications.

There being no further points of clarification on a **MOTION** by the Chair, Deputy Mayor Bramble, Councillors Burke and Woodley gave the agreement to the proposals and it was:

RESOLVED:

- i. That approval be given to the commencement of the insourcing of parking enforcement from the external contractor before the contract expires in March 2022; and**
- ii. That approval be given to the commencement of procurement exercises for the elements of service that would continue to be outsourced (Parking CCTV hardware/software and removal trucks which will follow the normal procurement process along with a business case).**

RELATED DECISIONS - Not applicable.

OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

This report provides the Cabinet Procurement Committee (CPC) with the results of the 'Parking Enforcement Contract Review' and the 'Parking Enforcement Insourcing Feasibility Study' along with details of the 'Parking Enforcement Insourcing Business Case' that was carried out by Parking & Markets Service since 2018 for all services that are currently outsourced to APCOA (the service provider).

8. Parking Enforcement Agents Services CONTRACT APPROVAL - Key Decision No. NH R.9

The Chair asked for a brief introduction of the report.

The Interim Service Area Manager - Mr Wiktorko advised the meeting that:

- the parking services were responsible for the management of parking and traffic and as a result, Penalty Charge Notices (PCN) (parking tickets) were issued to vehicles parked in contravention, or committing a moving traffic violation (banned turn or driving in bus lane), with 65% taking responsibility for the offence paying PCN;
- those that chose to ignore the PCN and not pay - . when that happened an application was made to the Northampton County Court Traffic Enforcement Centre for an Order for Recovery, and if then unpaid then an application for

Warrant of Control and passed to the Enforcement Agents (bailiffs) to recover the outstanding debt.;

- In 2020/21, Enforcement Agents recovered almost £1 million in outstanding PCNs, ensuring that drivers' did not ignore parking regulations in the borough, being a statutory requirement under the Traffic Management Act 2004 to process PCNs to the enforcement agent stage.
- the existing contract was due to expire this month, after 4 years and the contract model had been updated slightly as detailed in the report:
- Following the tender process 6 applications were received and an extensive evaluation process completed , based on the evaluation criteria of quality as the cost of the contract was set by the Taking Control of Goods Act 2013, resulting in each Enforcement Agent having to charge the same fees. As a result there were 4 successful bidders, as detailed in exempt appendix 1.
- The Committee was therefore asked to consider and agree to the appointment of bidders 1, 3, 5 and 6 as suppliers for the provision of Enforcement Agent Services for the collection of unpaid Penalty Charge Notices under YPO Framework.

The Chair thanked Mr Wiktorko for his succinct introduction.

The Chair then asked Councillor Burke as lead Member if he had any comments to add at this stage. Councillor Burke responded that he had nothing to add and thanked officers for their considerable hard work and continued efforts in this area.

The Committee then discussed the report and recommendations - the main points being, and responses given by Mr Wiktorko and Mr Keady:

- the positive use of the corporate debt policy in consideration of the proposals
- insight into the assessment of outsourcing/insourcing, and clarification given on possible insourcing service having been explored though with the majority of PCNs issued located outside of Hackney, the recovery of the debt through /with an in-house operation would be more costly, whereas outsourced provider (s) had an established network of Enforcement Agents across the country, and if the Enforcement Agent did not recover the outstanding warrant there was no cost to the Council but if the operation was carried out in-house there would be associated staff, transport, admin costs
- comments in relation to 'willing' to work with the Council on green issues and not a commitment from the contractors , and whether that would be revisited, together with the environmental impact of vehicle removal and implications regarding the green agenda, and clarification that this related to the contractor vehicles which as yet had not become electrical as there were no such models on the market for use, but the intention was to address this as soon as there

were, though difficulties likely arising with charge capacity/range of the vehicles being used country-wide and lack of charging points in rural areas

- further concerns on the environmental impact of vehicle removal and implications regarding the green agenda, and indications given of changing existing vehicles from petrol to diesel, and the possibility of addressing electrification, but that it would be difficult to include a specific condition within the proposed contract, other than a commitment to explore such possibilities
- clarification given in relation to the share out of the contracts with each contractor starting with a 25% share then an assessment after 9 months of performance, and subsequent allocation to be based on that assessment.

The Chair thanked officers for their clarifications. There being no further discussion, on a **MOTION** by the Chair it was:

RESOLVED

- i. That approval be given to the appointment of bidders 1, 3, 5 and 6 as suppliers for the provision of Enforcement Agent Services for the collection of unpaid Penalty Charge Notices under YPO Framework;**
- ii. That it be agreed that the period of the YPO Framework contract would be 4 years commencing on 23rd November 2020 with an option for a further 1-year extension.

RELATED DECISIONS

On 7th July 2020, Hackney Procurement Board decided to commence the tender process for the use of Enforcement Agents in the recovery of unpaid PCNs.

The HPB approved business case can be found in Appendix 2 of the report.

REASONS FOR DECISION/OPTIONS APPRAISAL.

The Business Case sets out the structure of the YPO framework that incorporates a minimum of two (2) and a maximum of four (4) Enforcement Agents (EA), with one EA being Primary and others becoming Secondaries, but with an opportunity to become Primary every nine months, subject to the performance of all parties on the framework.

All of the contractors will start from the same position and warrants will be equally distributed. This will be done over the first nine months, after this period the Debt Recovery Team will fully analyse the performance of each contractor

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and the best-performing contractor will become the Primary Enforcement Agent while the remaining contractors will become Secondary enforcement agents.

The Primary enforcement agent's performance will then be reviewed every 9 months and if the Primary enforcement agency fails to achieve a 38% recovery rate, the best performing Secondary enforcement agent will be appointed as Primary (whose performance will, in turn, be reviewed every nine months and the Enforcement Agent will be replaced if they fail to meet the recovery rate required).

Having completed the tender process, the Council has, therefore, decided that with the new competition amongst the enforcement agents to become the Primary enforcement agent, the appointment of four contractors (one Primary and three Secondaries) would provide greater dedication of resources from the contractors, especially in the number of enforcement agents assigned to Hackney cases – resulting in improved recovery rates. This reduces the risk of Secondary Enforcement Agents becoming disinterested in the Contract as they are not Primary as there will be two other agents that can pick up the work.

Further, Secondary Enforcement Agents will no longer receive an equal split of the remaining share of the warrants as before. Their share of warrants will now be based on their performance, meaning that the share of warrants may be as close as 40%, 35% and 25% or as far apart as 90%, 7% and 3% of warrants per Secondary Enforcement Agent. This, in turn, creates greater competition between the Secondary EAs.

RELATED DECISIONS – as detailed in para 4 of the report.

REASONS FOR DECISION/OPTIONS APPRAISAL – as detailed in para 5.1 of the report.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED) as detailed in para 5.4 of the report.

9. Provision of Vehicle Maintenance - Key Decision No. FCR R.8

The Chair asked for a brief introduction of the report.

The Fleet Manager - Mr Norman Harding advised the meeting that

- with 480 vehicles Hackney operated one of the largest local authority fleets in London with only Greenwich and Islington operating more, with . quality vehicle

maintenance being important to key frontline services such as Waste; Adult Social Care; Learning Trust & Housing

- For 15 years fleet vehicle maintenance had been outsourced, and it was now proposed to insource the service to raise quality standards and potentially offer financial savings.
- The 2019 tender award for one last external contract for 5 years failed to deliver a successful outcome and was abandoned in June 2019, with a short term interim contract awarded to a local family business in consideration of attempting an alternative tender exercise or accelerate the plan to insource the service
- numerous positive and negative attributes with insourcing the vehicle maintenance service detailed in the exempt appendices to the report with the key feature providing a compelling case for insourcing was that the workshop facilities and heavy equipment was already there to deliver the service from day one, with the proposed insourcing also to be more affordable, protection of the Council's operator licence being highly visible and keeping control by the Council, having already fleet/engineering & transport management support which all directorates currently making used and bought into, a facility in the heart of Hackney improved vehicle up-time, together with quality maintenance leading to lower costs and benefiting the environment;
- the summary of business risks in the main exempt appendix noting that most of these risks would be present whether the service was insourced or externalised
- The risks fall within 3 basic areas of recruitment, financial, Internal Policy or Process as outlined , together with the key elements of the process namely training, TUPE, and Consultation as detailed in the report , and the anticipated support and agreement of the UNIONS in terms of the insourcing proposals and the positives that will come from these with regard to employment and staff protection, together with assurances that pay would be in line with the London Living wage. .

The Chair thanked Mr Harding for his succinct introduction.

In asking if the Committee had any questions, and noting that Councillor Burke would like to add some comment, the Chair thanked Mr Harding and his team for the considerable efforts they had gone to with regard to the proposals, and briefly commented that:

- the report's very comprehensive detailed proposals gave a real sense of the task, and spelt out the complexities of such a process coupled with issues of it crossing a whole range of council services, and how officers had successfully come to the point of recommending the insourcing proposals
- the matter of the particular insourcing being brought for consideration earlier than originally anticipated given the contract process which had not come to fruition the previous year as detailed

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- the much welcomed opportunities the proposed insourcing would bring in regard to employment and apprenticeships which would also allow for greater integration across services in terms of those opportunities

Councillor Burke, in also congratulating Mr Harding and his team for the extensive and excellent work in bringing these proposals to the Committee given their complexity, commented that

- the exceptional work already carried out by the waste service since the COVID situation had developed, and the visible presence of waste management across the Borough throughout the last 6 months had been evident
- the comparisons between the current service provision and the previous international waste management provider was like 'night and day' and the fact that the service being provided locally to local people, and the commitment of staff to ensure this was exceptional
- the commitment to the concept of insourcing wherever possible of service provision being vindicated by the excellence and qualitative insourced service provisions this far
- the better liaison of the service in house in the event of operational issues and being able to deal with such issues on the spot, fostering good work practices and understanding
- the employment of locally based staff together with the inhouse terms and conditions to be offered under TUPE, and the future opportunities in terms of promotion and progression through the service

The Chair noted Councillor Williams's indication to speak, and Councillor Williams commented;

- that the proposals were very likely to be welcomed by the unions and their positive support of the insourcing as detailed her thanks to officers in bringing the proposals for consideration in an excellent and timely manner, and the mention of the local employment opportunities and proposed apprenticeship scheme, given the award winning current Hackney apprenticeship scheme in operation
- her appreciation of the acknowledgement of pay in line with the London Living Wage, and the fact that this had been increased as of today to £10.85 and the huge impact that this increase would have, and given that it was indeed London Living Wage week commencing today

Further points were expressed by Councillor Woodley with regard to welcoming the proposals and thanking officers for their efforts, and the fact that services such as special needs school transport would be done by local fleet vehicles and the sense of having that service locally provided enforced issues of positively managing safety and risk well.

Deputy Mayor Bramble, in concurring with her colleagues with regard to the excellent proposals, commented on the need to ensure that the proposals were clearly

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explained publicly and ensuring that it emphasised the complexities of insourcing of a service and the period of time for it to come into effect.

There being no further points of clarification on a **MOTION** by the Chair, Deputy Mayor Bramble, Councillors Burke and Woodley gave the agreement to the proposals and it was:

RESOLVED

- i. that the detailed business case for insourcing the Vehicle Maintenance Service and the associated business risks highlighted in the report be noted; and**
- ii. that approval be given to the proposal to insource the Vehicle Maintenance Service, and for the in-house Service to be operational by April 2021.**

RELATED DECISIONS – as detailed in para 4 of the report.

REASONS FOR DECISION/OPTIONS APPRAISAL – as detailed in para 5.1 of the report.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED) as detailed in para 5.4 of the report.

10. Provision of insurance services for leasehold right to buy property (excluding provision of insurance broker service) FCR R.7

The Chair asked for an introduction of the report.

The Head of Insurance - Mr Michael Pegram advised the meeting that:

- the report advised of results of the Leasehold Buildings Insurance renewal procurement and recommended the award of a three year contract (with provision for a two year extension) to Insurer B as detailed in the exempt appendix to the report.. The policy covered damage to property of the leaseholder(s) for normal household insurable perils.
- that leaseholders with property based in Council freehold dwellings, e.g flats in Council blocks, under the lease terms had buildings insurance cover arranged through the Council, with premiums recharged to leaseholders as part of the existing service charge process.
- the current insurer was Ocaso S.A. UK, and the tender issued in the summer of 2020 being for a period of 3 years with the option to extend for 2 further years. Prior to the issue of the OJEU notice, there was a 30 day statutory consultation and a summary of the observations received during

the Section 20 consultation was attached at appendix 1 also with each observation responded to directly.

- the restricted nature of the property insurance market for local authorities with only a small number of potential bidders as perception of risk was high.
- Four bids were received from four established insurance providers which represented a healthy and competitive response despite a hardening market, with risk assessment being assessed as low risk; however the cost over the contract life exceeded delegated powers, hence the report for consideration
- in conjunction with the Council's insurance brokers, Marsh (formerly JLT Speciality Ltd) an evaluation of tenders received, had resulted in the recommendation as advised with leaseholder statutory consultation commencing followed by formal notice to both the successful and unsuccessful Insurers.
- The costs would have limited impact due to being recharged to individual leaseholders, however officers would be mindful, particularly in the current economic climate, of the need to ensure minimalised costs, hence the high weighting (65%) attributed to cost in the evaluation process, and by tendering for a three year contract, the Council was able to secure a discount for offering a long term agreement.

The Chair thanked Mr Pegram for his succinct introduction.

The Chair in asking the Committee if they had any comments advised /clarified of the option to insourcing /in house insuring wherever possible, and the tender process embarked upon given the specific expertise in the market, and assurances of support to leaseholders both in the consultation period and going forward in respect of costs.

In response to further points of clarification as regards to leaseholder consultation Mr Pegram commented that:

- the consultation was statutory and officers welcomed responses/comments during this process given the importance of the procurement which was on behalf of residents, and clearly it would be evident if the provision was indeed wrong/inadequate, as residents required a strong level of trust in the service provided
- it was essential to give clarity on the the option to insourcing /in house insuring wherever possible as advised by the Chair, and the tender process embarked upon given the specific expertise in the market the role of support to leaseholders in the process and overall understanding of concerns raised (albeit limited to this stage) and the effectiveness of that support evident by the responses to the consultation, and the likely further comments /queries concerned to be raised as the final consultation on tender choice issued to leaseholders was anticipated by the more detailed information given to leaseholders by way of the notice of intention, the actual provision and cost to the leaseholder

There being no further points of clarification, on a **MOTION** by the Chair it was:

RESOLVED

- i. **that the procurement process used for the procurement of leasehold buildings insurance be noted ; and**

- ii. **that approval be given to the award of the leasehold buildings insurance contract to Insurer B for a period of 3 years (with provision to extend for 2 years) following a 30 day statutory consultation with leaseholders.**

RELATED DECISIONS

Business case and Risk Assessment (Low Risk) approved by the Group Director of Finance & Resources prior to issuing the Invitation to Tender.

REASONS FOR DECISION/OPTIONS APPRAISAL.

The Council has a legal requirement to procure and maintain a contract of insurance for both its own and leaseholders' interest in leasehold property acquired under the Right To Buy or similar legislation.

As part of our standard terms of lease the lessor (the Council) has a duty to arrange building insurance for the block, including the demised premises.

The current insurance contract was last tendered in 2015 and the appointed Insurer agreed to a 5 year (including a two year optional extension) contract, renewable annually, which expires in March 2021. Having sufficient insurance cover is a risk management control for the Council without which it would have to meet the cost of any claims and would effectively be in breach of its lease obligations as a landlord.

The full premium is recharged to leaseholders via the existing service charge process managed by Hackney Housing. Purchasing the insurance via a market exercise ensures that the Council can demonstrate that it is seeking to procure the policy on the best available terms.

Terms have been sought on cover no less comprehensive than those currently in place. Where it was felt appropriate, based on the claims experience and observations from stakeholders, improvements to the cover provided were requested.

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

There are no feasible alternative options available to the Council. To completely self-insure the assets and liabilities would create unmanageable levels of uncertainty and financial loss. It would demand the retention of financial provision(s) substantially over and above the cost of insurance premiums.

However, due to the impact of Covid-19 the option to invoke Regulation 72 (Public Contract Regulations 2015) was considered but subsequently dismissed.

Regulation 72 allows an authority to extend/award public contracts without triggering a requirement to conduct a fresh tender process in certain circumstances.

Whilst the Covid-19 pandemic would allow the Council to meet the criteria, the incumbent suppliers guaranteed premium rates (40% increase) to extend the existing contract beyond 2021 were considered too high. In any event this would have merely delayed the timing of our market procurement exercise rather than circumnavigate the decision.

11. Telephony Procurement Business Case - Key Decision No. FCR R14

The Chair asked for a brief introduction of the report.

The Head of Digital - Mr Matthew Cain advised the Committee that:

- the customer services strategy clearly stated the Council's commitment to ensuring Council services were accessible to all Hackney residents, with the provision of a robust and reliable telephony service being vital for ensuring that services were delivered, particularly to those who were unable or unwilling to access services on the web
- identified 'communications as a platform' as the technology category most likely to meet needs because it enables work with the best provider in each category - in terms of user needs and cost, had better visibility of the customer experience from start to finish (eg. a contact centre agent being able to see whether a colleague is available to take a call), supported residents who need to move from one form of messaging to another, better visibility of the whole cost of telephony and demand for phone-based services, and used data better to support customers
- the council received 2m calls each year to its central customer services teams
- improvements to the customer experience by extending contact centre software to other teams (eg planning, FAST) -with the direction of travel to continue so volumes of calls managed through the contact centre telephony system would increase
- learnt the strengths and weaknesses of using 'best of breed' solutions for specific tasks (eg. our webchat software) and the importance of this providing an integrated experience for residents and staff to support efficient ways of working
- that the level playing field option proposed was the optimal approach because it offered the greatest level of control, flexibility, and ability to match the right service for our needs, encouraged healthy competition in quality and cost throughout contract reducing prices and overheads, the use of SMEs may get better value for money, maximises opportunity around common use of HackIT API Platform which enabling the collection of data once and use it many times (consistent with GDPR principles)
- encourages long-term resilience in telephony service with front loaded cost/effort with longer term flexibility for additional service integration and value, both technical and financial i.e. "lego" platform
- identified the Cabinet Office's Digital Marketplace as the most appropriate framework for the procurement containing listings for all of the market-leading options and enables us to analyse the solutions against the Technical Code of Practice in a timely manner though currently conducting a request for

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information process to evaluate the Digital Marketplace compared to the Crown Commercial Services framework 'Network Services 2', and it was discovered that a broader range of economically advantageous suppliers were available through Network Services 2, that framework would be used instead.

The Chair thanked Mr Cain for his succinct report. Both the Chair and members sought clarification as regards:

- the exact product being purchased
- the use of hybrid technology encompassing smart phones/whatsapp group messaging given that a large area of the community did not have access to this but rather just text messaging
- how the interaction between Council officers and the public would improve
- interaction of the frameworks and timing for the procurement

In response Mr Cain advised that::

- the type of product being sourced was a technical/software application which would enable a combination of public access, and webchat, together with the offer of a mobile app for members/officers using a council number as opposed to the mobile number
- a possible element of external support in transferring the current to a new system
- the ability to switch and allow for multiple numbers of persons on a call in a simple manner and not causing the public any issues when dialling in or having to redial and the interface internally offering a seamless service to the public
- improved technology in terms of current screen/multiple screen usage for officers to assist in the single screen usage at home, from having more than one screen used in the office
- recognition of the limitations of the proposed hybrid service on public users and having a system that recognised and differentiated /allowed both hybrid and text only usage
- A framework from the two options has been selected and procurement outcome can be reported to the next committee meeting

The Chair thanked Mr Cain for his responses, noted the tight timing for this procurement and expressed her expectation to see a report that addresses all the issues that the committee raised and provides the level of details required.

There being no further points of clarification on a MOTION by the Chair it was:

RESOLVED

- i. that approval be given to authorising the procurement of a 'Communications as a Platform' service and 'contact centre software' solutions;**

- ii. that approval be given to authorising the procurement via the Digital Marketplace (G Cloud 12 - RM1557.12), or an alternative Crown Commercial Services framework consistent with the Council’s contract standing orders; and
- iii. that the contract award decision be reviewed in December 2020

RELATED DECISIONS

None

OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

The Council currently has two telephony contracts:

- 1. With Centiant, a ‘systems integrator’ currently costing £883,000 per annum which provides:
 - a. A cloud-based VoIP communication system provided by NFON
 - b. A cloud-based customer contact centre system provided by Puzzel
 - c. A voice-activated switchboard provided by Netcall, hosted on-premise
 - d. A mobile telephony service provided by NFON and backed off to Mobile Network Providers
- 2. Legacy telecommunications such as ISDN and private wires provided by Daisy and BT costing £95,000 per annum

Telephony Budget	Component	Full Year Forecast £'000's (As at 30th Sept 2020)	Variance to Budget
948,001	Centiant ²	883	
	BT iPad SIMs ¹	19	
	BT Telephone Plan	36	
	Daisy Landline Plan	58	
	Total	996	

¹ There have been several credits relating to the BT iPad sims which have reduced the annual forecast. It is estimated that these SIMs should cost approximately £6k per month with a forecast of £72k per annum.

² Centiant Breakdown

(Estimate based on usage on September 2020 Centiant Bill)

Component	Full Year Forecast (£'000) (As at 30th Sept 2020)
VoIP communication system	224
Customer contact centre system	199
Switchboard	75
Mobile telephony service	386
Total	883

ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

There are a limited number of viable alternatives. There is no prospect of residents not needing to call us in the next three years. The Council could not provide the infrastructure necessary to run telephony in-house.

The main alternative technical category would be a 'unified communications as a service'. The purpose of UCaaS is to have a single ready-made platform through which organisations access different services, such as phone, video calling, call recording and so on. We have rejected this category because we believe that a unified approach would:

- Involve greater compromises of how the solution meets specific user needs (eg. some UCaaS providers excel at contact centre solutions, others at telephony)
- Increase the risks associated with vendor lock-in
- Reduce our overall agility - whether operational flexibility or adaptability to changing technology
- Require us to develop skills in a single solution and therefore the skills would be less transferable

12. The General Construction Consultancy Related Framework (Framework 2) Contract Award - Key Decision No. FCR R.15

The Chair asked for an introduction of the report.

The Procurement Category Lead - Finance - Ms Karen Tait Lane advised the meeting that :

- the report sought agreement to award the four year General Construction Consultancy Related Framework Agreement, (Framework 2), to five bidders to Lots 4, 5 and 8, six bidders to Lot 7 and to not proceed with an award to Lot 9.

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- although there were existing third party consultancy frameworks in the market, the Authority felt that this framework would better serve its needs by maximising flexibility, speed of delivery and value for money for consultancy services.
- Since the commencement of the procurement departmental requirements had changed and resources also had been impacted by Covid-19. It was determined by the participating directorates that only five priority Lots, out of the original 14 Lots advertised, should be procured, as detailed in the report.
- Unfortunately Lot 9 attracted limited market interest with a very broad range of tender prices, and therefore the evaluation Panel was unable to select the top 5 scoring bidders on the basis of MEAT, which in this case would be all of the bidders, therefore recommended not to proceed with an award for Lot 9.

Ms Tait Lane further advised that the Construction based Consultancy Framework aims to deliver:

- Cost efficient, quality driven construction related consultancy services for the Education, Regeneration and Corporate Property Services Divisions of the Council;
- An option to use either a mini-competition call off or, a direct award where urgent but in limited circumstances;
- Collaborative working including the sharing of information and places an obligation on the consultants to reduce Council costs, a focus on the Council's Sustainable Procurement Strategy 2018-22 in addition to the Framework Key Performance Indicators (KPIs) and construction industry statutory requirements, such as BREEAM.
- The consultants confirmed their willingness to participate in any Hackney apprentice initiative and a requirement for consultants to pay their staff the London Living Wage (LLW).
- The Contract Manager responsible for contract delivery, would monitor providers' performance including obtaining metrics outcomes from the call off contract, as identified in the Council's Sustainable Procurement Strategy, as well as, the Framework contractual and statutory obligations.

The Chair thanked Ms Tait lane for her succinct introduction.

The Chair in asking if there were any points of clarification commented that the report before the Committee had been a long time coming due to the complexities of the framework in terms of the nature of the service being quite a specialist skill set, recognising that it was ideal in terms of the route but that all aspects of the proposals had been explored including insourcing.

Ms Tait-Lane concurred with the Chair in respect of those observations, and briefly commented on the overall aspects driving the contract including enhanced sustainability, and the calloff allowing for considerable flexibility in the proposals.

There being no further points of clarification on a **MOTION** by the chair it was:

RESOLVED

That approval be given to awarding the contract for the four year General Construction Consultancy Related Framework Agreement (Framework 2) to:

- a) **Lot 4 - Multi-Disciplinary Building Surveying led Services: Bidder A, Bidder B, Bidder C, Bidder D and Bidder E**
- b) **Lot 5 - Multi-Disciplinary Design led Services: Bidder A, Bidder B, Bidder C, Bidder D and Bidder E**
- c) **Lot 7 - Complex Project Management (Employer's Agent): Bidder A, B, C, D, E and F**
- d) **Lot 8 - Cost Management Services (Quantity Surveyors) Bidder A, B, C, D and E**
- e) **Lot 9 - Facilities Management - Not proceed with an award**

RELATED DECISIONS

The Hackney Procurement Board meeting of 11 July 2017 agreed to procure a four-year General Construction Consultancy related Framework ("Framework 2") under an OJEU Restricted procedure to replace the majority of services covered by two existing frameworks due to expire on 31 December 2017.

REASONS FOR DECISION/OPTIONS APPRAISAL.

The four-year Framework is one of two re-procurements to address the expiration of two previous frameworks: 1) the Professional Services Framework and, 2) the Employer's Agent Framework. Both of these frameworks were identified as a critical requirement to support the Council to deliver its strategic vision and support Corporate & Finance, the Housing & Neighborhood and, by extension, the Education Directorates.

The following options were considered at business case stage and rejected:

- a) Not to reprocure - this was rejected as the framework was essential to the Council's delivery of its strategic vision on property and development delivery.
- b) To use existing third party frameworks - officer research, at the time, identified no suitable frameworks and so this procurement option was not pursued.

The Restricted Procedure ensures that only high quality, skilled providers will be selected to the Framework.

The Framework lot structure was developed jointly with the Directorates with the aim of leveraging greater efficiencies and to establish a Council quality standard for consultants on major and planned works. The Framework has the flexibility for call offs via mini competitions, or where urgent, through direct award, but only within tightly defined conditions.

Mini-competition call offs will retain competitive pressure, with suitably qualified providers, based on project specific requirements.

To mitigate the risk of poor performance or the withdrawal of a provider the top 5 scorers have been selected in each Lot based on the Most Economically Advantageous Tender based on both price and quality.

Since the procurement commenced, with the exception of daylight and sunlight services (Lot 13), there are now a number of third party frameworks available which can provide the services intended to be covered by: Lots 6 (Simple Project Management); 10 (Planning Consultancy); 11 (Mechanical and Electrical Engineering); 12 (Structural and Civil Engineering) and 15 (Fire and Safety Services). For daylight and sunlight services it is proposed to either continue with project specific purchases or consider an alternative procurement arrangement possibly with a partner public sector organisation.

The Contract Notice for the Framework includes no provision to be extended beyond the four year term.

The Framework does not guarantee work to any Lot provider.

Framework 1 was awarded in January 2018.

13. ANY OTHER UNRESTRICTED BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no items of unrestricted urgent business.

NOTED

14.. DATE OF FUTURE MEETINGS

NOTED – meetings of the Cabinet Procurement Committee commencing at 5.00pm for the remainder of the Municipal Year 2020/21 as follows:

7 December 2020

18 January 2021

15 February 2021

8 March 2021

12 April 2021

11 May 2021

15. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

THAT the press and public be excluded from the proceedings of the Cabinet Procurement Committee during consideration of Exempt items 16-20 on the agenda on the grounds that it is likely, in the view of the nature of the business to be

transacted, that were members of the public to be present, there would be disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972 as amended.

SUMMARY OF EXEMPT PROCEEDINGS

16. Parking Services Enforcement - Business Case - Key Decision No. NH .12

AGREED to note the exempt appendices in relation to agenda item 7.

17. Parking Enforcement Agents Services CONTRACT APPROVAL - Key Decision No. NH R.9

AGREED to note the exempt appendices in relation to agenda item 8.

18. Provision of Vehicle Maintenance - Key Decision No. FCR R.8

AGREED to note the exempt appendices in relation to agenda item 9.

19. Provision of insurance services for leasehold right to buy property (excluding provision of insurance broker service) FCR R.7

AGREED to note the exempt appendices in relation to agenda item 10.

20. The General Construction Consultancy Related Framework (Framework 2) Contract Award - Key Decision No. FCR R.15

AGREED to note the exempt appendices in relation to agenda item 12.

21. ANY OTHER EXEMPT BUSINESS THE CHAIR CONSIDERS TO BE URGENT

There were no exempt items of urgent business.

NOTED

Duration of the meeting: 17:00HRS – 18:35HRS

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