



London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 7 November 2022

This document outlines the decisions taken at the above Cabinet Procurement and Insourcing Committee meeting.

Unless otherwise indicated, executive decisions listed in this document will come into force and may then be implemented 5 working days after publication of this document unless the decision is called in. During that period the Director of Legal, Democratic and Electoral Governance Services may call-in a decision for scrutiny if so required by no fewer than 5 Members of the Council (Part 4 of the Council’s Constitution; Scrutiny Procedure Rules: Call-in Procedures).

Date of Publication: 7 November 2022

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Agenda Item No	Topic	Decision
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Items considered in public

7	CHE S141 Housing Repairs Material Framework award [18-034]	<p>RESOLVED:</p> <p>To award the following five trade packages supply term contracts via the Pfh framework agreement as four year contracts [2+1+1] to the first and second highest scoring suppliers as set out in appendix A:</p> <ul style="list-style-type: none">1) Lot 1 - Plumbing supplies2) Lot 1 - Heating supplies3) Lot 2 - gas spares4) Lot 3 - General building supplies5) Lot 4 - electrical supplies <p>(Ten contracts in total as detailed at paragraphs 2.3, 4.1 and 9.2.)</p>
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		<p>REASONS FOR DECISION/OPTIONS APPRAISAL</p> <p>To maintain the council’s statutory obligations and its intention to provide an excellent repairs service to tenants the Housing services in-house repairs team require a flexible and robust material supply chain which will deliver good value and a high quality service in accordance with our KPI criteria as listed at 10.2.</p> <p>Awarding these contracts will secure the in-house housing repairs team long term supply arrangements at competitive market rates, at a time of volatile supply and pricing.</p> <p>Appointing two suppliers within each supply category will maintain continuing market tension throughout the life of the arrangements and provide a live alternative supplier enhancing supply resilience if any supplier performance becomes an issue.</p> <p>Recruiting suppliers within the Pfh framework accesses the significant buying power of an organisation which purchases in excess of £100m per year together with [at no cost to Hackney] ongoing support and price management including</p> <ul style="list-style-type: none"> - Attending quarterly contractor review meetings - Supporting the monitoring & managing of SLA’s & KPI’s - Maintaining the agreed price lists - Providing a robust price review process and challenging increases in accordance with the framework agreement. This provides an enhanced degree of price certainty, transparency and avoids cost drift. - Pfh’s strong market presence facilitates close relationships with key manufactures enabling enhanced discounts and tailored solutions through the supply chain to enhance value for money - Quantum billing – all material billing onto one platform to simplify processes and reduce transaction costs

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		<p>Previous arrangements have shown that long term material procurement involving high volumes, fluctuating prices often sensitive to international commodity market trends coupled with ongoing variations in client requirements and changes to specifications etc. can introduce a considerable divergence in the purchasing list away from that included in any initial tendering arrangement and without the competitive tension a gradual move away from best value.</p> <p>Using the Pfh framework arrangement with its prescribed mechanisms for introducing new items and supplier price reviews based on evidenced cost increases and Pfh market intelligence has previously proved very effective in maintaining value.</p> <p>In addition Pfh’s considerable market presence and strong relationship with manufactures has enabled detailed intelligence from manufacturers in corroborating suppliers requested price increases and given influence in arranging discounted rates directly with manufacturers</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED) see section 8</p> <ul style="list-style-type: none"> ● outsourcing the stores function ● open tendering ● direct award through the Pfh Framework
8	NH S142 Public Space Surveillance Monitoring Contract (DN618422)	<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. To approve the award of the new Public Space Surveillance Monitoring contract commencing 01/12/2022 to Supplier C for a period of three years with the option to extend for a further two, two year periods providing a total possible contract period of seven years, for the estimated contract value of £4.5m. 2. The spend for 2022/23 is contained within the existing budget. The annual ‘cost of living’ salary increases will necessitate a budget increase each year, in the same manner that staff budgets are increased.

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		<p>REASONS FOR DECISION/OPTIONS APPRAISAL.</p> <p>Following the approval of the CPIC business case (FCR S046), a tender process was executed by Procurement and the Civil Protection Service, the bids were evaluated and moderated and a preferred bidder was selected.</p> <p>The existing contract was awarded on 1st April 2012 and ran for a 5 year period. It was extended for 3 years in 2017, and for a further 2 years in 2020, both extensions were provided for within the original contract. The current contract is due to expire on 30th November 2022, after an extension was granted by CPIC meeting in January 2022. This report seeks permission to award a new contract to the recommended Supplier C for a seven year contract for the PSS Monitoring service with the option to exercise 'no penalty break clauses' at years 3 and 5. The estimated cost of the initial 3 year period is £1.76m. The PSS Team has carried out a study into insourcing to consider this as an option for the service and presented options to CPIC, resulting in a decision to not in-source the service.</p> <p>A detailed Business Case and Options Appraisal was undertaken, as detailed in the previous report referred to in 4.1. The decision was made to let a new 'out-sourced' contract using similar terms and conditions for staff to the existing contract.</p> <p>ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)</p> <p>In-Source and cease licensable activity, to remove the need for licensing.</p> <ol style="list-style-type: none"> 1. In-Source and obtain 'non front line' Security Industry Authority (SIA) licences for all suitable staff and Councillors. This would be required to comply with information management law. 2. Let a new 'out-sourced' contract using similar terms and conditions for staff to the existing contract. (preferred option).

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		<p>3. Let a new 'out-sourced' contract using enhanced terms and conditions for staff, bringing their terms and conditions in line as much as possible with Council staff.</p> <p>4. To set up an independent Trading Company to undertake the PSS monitoring service.</p>