

Report Title: Door Entry and Concierge Systems contract extensions

Report of: Director of Housing

1. Introduction by the Executive Member for Housing

Community Safety is a major concern of our tenants. Estate security improvements, including new and more sophisticated door entry systems have been identified as a high priority and activity in this field and the relevant activity has been substantially boosted this year by the extra investment made available for this purpose under the Better Haringey in Estates and the Better Estates programmes.

The extra activity combined with concerns about the performance of one of the contractors have dictated the need for a review of the current contractual arrangements. The report recommends some changes to, and an extension of, the current contracts of the remaining two contractors in order to allow time for an orderly tendering process, without disrupting the service.

As a matter of general principle I am against "extending" expiring contracts (as opposed to proper re-tendering), unless there are evident valid reasons. In this case I have accepted the officers' arguments that the proposed extension is necessary to avoid any damaging disruption to the service at this exceptionally pressurised (because of the Better Haringey boost for new entry systems in numerous estates) time.

I am always concerned about failures to meet previously agreed targets for proper tendering of such contracts, placing the authority in a situation where it has no alternative but to agree extensions and other short-term alternatives.

In this case I have accepted the reasons given for this failure and in particular the fact that the October 2004 invitation to potential firms for inclusion into the framework of approved contractors had failed to yield sufficient numbers of suitable contractors and that a further exercise has already been undertaken, likely to result in a satisfactory framework being available later this month.

I share the sentiments expressed by the Head of Corporate procurement and I have accepted the officers' assurances that the full tendering process will have been completed by the end of the proposed extension of the current contracts.

In the light of the above I believe that it is in the authority's interest to endorse the report's recommendations.

Cllr Isidoros Diakides

2. Purpose

- 2.1 To seek Member agreement to extend the contracts for Door Entry and Concierge Systems Maintenance

3. Recommendations

- 3.1 That Members agree to extend the contracts for the above project, as allowed under Contract Standing Order (CSO) 13.2 in accordance with the recommendations in paragraph 8 of this report.
- 3.2 That the contracts be extended for a period of seven months from 1st December 2005 to 31st June 2006. (Refer to Appendix 1.1 for contract sum).
- 3.3 That the total estimated cost be noted. (Refer to Appendix 1.2 for total costs).

Report authorised by:

Stephen Clarke
Director of Housing

Contact Officer: Les Armstrong, Head of Design and Engineering, Tel: 020 8489 1227

4. Access to information:

- 4.1 Appendix 1

Exempt on commercially sensitive grounds.

5. Background

- 5.1 Haringey Home and Building Services (HHBS) had put the following contract arrangements in place for Door Entry and Concierge Systems, from April 2002 to March 2005:

Cartel Security (Concierge Systems)
Eversafe Security (Door Entry Systems)
Ensign Ltd (Door Entry Systems)

In August 2004 the contract with Ensign Ltd was terminated (Refer to Appendix 1.3 for details). The requirement was subsequently transferred to Eversafe from August until March 2005 at Eversafe's contract rates.

- 5.2 Under the contracts both contractors provide planned preventative maintenance and breakdown cover.
- 5.3 The existing contracts have previously been extended to 31st November 2005 to allow additional time for the procurement of new contracts which were to incorporate the outcomes from a business process redesign project.
- 5.4 Eversafe's and Cartel's performance during the course of the contracts has consistently been good and since Eversafe took over the extra Door Entry work from Ensign, there has been 20% reduction in repair call-outs, a reduced number of complaints and closer liaison with housing staff.

6. Report

- 6.1 The original intention of implementing new maintenance contracts from 1st December 2005 will not now be met due to the following.
- 6.2 Resources have been directed towards the Council's priority of over £1m improvements in door entry systems within the BHEIP. As a consequence progress in renewing the maintenance contracts has been affected.
- 6.3 One of the key outcomes of the BPR (Business Process Redesign) is nearing completion but is unlikely to be in place until January 2006. This is to put in place direct IT links between the Council and its third party contractors using the core business system (OHMS) Although both contractors Cartel and Eversafe have been very positive regarding the process it is felt if they are unsuccessful in tendering for the new maintenance contracts the level of input required from them will be affected.
- 6.4 Advertisements for a framework of approved contractors were placed in October 2004 but after evaluation insufficient contractors passed the quality assessment. Re-advertisement has now taken place and the evaluation will be complete by mid November. The initial assessment indicates there will now be sufficient contractors to invite tenders.

6.5 Contract and Risk Management

- 6.6 The contracts are managed via monthly meetings with Design and Engineering. This will continue until 1st July 2006.
- 6.7 Extending the contracts gives a stable base on which to let robust contracts from 1st July 2006.

6.8 Sustainability Comment

- 6.9 We will work with the supplier to change materials used to environmentally preferable supplies. We will ask the contractor to provide details of all substances used that are controlled by COSHH and ask for benign substitutes whenever substitutes are available, this will reduce risk of accidents causing pollution and health implications. This is beneficial for the environment and residents health and in the long-term should provide savings on administration and disposal costs.
- 6.10 The improved maintenance programme performance had reduced repair call-outs by 20%.

This should mean less use of resources needed to manufacture component parts and less environmental pollution. We will set targets with the contractor for further call-out reductions.

- 6.11 This service provides social benefits for residents in terms of decreased fear of crime and improved security and contributes to achieving corporate objectives, i.e. to improve services and create safer communities.

7. Budget

- 7.1 This project will be funded from the Door Entry and Concierge Maintenance budget within the 2005/2006 and 2006/2007 general repairs programme.

7.2 Phasing of Expenditure

Refer to Appendix 1.4 for expenditure.

8. Recommendations

- 8.1 That Members agree to extend the contract for door entry systems with Eversafe Security Limited from 1st December for 7 months to 31st June 2006. (Refer to Appendix 1.5 for costs).
- 8.2 That Members agree to extend the contract for concierge systems with Cartel Security from 1st December for 7 months to 31st June 2006. (Refer to Appendix 1.6 for costs).
- 8.3 That the total estimated costs (including fees) be noted. (Refer to Appendix 1.7 for costs).

9. Equal Opportunities Implications

- 9.1 This security improvement will benefit all occupants of the properties, who include disabled, elderly, young children and people from the ethnic minority communities.

10. Health and Safety Implications

- 10.1 All the contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry wide body. They also comply with the requirements of the Council's Health and Safety policy.
- 10.2 The Construction Design and Management regulations may apply to parts of this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor before works start on site.

11. Leaseholder Implications

- 11.1 The Service Charge (Consultation Requirements) (England) Regulations 2003 require the Council to consult with leaseholders if the Council is proposing to enter into a Qualifying Long Term Agreement. Those regulations came into force on 30 September 2003. However, any agreement entered into before that time, provided it is for a period of more than twelve months, is not a Qualifying Long Term Agreement under the Regulations. The agreements with Cartel and Eversafe were entered into before 30 September 2003 and were for terms of more than twelve months. There is therefore no legal requirement for the Council to carry out consultation with leaseholders in relation to the proposed extensions of these agreements.

12. Comments of the Head of Finance

- 12.1 This scheme is estimated to cost £293,664 over 2 financial years as described in Appendix 1.
- 12.2 The expenditure is provided for in the Door Entry and Concierge Maintenance Budget.

13. Comments of the Head of Legal Services

- 13.1 Contract Standing Order 13.02 permits the Executive to vary or extend an existing contract. The Head of Legal Services confirms there are no legal reasons preventing members from approving the recommendation.

14. Comments of the Head of Procurement

- 14.1 The extension of this contract for 7 months will (and must) allow sufficient time to fully consider the market and contractors available for the proposed Framework Agreement to come into force in July 2006. Having just two contractors to meet the Service's needs in this area represents a higher risk than would be preferred.
- 14.2 Whilst the potential for a drop in performance of the incumbent suppliers might be a possibility during a re-tender phase, it is assumed that a robust method of performance measurement is in place for this and future contracts to prevent this from happening.
- 14.3 Given that HHBS is satisfied with the service provided by the two incumbent suppliers, the Service should invite both contractors to tender for the Framework Agreement, in addition to other contractors selected.
- 14.4 Providing the conditions outlined in the above points (14.1 – 14.3) are met, the Head of Procurement sees no reason preventing Members from approving the recommendations outlined in paragraph 8.