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## Report of Deputy Markets Manager

### Report to Chief Officer, Operations

Date: 19 March 2021

**Subject: Approval to vary the current contract with Kings Security for the provision of security services at Leeds Kirkgate Market.**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s):	Little London, Woodhouse, Burmantofts and Richmond Hill
Has consultation been carried out?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

## Summary

### 1. Main issues

- The provision of security services at Leeds Kirkgate market is currently provided by Kings Security Systems Limited (Kings) under contract which is due to expire on 3<sup>rd</sup> May 2021.
- The previous report '*Permission to conduct a further competition under the Eastern Shires Purchasing Organisation's (ESPO) framework 347 - security services*' detailed that an existing council wide call off framework for the provision of security services is in place and as such the market team can award the contract to a supplier on the framework.
- The Market team intended to undertake a further competition amongst the suppliers on the framework to satisfy themselves that they will appoint the best supplier based on a price and quality submission.
- The previous report also highlighted a risk of challenge from Kings as the incumbent supplier in that as Kings are not on the framework they are therefore

excluded from the opportunity to tender for the new contract despite providing a satisfactory service for the duration of the contract.

- Kings have since raised a concern regarding their exclusion from tendering for the contract which has highlighted a potential reputational and commercial risk for the council.
- The current framework is due for renewal this year with a start date for the new framework of April 2022. Therefore this report recommends that a contract variation is agreed whereby the current contract with Kings is extended until the new framework is in place and the market security tender is then undertaken from April 2022 onwards.
- The variation will allow sufficient time for Kings to apply to get on the framework so that they are then in a position to tender for the market contract along with all other security suppliers who also successfully apply to join the new framework.

## 2. **Best Council Plan Implications** (see the [latest version of the Best Council Plan](#))

- The Market operation contributes to the following Council priority areas including:

Inclusive growth	Low cost start up business opportunities
Health and wellbeing	Availability of various community services in the market, availability of low cost fresh produce etc
Being a child-friendly city	Hosting child friendly and free events and activities
Being an age-friendly Leeds	The market is a community space for use by all and as part of this commitment it participates in schemes such as 'Come in and Rest'
Culture	Hosting cultural events and activities

- The Kirkgate Market Strategy Vision (2021-2026) sets out that the future vision for the market which is intrinsically linked to the Best Council Plan. The vision is for the market to be:
  - an inclusive, successful and sustainable part of our city-centre offer, where independent retailers can innovate and thrive;
  - an attractive, safe and welcoming destination where our investment secures the unique offer for future generations;
  - a place for everyone, where people can experience Leeds, its people, heritage and culture.
- The security contract is an integral element in supporting the Market team's commitment to achieve this vision.

### **3. Resource Implications**

- The estimated value for the contract variation for 18 months is c£141k. This is not an additional resource implication as this cost would be incurred regardless of the supplier.
- The cost of the contract is recharged to the Market traders via their service charge rental agreements and the Market service's operating budgets.
- Kings have agreed to freeze the prevailing charge rates for the duration of the variation.

### **Recommendation**

- It is recommended that the Chief Officer, Operations approves the variation of the current contract term to extend the current contract by 18 months from 4<sup>th</sup> May 2021 to 3<sup>rd</sup> November 2022 with a contract value of circa £141k under the same terms and conditions as the current contract.

### **1. Purpose of this report**

1.1 This report is seeking approval from the Chief Officer, Operations to vary the current contract for the provision of security services at Leeds Market to extend the current contract with Kings until November 2022.

### **2. Background information**

2.1 Given the tight timescales for undertaking a further competition under the framework agreement it is unlikely that a new supplier will be in a position to commence the new contract from 4<sup>th</sup> May 2021

2.2 As stated Kings are unable to tender for the new contract despite satisfactory undertaking the contract for two years. Given the concerns raised by Kings it is a possibility that as they are out of contract on 3<sup>rd</sup> May 2021 they would not agree to a contract extension to temporarily continue to provide the service until such time as the new security contractor is in place. Should this occur it is likely that the Market service would be left without a security presence during this transitional period.

2.3 The market being without a security presence for any length of time would result in significant operational, commercial and reputational risks occurring.

### **3. Main issues**

3.1 Whilst Kings have no legal grounds to pursue a formal complaint for being excluded from tendering there are significant risks associated with this.

3.2 To address the risks it is considered prudent to vary King's current contract by extending the term of the contract by eighteen months. This extension will ensure the new framework contract is in place (i.e. by April 2022) and Kings will have had

the option to apply to apply to get on the framework, along with any other interested security suppliers. The extension will also allow sufficient time for the market tender to then be undertaken as the process is anticipated to take six months to complete, commencing in April 2022.

#### **4. Corporate considerations**

##### **4.1 Consultation and engagement**

- 4.1.1 The Council's Procurement and Commercial Solicitor has advised that as the variation does not extend the scope of the contract merely the term of the contract then under the Council's contract procurement rules (CPR) the variation to extend the contract as detailed in this report is acceptable.

##### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 There are no issues relevant to Equality and Diversity/Cohesion and Integration with this decision.

##### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The variation to the contract will support Council Policies and Best Council Plan objectives specifically to ensure a high quality security provision remains in place throughout which is an integral factor in supporting the Market team to deliver on the aforementioned Market strategy.

##### Climate Emergency

- 4.3.2 The service specification for the contract will require the supplier to meet all Legislation, Guidance and Good Industry Practice in environmental management and the objectives of the Authority's sustainability policies. Thereby supporting the Council in achieving its ambition to be carbon neutral by 2030.

##### **4.4 Resources, procurement and value for money**

- 4.4.1 The estimated value for the contract variation is c£141k. As stated this is not an additional financial pressure as this cost would be incurred regardless of the supplier for this 18 month period. To note Kings have agreed to freeze the prevailing hourly rate for the duration of the variation.
- 4.4.2 As stated the cost of the contract is recharged to the market traders via their rental agreements with the rest being funded from the Market service's operating budgets.

##### **4.5 Legal implications, access to information, and call-in**

As the total estimated cost for the variation is £141k it is therefore a Significant Operational decision and is not subject to call-in.

## **4.6 Risk management**

- 4.6.1 There is a risk of challenge from existing suppliers on the current framework on the basis that extending the current contract specifically to allow time for Kings and other security suppliers to apply to get on the new framework is unfair.
- 4.6.2 On a balance of risk approach it is considered that the potential consequences of not doing so to the Council, and as detailed in this report, far outweigh this risk of challenge from other suppliers.

## **5. Conclusion**

- 5.1 As detailed in this report a contract variation is required to ensure the uninterrupted continuation of a security provision at Leeds Kirkgate market.

## **6. Recommendations**

- 6.1 The Chief Officer, Operations is recommended to approve the request for a contract variation to the current contract term with Kings for 18 months with a contract value of c£141k under the same terms and conditions as the current contract.

## **7. Background documents<sup>1</sup>**

None

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.