

Report of: Head of Service, Environmental Action

Report to: Chief Officer, Environmental Services

Date: 01 April 2021

Subject: Commencement of a Procurement for a City Centre Environmental Enforcement Contract.

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, name(s) of ward(s): Little London & Woodhouse and Hunslet & Riverside		
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes	<input 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 OF MAIN ISSUES

- The existing contractual arrangements that cover the issuing of Fixed Penalty Notices (FPN'S) in relation to city centre environmental enforcement expire on 31st May 2021. Keeping the city centre safe, clean and welcoming is a key priority for the Council and this contract has a strategic role to play in delivering those objectives. There is a 6 month extension option on the existing contract that can be utilised but a replacement contract also needs to be procured to ensure continuity of service standards when current arrangements expire.
- Under Contract Procedure Rule 3.1.6 the decision to undertake a procurement needs to be approved and this report seeks to secure compliance in that respect. The procurement route will be an open procedure and all governance requirements will be followed throughout the process. Subsequent approval will be sought for the evaluation criteria that will be used and for the contract award.

BEST COUNCIL PLAN IMPLICATIONS

- Appropriate contracting arrangements for the issuing of FPNs in the city centre supports the aims of maintaining public safety through the city centre being a clean, safe and litter

free space which allows the strong communities and friendly city priorities to be met. They also support the wider ambition to be the Best City and the Best Council.

RESOURCE IMPLICATIONS

- The completion of the procurement exercise and the subsequent contract management of the awarded contract will be undertaken by the City Centre Cleansing and Enforcement Team. The requirements of which have been identified in the Environmental Action procurement strategy.

RECOMMENDATIONS

The Chief Officer for Environmental Services is recommended to note the content of this report and under CPR 3.1.6 approve the commencement of a competitive tender for a contract to allow the issuing of Fixed Penalty Notices (FPN's) in relation to city centre environmental enforcement work. The contract will commence on 1st Dec 2021 and will be for a period of 3 years with 2 x 1 year extension options available. The contract has an estimated annual value to the successful supplier of £200K, or £1million total contract value, and an estimated value to the Council of £35k per annum or £175K total contract value.

The Chief Officer for Environmental Services is also recommended to approve the use of the 6 month extension option from 1st June to 30th November 2021 on the existing contract with 3GS UK to allow the conclusion of the procurement.

1 PURPOSE OF THIS REPORT

- 1.1** This report aims to provide the Chief Officer with sufficient information to endorse the proposed procurement approach that has been set out and to ensure compliance with the Council's CPRs.

2 BACKGROUND INFORMATION

- 2.1** The city centre of Leeds is a key economic driver for the Leeds city region and the North of England as a major retail, commercial, cultural, educational and administrative hub with many leisure and visitor attractions. Recent challenges posed by COVID have highlighted the importance of perceptions and confidence in the safety and cleanliness of the city centre.
- 2.2** Councils have powers to tackle littering by the use of FPNs as an alternative to court action. The Council has an existing contract for the issuing of FPNs with 3GS UK. This has been a successful contract and was recently extended to ensure consistency while the city centre responded to COVID.
- 2.3** A Market Sounding Exercise has been conducted to help scope the details of the new procurement. The results showed that a number of providers are interested in the delivering the services and felt that they would have the resources to fulfil the tender requirements. The exercise has provided some level of certainty that there is competition within the market and that a number of viable bids should be received.
- 2.4** The primary function of the contract is not to generate income but to effectively manage environmental issues. However, as the appropriate contracting of this service also protects that income stream it is recognised as a clear benefit to a well-run service.

3 MAIN ISSUES

3.1 Compliance Issues

- 3.1.1** CPR 3.1.6 requires a delegated decision process to be undertaken in order to obtain approval to proceed with procurements. This report and associated delegated decision notice seeks to demonstrate this requirement is being met.

3.2 Procurement

- 3.2.1** The proposed procurement strategy is to follow an open procedure for a competitive tender based on the existing arrangements. The service specification for the new contract will cover a number of key areas:

- Uniformed patrols in the city centre and other identified areas
- Close working with city-centre partners
- Provision of education and advice
- Issuing of FPNs for littering and dog fouling
- Initiation and completion of legal proceedings for cases where the offer of settlement by way of FPNs is not accepted
- Flexible deployment in locations determined by the Council of staff for both FPN issuing and ambassadorial patrolling and visibility purposes (which continue to be important in light of COVID needs for city centre partners)

- 3.2.2 The tenders received will be evaluated in line with the Council corporate approach whereby quality is evaluated first and all response that meet the minimum score thresholds would then be taken forward to the second stage of evaluation to have the pricing element of their bid assessed.
- 3.2.3 The pricing evaluation is based on the income to the Council which is a % per FPN that would be payable. The contract will be awarded to the supplier with the most economically advantageous bid.

CORPORATE CONSIDERATIONS

3.1 Consultation and Engagement

- 3.1.1 Key partners and stakeholders including the Leeds BID, Safer Leeds and city centre management have been consulted on the wider procurement strategy for this contract as a part of the previous contract extension. All were supportive of the approach.
- 3.1.2 Officers from PACS have been consulted and will continue to provide advice and recommendations throughout the procurement process to ensure compliance with CPRs.

3.2 Equality and Diversity / Cohesion and Integration

- 3.2.1 Equality, diversity, cohesion and integration will be considered throughout the procurement and will be a feature of the contract itself. Performance in this area will be a standing item in contract management meetings with the successful supplier who will be expected to share the Council's values and ambitions.

3.3 Council policies and City Priorities

- 3.3.1 It is paramount that procurements in the authority are undertaken with a view to ensuring openness, transparency and fairness. As such all appropriate governance arrangements will be followed throughout and this report forms part of that process. A report will be submitted once the procurement is concluded in order to gain approval to award.
- 3.3.2 This procurement contributes towards the aspirations in the Best Council Plan 20-25 which identifies an outcome of the plan to be for everyone in Leeds to live in clean and well cared for places. The city centre is very important for the overall perception of Leeds so needs to be managed accordingly.

3.4 Climate Emergency

- 3.4.1 The city centre as an area will have a key role to play in addressing the climate emergency situation which has been declared in Leeds, as a location it needs to be well managed and only when all the functions work together can the aspirations of a carbon neutral city be realised. Contracts such as this are integral in the smooth running of the city centre. Having this contract in place also specifically encourages and promotes climate friendly disposal of unwanted items through the recycling-on-the-go facilities in the city centre area.

3.5 Resources and value for money

- 3.5.2 By undertaking a formal tender process as described in this report an element of market competition has been introduced which delivers value for money for the Council.
- 3.5.3 The procurement will use the existing pricing structure which sees no direct costs for the Council as the income generated from the FPNs offsets the cost of delivering the service. The supplier also bears the risk for unpaid FPNs which ensures the Council is not subject to any additional costs. The contract itself is worth approximately £200k per year to the successful supplier with the agreed income, based on a % per FPN issued, payable to the Council estimated at £30 - £35k per annum.

3.6 Legal Implications, Access to Information and Call In

- 3.6.4 This report does not contain any confidential information.
- 3.6.5 Due to the annual value of the decision being estimated at approximately £35k this decision is being treated as a significant operational decision and as is not eligible for Call-in. The decision to award a contract following the conclusion of the procurement will be reported to the Chief Officer for Environmental Services.
- 3.6.6 Officers from PACS will be consulted throughout and will ensure an open and transparent process continues to be followed throughout the procurement proposed.

3.7 Risk Management

- 3.7.7 A risk register will be developed and maintained in terms of the procurement and then ongoing management of the contract once awarded. Any high or escalating risks will be brought to the attention of the Chief Officer for Environmental Services.
- 3.7.8 It is imperative that a reliable supplier is in place to deliver this service on the expiry of current arrangements. This will ensure service standards are maintained and a key element of the management of the city centre is in place. The risk of not having this contracted arrangement secured is that standards, service levels and income may be compromised.
- 3.7.9 The procurement will provide a legally binding contract with the successful supplier and the terms of the contract will protect the Council against adverse performance issues as well as securing the rates agreed.

4 CONCLUSIONS

- 4.8 The issuing of FPNs in the city centre for environmental enforcement issues is an important Council function that needs to be appropriately contracted and managed. By undertaking a procurement and ensuring arrangements are always in place the Council can maintain service standards and protect an income source.

5 RECOMMENDATIONS

The Chief Officer for Environmental Services is recommended to note the content of this report and under CPR 3.1.6 approve the commencement of a competitive tender for a contract to allow the issuing of Fixed Penalty Notices (FPN's) in relation to city centre environmental enforcement work. The contract will commence on 1st Dec 2021 and will be for a period of 3 years with 2 x 1 year extension options available. The contract has an estimated annual value to the successful supplier of £200K, or

£1million total contract value, and an estimated value to the Council of £35k per annum or £175K total contract value.

The Chief Officer for Environmental Services is also recommended to approve the use of the 6 month extension option from 1st June to 30th November 2021 on the existing contract with 3GS UK to allow the conclusion of the procurement.

6 BACKGROUND DOCUMENTS¹

6.1 None.

¹ 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.