

To: Finance, Resources and Customer Services Policy Board

On: 29th January 2020

Report by: Chief Executive, Director of Finance and Resources and Director of Environment and Infrastructure

Heading: Contract Authorisation Report for Door access and time management system (RC-CPU-19-181)

1. Summary

- 1.1 The purpose of this report is to seek approval of the Finance, Resources and Customer Services Policy Board to award a negotiated contract for door access and time management system.
 - 1.2 The procurement exercise was conducted in accordance with the Renfrewshire Council's Standing Orders Relating to Contracts and 33.1(a) of the Public Contracts (Scotland) Regulations 2015.
 - 1.3 The request to negotiate was approved by the Strategic Commercial Procurement Manager on the 25th November 2019.
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2. Recommendations

It is recommended that the Finance, Resources and Customer Services Policy Board authorise the Head of Corporate Governance to:

- 2.1 Award the negotiated contract for door access and time management system to HFX Limited subject to satisfactory conclusion and signing of the formal negotiated Contract document.

2.2 Award the contract for a period of seven (7) years with the option to extend on three (3) separate occasions for up to 12 months, with the contract start date being defined in the letter of acceptance.

2.3 The anticipated value is £516,642 for the initial seven year contract excluding VAT and up to £47,584 excluding VAT for each 12 months extension. The total value of the 10-year contract where the extension periods are exercised will be up to £659,394 excluding VAT.

In addition to the value detailed in 2.3, authority is sought for a potential contingency allowance of up to £65,939.00 excluding VAT. This contingency is for adhoc requirements for the hardware and additional licences for the software.

3. **Background**

3.1 The Council currently has a door security and time management system which allows building access control across 12 Council buildings and time management for a number of employees. The system has a central administration function /access for all records that is currently administered by Customer and Business Services (CBS), however the responsibility for the security and access lies with Environment and Infrastructure, Facilities Management. This service includes door security and access, photo ID, time and attendance recording which include:

- Flexitime/Flexible Working/Annualised Hours
- Access Control
- Absence Monitoring
- Holiday/Leave Management & Workflow
- Sickness recording
- Working Time Regulations
- Overtime Management
- Mobile Self Service
- Reporting
- Time Clock Management
- Employee Self-Service
- Attendance Recording via PC
- User/ Manager/Administrator Licenses

- 3.2 To replace the existing arrangements the Contract required involves Services, Supplies and Works. The Service is the software element and the Works Contract is the installation securing and maintenance of the door entry hardware.
- 3.3 The Council's current contract is due to expire on the 31st March 2020. The current contract for this requirement is between the Council and HFX Limited.
- 3.4 An Invitation to Tender (ITT) was published to the open market in June 2019; the closing date for tender submissions was 6th August 2019, no bids were received. All tenderers who registered an interest in the ITT were contacted to ascertain why they did not return a bid. The main reason for tenderers not responding was lack of adequate resource to complete the tender or not being able to comply with the tender specification.
- 3.5 The Public Contracts (Scotland) Regulations 2015 regulation 33.1(a) states that where there is no valid offer or only one valid offer complying with specification has been received, the Council is able to negotiate with a supplier providing that no significant changes are made to the tender documents that were previously issued. The Head of Policy and Commissioning also needs to be satisfied that this is a suitable approach in accordance with Standing Orders Relating to Contracts 14.2 and 14.4.
- 3.6 As HFX Limited is the incumbent supplier and there will be no significant changes to the specification, the request to negotiated was submitted for this new contract from the requirements contained in the procurement exercise noted in 3.4 above, the request to negotiate was submitted and approved by the Strategic Commercial Procurement Manager under the exemption to the Council's Contract Standing Orders and The Public Contracts (Scotland) Regulations 2015 clause 33. 1(a).

33.—(1) A contracting authority may award a public contract following negotiated procedure without prior publication of a contract notice or prior information notice in any of the following cases—

(a) where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered and that a report is sent to the Commission where it so requests.

- 3.7 HFX Limited have confirmed that they can meet the requirements and specification required by the Council.
- 3.8 The recurring cost for this Contract will be funded by Facilities Management and the capital cost to upgrade the hardware and implement the new software solution will be met from the ICT capital budget.
- 3.9 HFX Limited have agreed to work in partnership with the Council to deliver a range of community benefits as part of the contract.
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Implications of the Report

1. **Financial** – The financial status of HFX Limited was assessed which confirmed that the organisation satisfied the Council's requirements in relation to financial stability.
2. **HR & Organisational Development** – No TUPE implications for the Council have arisen or are anticipated as HFX limited are the current service provider under the contract due to expire 31st March 2020.
3. **Community/Council Planning –**

Our Renfrewshire is fair – HFX Limited were assessed within this procurement process in regard to their approach to ensuring fair working practices throughout their organisation.
4. **Legal** – The procurement was carried out in accordance with the negotiated procedures under both Renfrewshire Council's Standing Orders Relating to Contracts and The Public Contracts (Scotland) Regulations 2015.
5. **Property/Assets** – The hardware components that are deemed as end of life will be replaced as part of the initial implementation project. Over the term of the contract, HFX Limited will provide support and maintenance for all hardware components that will provide access control and safeguard all Council buildings.
6. **Information Technology** – The time management system supplied by HFX Limited will be software as a service which aligns to the Councils

ICT strategy.

7. **Equality & Human Rights -**

- (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – HFX Limited health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements relating to health and safety.
9. **Procurement** –The procurement procedure outlined with this report ensure that the Council meets its statutory requirements in respect of the EU regulatory requirements and the Councils Standing Orders Relating to Contracts.
10. **Risk** – HFX Limited insurance certificates have been reviewed and approved by the Council's Risk Manager met the Council's requirements relating to Insurance.
11. **Privacy Impact** – HFX Limited will be required to sign a Data Processing Agreement as detailed in the negotiated contract document.
12. **Cosla Policy Position** – No Cosla policy position implications have arisen or are anticipated.
13. **Climate Risk** - The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

List of Background Papers

None

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