

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 9th December 2014
Report of: Director of Economic Growth and Prosperity
Subject/Title: Procurement of Security Contract at Crewe Business Park (Ref CE 14/15-32)
Portfolio Holder: Councillor Peter Raynes, Finance

1.0 Report Summary

- 1.1 The purpose of this report is to inform Cabinet of the requirement to re-tender and award of a 3 year security contract, including the granting of a 3 year lease for the security office, at Crewe Business Park, Crewe.
- 1.2 A location plan showing Crewe Business Park is included in Appendix 1.

2.0 Recommendations

- 2.1 That approval be given for Cheshire East Council to re-tender and award for a 3 year security contract to provide security services at Crewe Business Park, Crewe and to grant a lease, to the successful bidder, to occupy Crewe Business Park's security office to coincide with the contract for service delivery, both contract and lease to be on terms and conditions to be determined by the Chief Operating Officer as s151 Officer in consultation with the Head of Legal Services and Monitoring Officer; and
- 2.1 That Cabinet delegate authority to the Chief Operating Officer as s151 Officer in consultation with the Portfolio Holder and the Head of Legal Services and Monitoring Officer, to award the security contract to the highest scoring bidder against the pre-determined evaluation criteria.

3.0 Reasons for Recommendations

- 3.1 Crewe Business Park is owned by Cheshire East Council and is located opposite Manchester Metropolitan University's growing Cheshire campus and half a mile from Crewe railway station. This 67 acre regional employment site is home to companies such as Virgin Trains, Fujitsu and Air Products. It was developed as a public sector joint venture in 1986 to support the diversification of the town's economy and is regarded as the country's first 'green business park', being one of the first business parks in the UK to receive the prestigious Millennium Marque Award for environmental excellence.
- 3.2 Since its creation it has generated over £4.5 million in capital receipts and created over 2,800 jobs. It continues to provide development opportunities for

growing local business as well as inward investors, and the role of this Council and its predecessors is recognised as being crucial to its success. Cheshire East Council retains the freehold for the site, with plots on long (125 year) leases and it plays an important role in ensuring high standards of on-going maintenance which are funded through a service charge to tenants.

- 3.3 In accordance with the Royal Institution of Chartered Surveyors (RICS) Guide to Good Practice on Service Charges in Commercial Property, the security contract is put out to tender every three years. This is to ensure that all service charge contributors receive best value and fairness.
- 3.4 The latest tender exercise was undertaken in November 2011 via the OJEU tender process.
- 3.5 There will be a requirement to have the new contract in place by 1st May 2015. Tender evaluations for the new contract will be completed by end January 2015 to allow for a mobilisation period, should the current security provider be unsuccessful in their tender submission.
- 3.6 The cost of the security service currently provided is in the region of £200,000 per annum for 3 years. This cost is recovered by the service charge, payable quarterly in advance by all occupying companies on the business park.
- 3.7 The value of the services procured means it will be subject to EU Procurement Rules requiring a contract notice to be published in the OJEU (Official Journal of the European Union). The project plan for procurement requires an OJEU Notice to be placed in November 2014.
- 3.8 As part of the contract the provider will be required to enter into a lease agreement with the Council for the occupation of the security office, shown in Appendix 2. The Council will receive a rental income of £500.00 per calendar month from the Security provider for the lease of the security office.

4.0 Wards Affected

- 4.1 Crewe East Ward

5.0 Local Ward Members

- 5.1 Councillor David Newton
Councillor Margaret Martin
Councillor Chris Thorley

6.0 Policy Implications

None

7.0 Financial Implications

- 7.1 The recommendations within this report support the delivery of the security contract and ensure the re-tender of the contract satisfies the requirements of the Councils Financial Rules and comply with EU requirements.
- 7.2 The proposed OJEU procurement process will be undertaken by Property Services officers supported by Procurement and Legal Services colleagues, therefore there are no external costs for this procurement.
- 7.3 The cost of the current security contract provided is in the region of £200,000 per annum. This cost is recovered by the service charge, payable quarterly in advance by all occupying companies on the business park.
- 7.4 The Council will receive a rental income of £500.00 per calendar month from the Security Provider for lease of the security office.

8.0 Legal Implications

- 8.1 The aggregate value of the Security Contract is such that it must be procured in accordance with the Public Contracts Regulations 2006 ("the Regulations") and the Councils Finance and Contract Procedure Rules.
- 8.2 The completion of the lease and the contract will regularise occupation of the premises until the next contract is renewed in 2018.
- 8.3 The lease agreement for the security office will be contracted out of the Landlord and Tenant Act 1954, to safeguard the Council.

9.0 Risk Management

- 9.1 High risk. The consequences of not re-tendering the Security Contract would mean the Council will not meet its obligations to provide security of Crewe Business Park, which is contravention to the current contract.
- 9.3 There are risk implications in terms of the Councils Strategic Asset Management Plan (SAMP), which may be subject to a change in respect of the future of Business Parks; therefore the contract will contain clauses which enable the Council to either terminate the contract or to assign it depending on the requirement for continuing stand alone security services at this site.
- 9.4 Heads of Terms for the lease of the security office and Tender Specification in relation to the security contract will form a binding contract. The lease of the security building is excluded from sections 24 – 28 of the Landlord and Tenant Act 1954 (as amended).

10.0 Background and Options

- 10.1 Crewe Business Park was developed as a joint venture between Cheshire County Council and Crewe and Nantwich Borough Council in 1986. The two authorities' pooled together land (playing fields and farm land) and capital invested in infrastructure for the site and agreed a 50/50 ownership arrangement. Cheshire East Council now owns the site as successor authority to both the County and the Borough Council.
- 10.2 The day to day management of the park is undertaken by the Authority, including grounds maintenance and provision of security services.
- 10.3 The owning authorities commenced a security presence on the Business Park at inception, to guard the development sites and equipment during construction, and then to continue to deter crime on the business park, thus creating and securing a safe environment for businesses to operate, delegates to visit and members of the public to enjoy.
- 10.4 The Security Contractor will be required to provide a twenty-four hour a day, all year round security service by ensuring that at least 2 (two) security officers are available to carry out the required security duties, which include:-
- (i) Patrolling of the business park, including a full external check of all buildings as required at 2 (two) hourly intervals and where permitted by occupiers and where necessary, an internal inspection of buildings.
 - (ii) Reception duties at the Security office during usual office hours.
 - (iii) Patrolling of the 'greenway trail' at least once every day and as required.
 - (iv) The provision of full back up services by senior officers and / or management staff 24 hours a day to assist with incidents.
- 10.5 There are no alternative options available for the delivery of the Security Contract.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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