



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	<b>Award of Contract to Knights Kennels Limited for the Provision of a Stray Dogs Collection and Kennelling Service</b>
<b>Cabinet Member:</b>	<b>Councillor Viddy Persaud</b> Cabinet Member for Public Protection and Safety
<b>SLT Lead:</b>	<b>Dipti Patel</b> Assistant Director of Environment
<b>Report Author and contact details:</b>	<b>Christina Zervou</b> Senior Public Protection Officer (Environmental Protection) Tel. 01708 432 775 Email: christina.zervou@havering.gov.uk
<b>Policy context:</b>	Environmental Protection Act 1990 (Part VII) Clean Neighbourhoods and Environment Act 2005 Environmental Protection (Stray Dogs) Regulations 1992
<b>Financial summary:</b>	The Council's annual revenue budget for the service is £0.065m. The highest annual contract value estimate is £0.065m, however it has been calculated based on a worst case scenario, as such, the actual annual costs are expected to be well below the Council's budget.
<b>Relevant OSC:</b>	Environment OSC
<b>Is this decision exempt from being called-in?</b>	Yes. This is non-key decision for decision by a member of staff.

**Non-key Executive Decision**

**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Following approval of commencement of a tendering process for the provision of a stray dogs collection and kennelling service, an EU tender was undertaken, in compliance with current procurement legislation and the Council's procurement rules.

One tender was submitted by Knights Kennels Limited. The tender was evaluated and found to meet the original business objectives, tender specifications, quality criteria and the Council's budget. As part of the process, the Checkpoint Panel approved the Checkpoint Report 2 and award of contract. The procurement was given a Green RAG Status (See attached Background Paper).

It is recommended that award of contract to Knights Kennels Limited for the Provision of a Stray Dogs Collection and Kennelling Service be approved.

### AUTHORITY UNDER WHICH DECISION IS MADE

Under the Council's Constitution Part 3, [Responsibility for Functions] (Powers of Second Tier Managers), paragraph 3.4:

#### **Contract Powers**

*"To approve commencement of a tendering process for, and to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services."*

### STATEMENT OF THE REASONS FOR THE DECISION

#### **1. Introduction and background**

- 1.1 Sections 149 and 150 of the Environmental Protection Act 1990 provide the duty for local authorities to collect and detain stray dogs for a seven-day period, return seized dogs to their owners and keep a register of stray dogs. The Council does not directly employ a dog warden and does not have any kennels which can be used for the kennelling of stray dogs so it has been contracting out this service.
- 1.2 As the previous contract expired, the Council carried out a tendering process, in order to award a new contract for three years (2019-2022) with a potential for an extension for a further 2 years.

#### **2. Tendering Process**

- 2.1 Although an open EU procurement process was carried out and previously identified potential Suppliers were notified of the publication of this tender (London Borough of Newham, Barking and Dagenham and Waltham Forest), only one tender was submitted by Knights Kennels Limited, who have been providing the service for the past years.

## Non-key Executive Decision

- 2.2 The tender consisted of the Selection Questionnaire (SQ), Technical Envelope and Commercial Envelope (pricing schedule) and was evaluated against best price-quality ratio of 70% cost and 30% quality weighting.
- 2.3 The responses to the SQ which were provided by Knights Kennels Ltd were scored with a 'Pass'. The technical responses were scored with 345 out of 500 total possible weighted score. That multiplied by 30% gave a total quality score **20.7%** out of 30%.
- 2.4 Based on the rates for the collection and kennelling service which were submitted by Knights Kennels Ltd and the annual service demand assumptions (collection of 200 dogs, boarding in kennels of 200 dogs for 7 days), the total annual price was £0.078m (£77,832), which exceeded the Council's revenue budget of £0.065m. Due to the fact that only one tender was received, an eAuction could not be undertaken. The Council carried out two meetings with Knights Kennels Ltd to discuss their submission and negotiate prices. Following these meetings, Knights Kennels Ltd submitted revised rates. The revised annual price is £0.065m (£65,632), which now meets the budget. Based on the 70:30 Price / Quality ratio, the tenderer got a **70%** total price score (out of a possible score of 70%).
- 2.5 The overall Most Economically Advantageous Tender (MEAT) score combining total quality score and total price score is **90.7%**.

### **3. Contracting Initiation and Performance Management**

- 3.1 All arrangements are in place for the contract to be ready for commencement. Given that the supplier already provides the service for the Council at full capacity, no additional arrangements are required to ensure successful start to the contract.
- 3.2 The tender specification sets out a list of Key Performance Indicators (KPIs) by which the success of the contract will be judged. The supplier is required to provide the Council with written monthly monitoring reports of tasks, which have been carried out in performing the service as well as performance against the KPIs.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

The Council does not award the contract:

This option was rejected, as the tender submitted by Knights Kennels Ltd achieves the original business objectives and meets the tender specifications, quality criteria and the Council's budget. Award of the contract will also allow the Council to fulfil its statutory duties.

### **PRE-DECISION CONSULTATION**

N/A

**Non-key Executive Decision**

**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Christina Zervou

Designation: Senior Public Protection Officer (Environmental Protection)

Signature:



Date: 26 September 2019

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

1. This report seeks approval to award a contract for the provision of a stray dogs collection and kennelling service (the "Services"). The relevant background is as set out within the body of this report and the appendices to it.
2. The Council has a general power under section 1 of the Localism Act 2011 to do anything that individuals generally may do including the matters set out in this report.
3. The Council has a duty under section 149 and 150 of the Environmental Protection Act 1990 to appoint an officer to discharge (or otherwise delegate) the functions imposed or conferred by the Act for dealing with stray dogs found in the borough.
4. Under paragraph 3.4 (Powers of Members of Second Tier Managers) of Part 3 [Responsibility for Functions] of the Council's Constitution, Second Tier Managers (those managers reporting directly to a Senior Leadership Team (SLT) Director) have delegated authority to award all contracts below a total contract value of £500,000 but above the EU Threshold for Supplies and Services (currently £181,302). The estimated value of the contract for five years is approx. £328,160.
5. The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. To satisfy this requirement, tenders were evaluated in accordance with CPR 18.4 against a pre-determined best price-quality ratio of 70% cost and 30% quality. Officers are content that the successful bid represents the most economically advantageous tender for the Council overall.
6. This decision is subject to the standstill period under the Public Contracts Regulations 2015. Once the contract is awarded publication of a Contract Award Notice should be placed in the Official Journal of the European Union (OJEU).
7. The Services contract will be concluded on, the Council's standard terms and conditions for the purchase of services, which were included in the tender pack.

Cleared by: Legal Services, on 18/09/2019

### FINANCIAL IMPLICATIONS AND RISKS

Based on the revised Pricing Schedule fees submitted by Knights Kennels Ltd, the highest annual contract value estimate is as follows:

Item	Highest Annual Contract Value Estimate (Pricing Schedule fees)
Service retainer cost	£32,032 (£88 per day)
Collection cost	£14,000 (£70 per dog)
Kennel boarding cost	£19,600 (£14 per dog per day)
<b>Total</b>	<b>£65,632</b>

The above costs have been calculated based on the following assumptions:

- Collection of 200 dogs per year.
- All dogs are collected outside normal office hours (i.e. 8am to 5pm) or weekends and bank holidays, when the maximum collection fee (£70 per dog) applies.
- Boarding in kennels of 200 dogs for 7 days per year.

Taking into account the last updated annual average figures for the last 4 years (2015/16 to 2018/19), the number of dogs collected per year is decreasing every year, with a significant drop in 2018/19, as shown below:

2015/16	2016/17	2017/18	2018/19
224	191	161	60

The above figures provide evidence that the number of dogs collected per year is very unlikely to reach 200 and that the annual contract value estimate has been based on a worst case scenario. Furthermore, some of the dogs will be collected on working days during normal office hours (8am to 5pm), when the collection fee would be £50 per dog and not £70. The actual annual costs for the service are therefore expected to be well below the Council's annual revenue budget, which is £0.065m.

Cleared by: Rita Bacheta, Finance Strategic Business Partner, on 20/09/2019

### HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no HR implications and risks associated with the contract award that impact directly on the Councils workforce, as the stray dogs collection and kennelling service is already provided by external supplier.

Cleared by: Geraldine Minchin, Strategic HR Business Partner, on 24/09/2019

### EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

### Non-key Executive Decision

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An Equality and Health Impact Assessment (EHIA) was undertaken as part of the previous Executive Decision, requesting approval of commencement of the tendering process. The proposed service was found to have a neutral impact on protected characteristics and positive impact on people's physical health, as it will protect the public from potential health risks or injury associated with stray dogs. The scope of service has not changed following the tendering process, as such a new EHIA is not considered necessary.

Cleared by: Vernal Scott, Corporate Diversity Advisor, on 18/09/2019

### **BACKGROUND PAPERS**

Checkpoint Report 2: Contract Award and Implementation

Tender Specification

Draft Contract Terms and Conditions



Non-key Executive Decision

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**


Proposal agreed

*Delete as applicable*

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name: Dipti Patel

Cabinet Portfolio held:

CMT Member title:

Head of Service title:

Other manager title:

Date: 18/10/19

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_