

# LONDON BOROUGH OF HAMMERSMITH & FULHAM

**Report to:** Councillor Sharon Holder – Cabinet Member for Public Realm

**Date:** 07/07/2023

**Subject:** Award of Body Collection Contract for Mortuaries Services

**Report author:** Christina Houghton, Coroner's Court & Mortuary Manager

**Responsible Director:** David Tatlow - Director of Law and Governance

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## SUMMARY

This report seeks approval for the award of a new contract for the provision of Body Collection Services by the London Borough of Hammersmith and Fulham which is the Lead Authority for the West London Area for coronial services. This award follows an open tender procurement exercise.

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## RECOMMENDATIONS

1. To approve that Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972 and in all the circumstance of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information and that Appendix 2 is not for publication on the basis that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings under Paragraph 5 of Schedule 12A of the Local Government Act 1972 and in all the circumstance of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
  2. To approve the award of a contract for the provision of Body Collection Services to Lodge Brothers Ltd for 5 years from 1st August 2023 for the sum of £512,625 with an optional extension for a further two years, bringing the total contract value to £717,675.
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**Wards Affected: All**

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<b>Our Values</b>	<b>Summary of how this report aligns to the H&amp;F Values</b>
Building shared prosperity	The procurement aims to minimise costs to LBH&F together with the 5 other boroughs – whilst delivering quality and performance.

Creating a compassionate council	The service is about dignity and efficiency together with care – at times of bereavement or crisis
Doing things with local residents, not to them	The service is about dignity and efficiency together with care – at times of bereavement or crisis
Being ruthlessly financially efficient	The procurement aims to minimise costs to LBH&F together with the 5 other boroughs – whilst delivering quality and performance.
Taking pride in H&F	The service is about dignity and efficiency together with care – at times of bereavement or crisis
Rising to the challenge of the climate and ecological emergency	10% of the total evaluation. 10% of the contract value to be SV proxy – including a move to non-fossil fuel vehicles.

## Financial Impact

The award of a contract for the provision of Body Collection Services to Lodge Brothers Ltd for 5 years from 1st August 2023 will cost £512,600.

An optional extension for a further two years is included, bringing the total contract value to £717,700.

The annual cost is £102,500 per year and is split between the 6 consortium members. The LBHF share is 12.18% or £12,500.

The LBHF share of the cost can be funded within the existing Coroners Service budget.

*Alex Pygram, Head of Finance, Corporate Services, 26th June 2023*

*Verified by Andre Mark, Head of Finance, 5<sup>th</sup> July 2023.*

## Legal Implications

This report recommends that the Council awards a contract for body collection services to Lodge Brothers Limited for £512,625.00. The contract is an above threshold regulated contract under the Public Contracts Regulations 2015 ('PCR'). The requirements of the PCR have been fulfilled by carrying out a full open procurement in accordance with the procurement strategy approved under a report dated 23rd February 2023. The tender documentation included award criteria which were duly applied. The highest scoring tenderer was Lodge Brothers Limited.

The decision maker needs to be satisfied that the Lodge Brothers tender is the most economically advantageous tender on the basis of the award criteria. This will secure compliance with the PCR and the Council's Contract Standing Orders.

The contract must be signed as a deed as it has a value of over £100,000 (CSO Appendix 1).

Since this award report concerns the award of contract in excess of £300,000 it is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website (CSO 21.7). The award decision cannot be implemented without the expiry of the call-in period for that decision as shown on the website and expiry of the Standstill Period (see Appendix 8).

The SLT Member is the appropriate decision maker under the Council's Contract Standing Orders (Appendix 4) provided the contract is a capital contract.

Additional legal implications are set out in a confidential Appendix 2.

*Angela Hogan, Chief Solicitor (Contracts and Procurement) 26th June 2023*

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### **Background Papers Used in Preparing This Report**

*None*

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## **DETAILED ANALYSIS**

### **Proposals and Analysis of Options**

1. Officers have undertaken an open tender procurement via the CapitalESourcing e-tendering portal. Two bids were submitted. The tenders have been evaluated and moderated by an officer panel. All bids were evaluated against a criterion of 60% quality and 40% price. Social Value was weighted at 10% of the total evaluation and 10% of the contract value for SV proxy – including a move to non-fossil fuel vehicles.
2. Following evaluation and moderation, it is recommended that Lodge Brothers Ltd be awarded the contract for the stated duration.
3. The alternative of not awarding a contract is not recommended as this is critical provision for the borough. The Council is the Lead Authority for the West London Area for coronial services and is, alongside 5 other London Boroughs, reliant upon this provision.

### **Reasons for Decision**

4. The Council is the Lead Authority for the West London Area for coronial services. Under the terms of a Service Level Agreement dated 20th November 2001, between H&F and the other Western District Boroughs (Hillingdon, Hounslow, Ealing, Richmond, and Kingston), H&F is responsible for the provision and administration of the Coroner's Service. This includes the management of expenditure and as such the procurement of any suppliers is the responsibility of this Authority.

5. The current contract which covers all 6 boroughs, expires in August 2023. The key driver for this procurement is our compliance with The Competition and Markets Authority (CMA) Order. From 17 June 2021, funeral directors may not:
  - Make payments to incentivise hospitals, palliative care services, hospices, care homes or similar institutions to refer customers to a particular funeral director.
  - Solicit for business through coroner and police contracts.
6. It is not permissible for the contracted Funeral Director to use the advantage of the contact on initial recovery of the deceased to solicit business as this creates unfair advantage and is anti-competitive as well as restricting choice for the bereaved.
7. Once the current contract expires there is no option to extend. The incumbent currently conducts the service at a nil charge to the borough. They have advised the Council that they will withdraw that offer and seek to charge. Hence, a procurement is required.
8. We were required to go out to the market to undertake a competitive tender process, in line with Contract Standing Order 19.1, in order to award a new contract and ensure the continued delivery of a high quality, value for money for the Coroner's service.

### **Equality Implications**

9. The provider is committed to eliminating discrimination and encouraging diversity, equality of opportunity and equal treatment for staff and service users. Provider will treat all people with dignity and respect, recognising the value of each individual. Providers must be committed to providing equal opportunities and to avoiding all forms of unlawful discrimination in service delivery and employment on grounds of race, sex, gender reassignment, marital status and civil partnership disability, age, sexual orientation, religion or cultural beliefs and pregnancy and maternity.

### **Risk Management Implications**

10. The report recommends awarding a contract for this service following competitive tender process. This is in line with the objective of being ruthlessly financially efficient. As H&F is responsible for the provision and administration of the Coroner's Service for six London boroughs, it is responsible for putting a contract in place to deliver the service.

*David Hughes, Director of Audit, Fraud, Risk and Insurance, 21 June 2023*

### **Climate and Ecological Emergency Implications**

11. *There are no climate and ecological emergency implications.*

## **Procurement implications**

12. The e tendering portal highlights the audit trail of the tender, and supports the recommendation of an award to Lodge Brothers Ltd. The signed contract will need to be added to the contract register and a contract manager assigned to track delivery.

*Sophie Uddin, Procurement Category Lead, 30 June 2023*

## **Local Economy and Social Value**

13. It is a requirement that all contracts awarded by the council with a value above £100,000 provide social value commitments that are additional to the core services required under the contract. These commitments must amount to at least 10% in value of the price of the contract proposed.
14. Social Value for this procurement was set at 10% as it went out to tender on the basis of the procurement strategy agreed prior to the Added Value changes which took effect from 1st April 2023. The Social Value offer from Lodge provides an annual social value commitment of £10,532, or 52,660 over a 5 year contract. This represents 10.3% proxy value of the contract. It is advised that contracts reflect the 5 year commitment.
15. It is advised that the project lead works closely with the council's Social Value Officer and the supplier to ensure appropriate delivery plans are in place to realise these commitments. It is advised that the commissioner works with Legal to ensure appropriate social value clauses are included in the contract, so that the council can enforce its right to compensation if social value commitments are not delivered.

*Oliur Rahman, Head of Employment and Skills, 30th June 2023*

## **LIST OF APPENDICES**

Exempt Appendix 1 – Technical and Commercial Scores

Exempt Appendix 2 – Additional Legal Implications