



London Borough of Hammersmith & Fulham

# Cabinet

7 FEBRUARY 2011

**LEADER**  
*Councillor Stephen Greenhalgh*

**PROCUREMENT AND MARKET TESTING  
PROGRAMME 2011-2014**

**Wards:**  
**All**

This report seeks approval to the Procurement and Market Testing Programme 2011-14.

**CONTRIBUTORS**

DFCS  
ADLDS

**Recommendations:**

1. That the benefits derived from the 2007-2010 Procurement & Market Testing Programme be noted.
2. That the 2011-14 Procurement and Market Testing Programme, attached as appendices 1-6 to this report, be agreed.

**HAS A EIA BEEN  
COMPLETED?  
YES**

**HAS THE REPORT  
CONTENT BEEN RISK  
ASSESSED?  
YES**

## **1. BACKGROUND**

- 1.1. On 19 March 2007, Cabinet approved the 2007-10 Market Testing Programme. The overall annual value of the work in the programme was in the region of £90m.
- 1.2. To date, 18 market testing projects have been completed including refuse collection, street cleansing, grounds maintenance, home care, civic and schools cleaning and school meals.
- 1.3. A lessons learnt exercise was undertaken of the Market Testing Programme in September 2009. It identified a number of benefits which are summarised below:
  - a) Most services have benefitted through improved specifications in place or through restructuring enhancing quality and value for money.
  - b) Projected MTFs savings of over £5M achieved by 2010/11.
  - c) Almost 700 staff have been transferred with their terms and conditions protected.
  - d) Range of positive and innovative project outcomes achieved.

## **2. PROCUREMENT AND MARKET TESTING PROGRAMME 2011-2014**

- 2.1 The proposed Programme is attached as Appendices 1 -6 and consists of market testing projects (including some shared services initiatives) and major renewals. It is intended to target up to 20-25% savings over three years on retendered contracts where possible. This will require early preparation and a detailed review of the specification to see how this can be reduced accordingly. It will also be necessary to identify the scope for collaboration with others to secure volume discounts, implement service transformation, reduce back office costs and undertake option appraisals.
- 2.2 As is the case currently, progress will be reviewed on a quarterly basis by the Council's Competition Board and reported to EMT.

## **3. SHARING SERVICES – THREE BOROUGHES**

- 3.1 A joint statement regarding the sharing of services between the three Councils was issued by Cllr Stephen Greenhalgh, Leader, Hammersmith and Fulham Council, Cllr Colin Barrow, Leader, Westminster City Council, and Cllr Sir Merrick Cockell, Leader, Royal Borough of

Kensington and Chelsea. This followed the CSR statement, launching a project to merge services with plans to be agreed by February 2011.

- 3.2 Initial work to merge Childrens Services is already under way and three other areas - namely adult social care, environmental services and corporate services - are being considered for merging of services where there is a clear business case for doing so. There will be a report back in February 2011 with recommendations for action.
- 3.3 Given this steer, it is important that all market testing exercises and major tenders consider the scope for collaboration with Westminster and Kensington and Chelsea Councils at an early stage of the process. This should be addressed in the options appraisal and business case. This has already started on the Passenger Transport Market Testing exercise, where all three boroughs have formed a steering group to consider a joint contract which will deliver increased benefits as a result of collaboration.
- 3.4 In addition, officers are working closely with colleagues in Westminster and Kensington and Chelsea Councils regarding a collaborative approach on insurance, including a shared back office service. The preferred approach is to extend some of the Council's existing arrangements to March 2012, which ties in with the other two Councils, and then chose the best option for the three Councils concerned for procuring insurance - which could include joining a mutual, setting up a framework agreement or joining a local authority consortium. The collaborative approach will provide better value for money for the three Councils concerned and efficiencies through sharing back office services. Officers are currently talking to existing suppliers on terms for the extension and a report will be submitted to Members in due course.

#### **4. CONTRACT MANAGEMENT ARRANGEMENTS**

- 4.1 To ensure that proportionate contract management arrangements are in place before letting a contract, departments will outline these together with cost implications in relevant options appraisal reports prior to commencing any tendering process. The scope for shared contract management arrangements as part of the three borough initiative will also be considered.

#### **5. IMPLEMENTATION**

- 5.1 Departments will set up review teams to support implementation of individual projects as appropriate drawing on support from the Corporate

Procurement Team, HR, Legal Services and external consultancy expertise where required. The Market Testing toolkit identifies the process to be adopted and includes the key lessons learnt from previous Market Testing exercises which will be adhered to.

- 5.2 Where possible, officers will expedite implementation at the earliest opportunity to secure service delivery improvements and maximise savings.

## **6. RISK MANAGEMENT**

- 6.1. Market Testing risks have been identified on the Council's corporate risk register, risk number 11. Each risk area associated with the Market Testing programme is discussed periodically at the Council's Competition Board. Currently, there is an escalating risk of legal challenge on contract awards that demonstrate the increasing appetite of unsuccessful bidders; this is noted separately on the procurement and Finance Department risk registers.

## **7. EQUALITY IMPLICATIONS**

- 7.1 Most projects contained in the Procurement and Market Testing Programme will have equality implications for the services affected and it is important these are addressed on a case by case basis throughout the service review, tendering, implementation and contract management cycle.

## **8. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

- 8.1 The Market Testing programme is a key driver for delivering the Council's Medium Term Financial Strategy.

## **9. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 9.1 The Assistant Director (Legal and Democratic Services) has been consulted on the contents of this report and supports the recommendations.

**10. COMMENTS OF THE ASSISTANT DIRECTOR, PROCUREMENT AND IT STRATEGY**

10.1 The AD, Procurement & IT Strategy has been involved in the preparation of this report and supports the recommendations.

**11. COMMENTS OF THE ASSISTANT DIRECTOR, HUMAN RESOURCES**

11.1 The Assistant Director (Human Resources) supports the recommendations and highlights the importance of complying with TUPE and staff consultation requirements.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of Holder of File/Copy</b>	<b>Department/ Location</b>
1.	All background papers.  Contracts Register	Francis Murphy Head of Procurement (x 2211)	Finance and Corporate Services, Procurement & IT Strategy Division' Room 10, Hammersmith Town Hall, King Street,W6 9JU

## Appendix 1 – Childrens’ Services

### Market Testing Programme 2011/14

<b>Contract/Service Area</b>	<b>Est. Annual Value</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact</b>	<b>Project Lead</b>
Passenger Transport	£2.6M (H&F)	TBA pending three borough discussions.	5-7 years	Agreement has been reached to place an OJEU notice in January 2011. The scope of the work will extend beyond 3 borough working and allow an extension to West London Authorities. The contract is to be awarded in September 2011 for February 2012 commencement	To be confirmed	Gill Sewell
Services for Schools	Current turnover £2m	TBA pending three borough discussions.	TBC	The key drivers of the proposed education merger are:  To commercialise buy-back (traded) services cross-borough so that revenue outstrips costs and aims to double income by 2014  To develop a special purpose vehicle for the traded services	Transfer of Traded Services relating to schools into an ALMO/Social Enterprise - expectation of premium from the private sector of a min £125k p.a. rising to £375k by year 3	Andy Rennison/ Ian Heggs
Youth Offending	£1.9m	September	n/a	Youth Offending Service to be integrated in 3 borough working by Sept 2011. Key feature will be central management and cross-borough working on	Contributing to £1m target for merger of Children’s Services	Gill Sewell

<b>Contract/Service Area</b>	<b>Est. Annual Value</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact</b>	<b>Project Lead</b>
				<p>courts team with local delivery models.</p> <p>Consideration for the future delivery model of the teams will be considered at a later date</p>		
Integrated Youth Commissioning	£1.3m	Sept 2011	N/A	<p>Youth commissioning is to be centralised and then new ways of working are to be explored within the 3 boroughs, and the PCT.</p> <p>The use of schools and other contractors to deliver a range of youth services will be maximised.</p>	To be confirmed	Carole Bell & Gill Sewell
Early Years and Childcare	£0.4m	1 <sup>st</sup> April 2011	6-12 months	Mixed provision and exploring future options. A variety of initiatives including: extension of charging, joint services with Westminster and developing a package of social enterprise support for providers in the sector	To be confirmed	Gill Sewell
Children's Social Care - Fostering	£4.1m	Sept 2011	N/A	<p>Considering Future Direction. Exploring possibilities for a shared service with Westminster &amp; RBKC</p> <p>Initial talks between the three</p>	To be confirmed	Peter Houghton & Steve Miley

Contract/Service Area	Est. Annual Value	Contract Start	Contract Duration	Comments	MTFS Impact	Project Lead
				<p>LAs have identified a number of opportunities in merging fostering and adoption services. There are three broad areas where efficiencies could be achieved:</p> <ul style="list-style-type: none"> <li>• sharing management;</li> <li>• amalgamating specific functions - e.g. training for foster carers and recruitment, panels; and</li> <li>• sharing foster carers</li> </ul>		
Children's Social Care - Residential Children's Services	£7m (£3.6m P&V, £3.4m Semi-Independent)		N/A	Considering Future Direction. Leading on development of a shared solution with Harrow, Hounslow, Westminster and Wandsworth	To be confirmed	Peter Houghton & Steve Miley
Commissioning, Planning and Performance - Connexions	£0.8m			Considering Future Direction. The situation has been complicated by future changes in the responsibility for the delivery of the service. The council is currently in discussion with the current provider over a short-term extension to the existing contract	£175k to be reviewed	Carole Bell



### **Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Catering Management Services For Schools	£19.4m	04/11/2012	Option to extend for one or two years	Eden Food Services Ltd	Lynne Richardson
Connexions Universal Services	£4.3m	10/08/2011	Original expiry date 10/08/2009. Optional 2 year extension taken	CFBT Education Trust	Sailesh Devani
Young people leaving care high support	£1.9m	14/02/2013		London Cyrenians Housing Ltd	John Maggs
Taxi & Private Hire Vehicle	£1.5m	04/01/2013	No Extension clauses	Various	
Young people leaving care - Medium Support	£860k	14/02/2013		London Cyrenians Housing Ltd	John Maggs
Leaving care - medium support	£694k	28/02/2013		Notting Hill Housing	John Maggs
Children's Centre Service Delivery	£610k	31/03/2011		Normand Croft Early Years Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Randolph Beresford Early Years Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Flora Gardens Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Masbro Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Melcombe Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Old Oak Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Wendell Park Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£610k	31/03/2011		Rouzanna Children's Centre	Mike Gilleran
Central London Community Healthcare Speech and language Therapy Service	£421k	31/03/2011		Central London Community Healthcare	Caroline Osborne
Children's Centre Service Delivery	£304k	31/03/2011		Bishops Park Children's Centre	Mike Gilleran

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Children's Centre Service Delivery	£204k	31/03/2011		Fulham Central Children's Centre	Mike Gilleran
Children's Centre Service Delivery	£204k	31/03/2011		New Kings Children's Centre	Mike Gilleran
Out of School Childcare	£195k	31/03/2013		Addison Primary	Caroline Osborne
Parenting Expert service	£185k	31/03/2011		Central & North West London (CNWL) Mental Health Trust	Emma Sleight
Substance misuse treatment	£165k	31/03/2011		Turning Point (Services) Ltd	Emma Sleight
Think Family -YCAP	£140k	31/03/2011	Original expiry date 10/08/2010. Optional 1 year extension taken	Family Action	Larry Wright
Development of physical activities	£121k	31/03/2011		Active Planet	Mark Gilleran
Development of a Forest School	£100k	31/03/2011		Randolph Beresford Early Years Centre	Michael Pettavel

## Appendix 2 – Community Services Department

### Market Testing Programme 2011/14

<b>Contract/Service Area</b>	<b>Est Annual Value</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact</b>	<b>Project Lead</b>
Options Day Service ( people with learning Disabilities)	£750k	tba	tba	have started options appraisal	tba	Kay Fisher
Coverdale Residential Care Home( learning disabilities	£300k	tba	tba	have started options appraisal	tba	Kay Fisher
Rivercourt Residential Care Home( respite care for PWLD)	£300k	tba	tba	have started options appraisal	tba	Kay Fisher
Floating support service (PWLD)	£600k	tba	tba	have started options appraisal	tba	Kay Fisher
Ellerslie Day service ( people with mental health needs)	Tba	tba	tba	tender documents being prepared	tba	Tim Lothian
Tamworth residential project for people with Mental health Needs	£300k	Apr-11	tba	tender documents being prepared	tbs	Tim Lothian

### **Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Multi Disciplinary Floating Support	£2.4m	31/05/2012		Family Mosaic Housing	Paulo Borges
Broadway Single Homeless Core and Cluster	£2m	30/06/2013	1+1 to 30/06/2015 available	Broadway Homelessness & Support	Paulo Borges
Shepherds Bush Rd, Weltje Rd, Hammersmith Grove	£1.9m	14/02/2013		London Cyrenians Housing Ltd	Paulo Borges
Buffy House, Rivercourt	£1.2m	14/03/2013	1+1 to 14/03/2015 available	Centrepont	Paulo Borges
Lookahead Housing & Care - Nia and Kwanza	£1.2m	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Look Ahead Housing and Care Ltd	Khuram Abbas
Mind 34-36 Irving Rd	£1.2m	30/11/2012	1+1 to 30/11/2014 available	Hammersmith & Fulham MIND	Paulo Borges
Acton Care Centre	£1.1m	01/03/2013		Catalyst Housing Group	Kay Fisher
SH Floating Support (VIP)	£1.1m	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Look Ahead Housing and Care Ltd	Khuram Abbas
Gospel Hall	£1.0m	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Look Ahead Housing and Care Ltd	Khuram Abbas
Housing Related Support	£930k	30/09/2013		Sagecare	Paulo Borges
Broadway – Market Lane	£900k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Broadway Homelessness & Support	Khuram Abbas
MIND Medium support	£880k	31/03/2011	1+1 to 31/03/2015 available	Hammersmith & Fulham MIND	Paulo Borges
Shepherds House	£850k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	London Cyrenians Housing Ltd	Khuram Abbas
Sir Oswald Stoll Mansions	£714k	30/11/2012		Sir Oswald Stoll Foundation	Khuram Abbas
Supporting People Housing Support Contract	£690k	30/12/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	London Cyrenians Housing	Khuram Abbas

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Accommodation based service for YP leaving care and at risk	£669k	28/02/2013	1+1 to 28/02/2015 available	London Cyrenians Housing Ltd	Mr Paulo Borges
St Christopher's Assessment Centre	£666k	16/05/2013	1+1 to 16/05/2015 available	St Christopher's Fellowship	Mr Paulo Borges
Broadway Substance Misuse Core and Cluster	£624k	30/06/2013	1+1 to 30/06/2015 available	Broadway Homelessness & Support	Mr Paulo Borges
Broadway - 160 Coningham Road	£610k	17/02/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Broadway Homelessness & Support	Khuram Abbas
44 Seddlescombe Rd, 73 Brackenbury Rd, 43 Bassein Park	£583k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Yarrow Housing Ltd	Khuram Abbas
Learning Disability Floating Support	£533k	30/11/2012	Original expiry date 30/06/2010. Optional 2 year extension taken	Look Ahead Housing and Care Ltd	Khuram Abbas
Accommodation based service for YP leaving care and at risk	£497k	14/03/2013	1+1 to 14/03/2015 available	London Cyrenians Housing Ltd	Christine Baker
Domestic Violence FS Service	£456k	30/04/2013	option to extend for a further 2 years to 30/04/2015	Shepherds Bush Housing Group	Paulo Borges
Edgar Right Court - MH	£448k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Hestia Housing & Support	Christine Baker
Spring Cottage – Teenage parents	£411k	31/11/2011		London Cyrenians Housing Ltd	Christine Baker
Supporting People Housing Support Contract – 106 Lakeside Road	£398k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Hestia Housing & Support	Khuram Abbas
Accommodation based service for YP at risk and leaving care – Masbro Road	£347k	14/03/2013		London Cyrenians Housing Ltd	Paulo Borges
229 King St	£235k	04/01/2014	1+1 to 04/04/2016 available	Broadway Homelessness & Support	Paulo Borges

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Supporting People Housing Support Contract - Pocklington Lodge	£233k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Thomas Pocklington Trust	Khuram Abbas
Supporting People Housing Support Contract – 27 Lena Gardens	£178k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	London Cyrenians Housing Ltd	Khuram Abbas
Supporting People Housing Support Contract - 53 Moore Park Road	£178k		Original expiry date 30/11/2010. Optional 2 year extension taken	Hestia Housing & Support	Khuram Abbas
Supporting People Housing Support Contract – 240 Goldhawk Road	£174k	30/11/2012	Original expiry date 30/11/2010. Optional 2 year extension taken	Hestia Housing & Support	Khuram Abbas
Supporting People Housing Support Contract - 1 Stowe Road	£168k	31/11/2011		Shepherds Bush Housing Association	Khuram Abbas

### Appendix 3 – Environment Services

#### Market Testing Programme 2011/14

<b>Contract/Service Area</b>	<b>Est Annual Value</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact</b>	<b>Project Lead</b>
Borough Construction N (Now Works Practice within BTS) = Mechanical and Electrical Maintenance to Housing and Non Housing properties.	£1.75m	April 2011	TBC	Re-procurement of this contract is underway. The existing arrangements with the in-house service will continue until the new contract is awarded	0	M McDonald-Khan
Building Control	£1m	N/A	N/A	Considering Future Direction. Salford City council's Building Control and Planning function is run by Capita, although it's not clear as to the extent of a wider market in this area. Will also be considered as part of 3 borough working	0	M McDonald-Khan
Facilities Management	£0.8m	TBC	TBC	Awaiting decision on Direction Will be considered as part of 3 borough working	0	M McDonald-Khan
Building Technical Service	£4.4m	TBC	TBC	Mixed. Non-Housing services have been out-sourced to EC Harris whilst in-house staff service the Decent Homes Programme and other housing works.  Discussions are ongoing with HF Homes over the size of team required post Decent Homes.	0	M McDonald-Khan

Contract/Service Area	Est Annual Value	Contract Start	Contract Duration	Comments	MTFS Impact	Project Lead
				Options for the short term in-house delivery of this service are being considered. In the medium term, market –testing of the service will be reviewed.		
Valuation	£1m	N/A	N/A	In-house but keep under review. 2 previous attempts to outsource the service have foundered on costs	0	M McDonald-Khan
Highways & Engineering Services	£5m	TBC	TBC	The division provides a range of services including Network management and Engineering Services. The division operates a mixed service delivery, which is kept under continual review, but the majority of Engineering work is delivered through in-house staff, whilst Highways works are delivered through external companies. Street Lighting is being market-tested during 2011-12.	£200k	Graeme Swinburne
Parking Control	£3m	TBC	TBC	Sharing Services with RBK&C. Legislation requires that much of the back-office work in relation to the processing of Penalty Charge Notices is carried out directly by Councils.  The Service has been exploring a shared service option with RBKC with the support of Capital	0	Graeme Swinburne



Contract/Service Area	Est Annual Value	Contract Start	Contract Duration	Comments	MTFS Impact	Project Lead
				<p>Ambition.</p> <p>Recent examination of the model adopted by LB Islington has indicated that much of this work could be carried out by directly employed officers based outside of London without a significant risk to quality of service</p> <p>An Options Appraisal is being prepared for Feb-March 2011</p>		
Planning Division	£3m	N/A	N/A	<p>Considering Future Direction. Salford City Council's Building Control and Planning function is run by Capita, although it's not clear as to the extent of a wider market in this area.</p>	0	Nick Austin

### **Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Term Contract For Paving Works	£30m	31/03/2014		FM Conway Ltd	Mark Hodgson
Civic & Education Cleaning Contract	£8m	04/01/2012	The Contract has provision for two annual extension available to 01/01/2014	Turner Industrial Cleaning Services Systems (Stevenage) Ltd	Fidelis Griffith
Removal of vehicles & provision of vehicle pound	£4.9m	31/05/2011	1+1 to 31/05/2013 available	Ontime Parking Solutions	Liam O'Neill
Responsive Repairs - Non Housing	£3.5m	31/07/2012		Kier Support Services Ltd	Mike Cosgrave
Gully Cleansing, Repairs and Sewer Connections	£3m	31/03/2014		Ringway Infrastructure Services Ltd	Mark Hodgson
Maintenance of pay & display machines	£2.4m	31/03/2011		Metric Group Ltd	David Taylor
Parking & Display machines: Cash Collection	£2.2m	31/08/2014		RB Kensington & Chelsea	David Taylor
Responsive Repairs and Maintenance to Non-Housing Properties	£2.1m	31/07/2012		Kier Building Maintenance	Mike Cosgrave
Lift Maintenance for Borough wide Housing Properties (Fulham area) 2003-08 (Contract 1). LBHF & HF Homes Ltd	£2m	11/09/2011	Original expiry date 11/09/2008. Optional 3 year extension taken	Key Elevators Ltd	Danny Reynolds
Lift Maintenance for Borough wide Housing Properties (Hammersmith area) 2003-08 (Contract 2). LBHF & HF Homes Ltd	£1.9m	11/09/2011	Original expiry date 11/09/2008. Optional 3 year extension taken	Thyssenkrupp Elevator Uk	Danny Reynolds
Non-half hourly quarterly billed 842 sites. LBHF	£1.9m	31/03/2014	Original expiry date 31/08/2008. Optional 6 year extension taken	London Energy PLC	Vassia Paloumbi
Provision of Penalty Charge Notice software & associated services	£1.6m	01/12/2011	Option to renew for 5 years	TSMP	David Taylor
Day-to-day Breakdown Repairs & Maintenance of Door Entry & CCTV	£1.5m	08/10/2011	Original expiry date 08/10/2008. Optional 3	Access Communications Ltd	Danny Reynolds

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Systems within Housing Properties 2003 - 2008. LBHF and HFHMS			year extension taken		
Mechanical maintenance (Measured Term Contract) No.3 Specialist properties	£1.5m	31/03/2011	Original expiry date 31/03/2008. Optional 3 year extension taken	Dalkia Energy	Mike Fatyga
Fire Alarm and Emergency Lighting	£1.4m	30/06/2013		Novar Systems Ltd	Mike Fatyga
Risk assessment & remedial works on water systems	£1.1m	28/02/2011	Original expiry date 28/02/2008. Optional 3 year extension taken	Clearwater Technology Ltd	Mike Fatyga
Valuation and Property Services Consultants	£835k	22/01/2012	Original expiry date 21/01/2010. Optional 2 year extension taken	Lambert Smith Hampton	Miles Hooton
Electrical Portable Appliance Testing in all Non-Domestic Council Buildings	£758k	31/08/2012	Original expiry date 31/08/2010. Optional 2 year extension taken	PHS Compliance	Mike Fatyga
Contract One - Domestic Gas Appliances	£723k	31/12/2012		P H Jones	Alan Martin
Contract Two - Domestic Gas Appliances	£665k	31/12/2012		P H Jones	Alan Martin
Contract Four - Domestic Gas Appliances	£607k	31/03/2012		Robert Heath Heating Ltd	Alan Martin
Contract Three - Domestic Gas Appliances	£606k	31/12/2012		Robert Heath Heating Ltd	Alan Martin
Lift Maintenance Borough-wide Contract (Non-housing Properties) 2003-08 (Contract 3)	£597k	31/08/2011	Original expiry date 11/09/2008. Optional 3 year extension taken	Key Elevators Ltd	Danny Reynolds
Street Tree Maintenance	£450k	31/03/2011		Glendale Countryside Ltd T/A Civic Trees	Jonathan Addis
Periodic Testing and Inspection of Existing Electrical Services	£400k	30/06/2012		PHS Compliance	Mike Fatyga
Housing Asbestos Register	£400k	01/03/2011		Ayerst Environmental Ltd	Andrew Longhurst
Electricity Meter Operator Services (all sites). LBHF	£350k	31/03/2014		ECS and LASER	Ms Vassia Paloumbi
Fire Fighting Equipment	£304k	31/01/2012		Kidde Fire Protection Ltd	Keith Rouse
Catering Maintenance Contract	£222k	31/03/2012	Original expiry date	First In Service Ltd	Tony Gardner

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
			31/03/2009. Optional 3 year extension taken		
General Office Furniture	£175k	30/09/2012		Kinnarps	Mike Cosgrave
Supply of PCN rolls & carriers	£105k	30/06/2013		Liberty Printers	Osagie Ezekiel

## Appendix 4 – Finance and Corporate Services

### Market Testing Programme 2011/14

<b>Contract/Service Area</b>	<b>Est Annual Value £000</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact £000</b>	<b>Project Lead</b>
H&F News	1077	May 2012	TBA	Underway	-150	Simon Jones
HR Services	TBA	Jan 2013	TBA	Project team to be set up	-210	Debbie Morris
H&F Direct (to be integrated with single benefit assessment and DWP)	TBA	TBA	TBA	Project team to be set up	TBA	John Collins
Corporate Finance (following WCFM Phase 2)	TBA	April 2013	TBA	Project team to be set up	TBA	Hitesh Jolapara

NB HR share of £500k in 2013/14 is £350k. HR already brought forward £140k, so balance to find for 2013/14 is £210k

**Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Framework Agreement for the Provision of Printing & Related Services Lot1 - Litho printing (up to 4 colour/SRA 1)	£4m	17/08/2012		Various	Peter Kiberd
Leased/Mortgaged Buildings Insurance	£3.1m	31/03/2011	Two annual extensions available of 1 year each to 31/03/2013	Aspen Insurance Holdings Ltd	Russell Davies
Framework Agreement for the Provision of Printing & Related Services Lot 2 - Litho printing (up to 2 colour/SRA 3)	£2.5m	17/08/2012		Various	Peter Kiberd
Office Stationery. LCSG	£1.5m	31/03/2014		Office Depot	Geoff Sorrell
Variable data printing	£1.5m	31/03/2013	Two annual extensions available of 1 year each to 31/03/2015	Financial Data Management Ltd	Louise Raisey
Pension Fund Administration*	£1.4m	30/09/2011		London Pension Fund Authority	Les Green
Insurance liability	£1.2m	30/06/2011	Two annual extensions available of 1 year each to June 2013	Zurich Municipal Insurance	Russell Davies
Internal Audit Services**	£1.1m	31/03/2011		Deloitte & Touche LLP	Geoff Drake
Terrorism Insurance	823k	30/06/2011	Two annual extensions available of 1 year each to 31/03/2013	Zurich Municipal Insurance	Russell Davies
VNMS Agency Staff	£750k	01/03/2011	Original expiry date 01/03/2009. Optional 2 year extension taken	Hy-phen Workforce Management Solutions	Val Ayton
Framework Agreement for the Provision of Printing & Related Services Lot 3 - Web offset printing	£600k	17/08/2012		Various	Peter Kiberd

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Banking Services	£478k	31/03/2012	1+1 Option to extend to 31/03/2014	NatWest	Rosie Watson
Motor Insurance	£397k	30/06/2011	Two annual extensions available of 1 year each to 31/03/2013	Aviva Insurance Limited	Russell Davies
Insurance - Commercial Leaseholder's	£329k	30/06/2011	Two annual extensions available of 1 year each to 31/03/2013	Zurich Municipal Insurance	Russell Davies
Engineering inspection cover	£187k	30/06/2011	Two annual extensions available of 1 year each to 31/03/2013	HSB Engineering	Russell Davies

~ Pensions Administration savings of £50k will go to the Pension Fund

\*\* The total Internal Audit saving is £60k on contract negotiation, £50k by reducing service overheads

**Appendix 5 – Residents Services**

**Market Testing Programme 2011/14**

<b>Contract/Service Area</b>	<b>Est Annual Value £000</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact £000</b>	<b>Project Lead</b>
Corporate Out of Hours Service		April 2011	6 years	Cabinet agreed to transfer service to HFBP		D Page
Tennis delivery (coaching/management of courts)	150	April 2011	21 years	Underway Finalising tender documents	55	M Hainge / C Bunting
Hammersmith All Weather Pitch	0	Feb 2012	30 years+	OPQQ closed. Shortlisting currently, collating references, competitive dialogue starts at end of Jan 11	50	M Hainge
Fulham Palace	119		In perpetuity	Outsource to Fulham Palace Trust. Annual value represents Council's annual contribution to FPT. Unlikely to achieve £50k MTFS efficiency in year 1	50	D Page
	700	tba	n/a	To be reviewed  Previously market tested in 2007. To be	Tbc	D Page



Security				tested again in 2012/13 as part of FM package		
				To be reviewed		
				Potential to incorporate into existing Waste Management contract once staffing review complete (currently underway). Reorg expected to be concluded by end March 11		
Clinical Waste	190	tba	n/a		30	M Hainge
				To be reviewed following conclusion of Passenger Transport Review. NB A detailed timetable and project plan using the Competitive Dialogue is in the process of being produced and the commencement of the contract will be September or November 2011.		
Transport Maintenance and fleet management	TBC	tba	n/a		50	M Hainge

**Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Contract/Service Area</b>	<b>Est. Total Value</b>	<b>Expiry Date</b>	<b>Extension Options</b>	<b>Current Supplier</b>	<b>Contract Manager</b>
Phoenix leisure	£2.4m	31/03/2013		Greenwich Leisure Ltd	James Budkiewicz
School bus service - home to school and school to home	£2.2m	01/07/2011	Original expiry date 01/07/2009. Optional 2 year extension taken	London Hire Ltd	Dave Newman
Vehicle hire to CHS for day centre transport	£670k	01/07/2011	Original expiry date 01/07/2009. Optional 2 year extension taken	London Hire Ltd	Dave Newman
Hammersmith Fitness and Squash Centre and Lillie Rd	£462k	31/01/2014	Optional 5 year extension	Greenwich Leisure Ltd	James Budkiewicz
Outreach Service for Rough Sleepers and associated street activities	£449k	31/03/2011		Thames Reach	Richard Vernon
Maintenance Term Contract - CCTV	£340k	31/12/2011		Chroma-Vision Ltd	Adrian price
Vehicle hire for Council's Meals on Wheels service	£150k	06/07/2011	Original expiry date 06/07/2010.	London Hire Ltd	Dave Newman
Fulham Palace Restaurant and catering contract	£132k	30/04/2012		Create Food and Party Design	Scott Cooper

**Appendix 6 – Housing Revenue Account**

**Market Testing Programme 2011/14**

<b>Contract/Service Area</b>	<b>Est Annual Value</b>	<b>Contract Start</b>	<b>Contract Duration</b>	<b>Comments</b>	<b>MTFS Impact</b>	<b>Project Lead</b>
				Potential consolidation of existing contracts (included in the section below) and repairs management activity.		
Repairs	18,000,000	2011/12	tbc		HRA - tbc	Paul Hopkinson
Estate Services	4,600,000	2011/12	tbc		HRA - tbc	Paul Hopkinson
Housing Management	5,700,000	2013/14	tbc		HRA - tbc	Orla Gallagher

**Major Contract Renewals (Over £100K) due to expire by 2014**

<b>Title</b>	<b>End Date</b>	<b>Suppliers</b>	<b>Total Value</b>	<b>Annual Value</b>	<b>Contact</b>
Repairs (North)	Sep-12	Kier BM	17,500,000	3,500,000	Paul Hopkinson
Repairs (South)	Oct-13	Willmott Dixon	15,000,000	3,000,000	Paul Hopkinson
Voids	Oct-13	Willmott Dixon	25,000,000	5,000,000	Paul Hopkinson
Gas Servicing (North)	Mar-12	P H Jones	6,500,000	1,300,000	Paul Hopkinson
Gas Servicing (South)	Mar-12	R Heath	5,000,000	1,000,000	Paul Hopkinson
Asbestos (Minor Works & Register)	Feb-11	Ayerst	2,500,000	500,000	Paul Hopkinson
Legionella Survey/testing	Feb-11	Clearwater	900,000	300,000	Tony Gardner
Lifts (North)	Sep-11	Thyssenkrupp	2,050,000	410,000	Danny Reynolds
Lifts (South)	Sep-11	PDERS	1,900,000	380,000	Danny Reynolds
Controlled Access Maintenance	Oct-11	OCS	1,450,000	290,000	Danny Reynolds
Fire Alarms/Emergency Lighting	Jun-12	Novar	1,350,000	270,000	Mike Fatyga
Heating Equipment	Mar-11	BPM	3,300,000	660,000	Danny Reynolds