

Telephone: (0114) 273 5794

Email: ben.curran@sheffield.gov.uk

Your reference:

Our reference: BC/petitiong4s

Date: 4 August 2014

[REDACTED]  
[REDACTED]  
SHEFFIELD  
[REDACTED]

Dear [REDACTED]

Thank you for your petition received at council on 2 July 2014 and public questions that were asked at that meeting.

At Full Council, I said that Sheffield City Council did not have any contracts with G4S. That was the information I had been given at that time.

Regrettably, I was misinformed. The council do have some small amounts of expenditure with G4S. This breaks down as follows:

- 1 A cash collection service for school meal/milk cash collection. This costs £36k.
- 2 Key holding services. This costs circa £35k and expires in March 2015.
- 3 There is a mixture of other ad-hoc security work for things like city centre events which the council has spent £20k on in total.

Sheffield City Council intends on pulling the key holding and security elements of this together into one tendered service. This tender process will begin in January 2015 and we envisage that the framework will be effective from September 2015. Obviously, this will involve open competition and providers in the market beyond G4S will be invited to take part.

We are also tendering the cash collection service in a similar way and expect that process to be completed by February 2015.

At Full Council, a question was asked about whether our contractor's sub-contractors used G4S. Our major contractors have confirmed that they do not use G4S in their supply chains on an Sheffield City Council related activity – which means that no Sheffield city Council money is going to G4S via our main contractors. This includes Capita, Veolia, Kier and Amey.

There are thousands of suppliers on the council books and it is not reasonably possible to co-ordinate asking each of them and collating their responses. However, we are confident that none of the smaller contractors and suppliers of services do either as the spend is small with little scope to outsource elements to other companies or because it is highly unlikely that G4S operate in those areas.

Sheffield  
City Council



Cabinet Member for Finance and  
Resources and Councillor for  
Walkley Ward

Town Hall  
Sheffield  
S1 2HH

2

4 August 2014

On the wider point of G4S involvement in future contracts, the legal advice we have taken confirms that the council could not prevent G4S or any other organisation from bidding for council work explicitly. The Public Contract Regulations 2006 only allow a bidder to be declared ineligible during a particular procurement process, not as part of a general policy. To do so would most likely lead to the council being in breach of its legal duty to treat bidders equally and fairly.

Obviously, as a public body, Sheffield City Council is bound by both UK and European law in the way we procure our contractors. This allows for bidders to be regarded as ineligible for a number of reasons. The council already makes extensive checks on its prospective contractors to the extent permitted by the current law. This includes:


- payment of taxes in either the UK or the relevant State in which the operator is established
- conspiracy
- corruption
- bribery
- fraud
- concealing documents
- money laundering.

This together with a range of other offences permits us to exclude organisations from a bidding process for gross misconduct. This is done via a pre-tender questionnaire. We also check technical or professional ability via past performance, as well as economic and financial viability.

We are looking at our framework and will endeavour to tighten the process where we can. As I said in response to the petition, we will review the framework through which contracts are awarded and will involve you in that process.

There is also proposed EU legislation which should be in place later this year which would allow bidders to be excluded where they have "shown significant or persistent deficiencies in the performance of a substantive requirement under a public contract". We shall then make sure we assess bidders against this ground of exclusion as well.

Yours sincerely



**Councillor Ben Curran**  
**CABINET MEMBER**

cc: Mr J Turner – Democratic Services