

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker</b>	Buildings, Land and Procurement Panel
<b>Date of Decision</b>	23 March 2010
<b>Decision Title</b>	Corporate Procurement and County Supplies Contracting Activity 2010/11
<b>Decision Reference</b>	1301
<b>Report From:</b>	Director of Property Business and Regulatory Services

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### EXECUTIVE SUMMARY

#### 1) Executive Summary

- 1.1. This report seeks approval for the expected programme of contracting activity to be undertaken by the Corporate Procurement and County Supplies (CPCS) Team, within Property, Business and Regulatory Services for the period to September 2011.

#### 2) Contextual Information

- 2.1 Corporate Procurement and County Supplies undertakes contracting activity on behalf of the County Council and external customers and partners in accordance with the County Council's contract standing orders and, where appropriate, the European Union Procurement Directives.
- 2.2 The majority of these contracts are for routine common use goods and services which are made available across the County Council and external customers. Specialist contracting work for individual departments, establishments and external customers is also undertaken as and when identified, including single site contracts for grounds maintenance, cleaning and catering.
- 2.3 The overall value of spend against the procurement exercises undertaken by the CPCS Team has continued to grow strongly and in 2009/10 was well in excess of £20 million. Against these contracts, cashable efficiencies of some £620,000 for corporate departments and schools have been identified for 2009/10. This total excludes the very substantial gains delivered in relation to the Council's Voice and Data Network and the supply of electricity.

#### 3 Key Issues

- 3.1 The planned programme of contracting activity for 2010/11 covers the next 18 months to September 2011. The programme includes nearly 200 individual contracts with a total annual value of over £60 million (including expenditure by external customers).

- 3.2 Most of these contracts are not linked to specific one-off purchases or projects, but are framework arrangements that will provide for the ongoing routine goods and services requirements of a large number of individual budget holders. Therefore, the contract values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders.
- 3.3 Around one third of the contracts relate to site specific arrangements for cleaning and catering or are contracts made on behalf of external customers only. Following consultation with suppliers, the team also plans to let master framework contracts for catering for the first time, which will be a more efficient procurement process for the County Council and contractors. External customers requiring site specific contracts will have the option to access these frameworks to appoint contractors, using a 'mini-competition' process.
- 3.4 A number of the arrangements described in this report refer to the Central Buying Consortium (CBC) and Eastern Shires Purchasing Organisation (ESPO), which are local authority purchasing consortia. The County Council is a member of the CBC and in line with the national collaborative agenda, the CBC is forming closer working relationships with other consortia, known collectively as "Pro5". The aim of this joint purchasing activity is to secure further economies of scale through the aggregation of requirements and to reduce the burden of public sector tendering and contract administration on suppliers. County Supplies conducts over 20% of its purchasing activity (more than £25 million annually) through the CBC and ESPO arrangements and this is expected to rise further in the coming years. In such cases, the award of contracts is jointly agreed by the purchasing staff of the participating authorities. In procedural terms, the 'master agreement' is let in accordance with the constitution and contract standing orders of the lead authority.
- 3.5 This year a new category of "joint working" to reflect the increased cross-authority contracting formally carried out in conjunction with other local authorities within Hampshire will be introduced (refer to Appendix 1). Although other local authorities have always been able to access many of the County Council arrangements, the work of the Hampshire and Isle of Wight Procurement Partnership (HIOWPP) has recently focused more on the shared needs of all the Hampshire authorities.
- 3.6 The programme of work includes a number of contracts which may in practice be extended rather than re-tendered when the initial contract period expires (subject to satisfactory performance and agreement over terms). Such extension periods will have been provided for during the original tender exercise.
- 3.7 The Appendix also includes the County Council's main contracts for the supply of electricity. These arrangements are due to be revised in October/November 2011, which is slightly beyond the period covered by this report. However, they are included this year as new contracts may be concluded within the next twelve months. As with the County Council's purchases of gas, consideration will be given to the adoption of "flexible" contracts through the Central Buying Consortium.

#### **4 Outline of Options:**

- 4.1 The County Council's procurement actions are governed by the Public Procurement Regulations 2006 and the County Council's Contract Standing

Orders. The most appropriate procurement approach for each contract is identified with relevant stakeholders and through market research.

## **5 Conclusions**

- 5.1 Corporate Procurement and County Supplies continues to maintain a strong focus on providing departments, schools and external customers with an effective and value for money procurement service by putting in place contracts for a wide-range of common-use goods and services and by responding to individual requests for assistance and advice.

## **6 Recommendations**

**That the Panel advises the Executive Member for Policy and Resources** that the schedule of forthcoming contracts for the period up to September 2011 as detailed in Appendix 1, be approved.

**CORPORATE OR LEGAL INFORMATION:**

**LINKS TO THE CORPORATE STRATEGY**

		Yes	No
<b>Hampshire safer and more secure for all</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Corporate Business plan link no (if appropriate)	<input type="text"/>		
<b>Maximising well-being</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Corporate Business plan link no (if appropriate)	<input type="text"/>		
<b>Enhancing our quality of place</b>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Corporate Business plan link no (if appropriate)	<input type="text"/>		

**OR**

**This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because: the tendering programme has a direct impact on the management of resources.**

**OTHER SIGNIFICANT LINKS:**

**Links to Previous member decisions:**

	Ref	Date
Corporate Procurement and County Supplies Contracting Activity 2009/10		30/6/09
Corporate Procurement Update		13/1/09
Corporate Procurement Update		12/1/10

**Direct Links to Specific Legislation or Government Directives**

Title	Date

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

**COMPREHENSIVE RISK & IMPACT ASSESSMENT**

**Race and Equality Impact assessment**

Race and equality impact assessment has been considered in the development of this report and no adverse impact has been identified.

**Crime prevention issues**

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all the decisions it makes on the prevention of crime. The proposals in this report have no impact on the prevention of crime.

**Climate Change:**

**How does what is being proposed impact on our carbon footprint / energy consumption?**

No impact identified

**How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?**

No impact identified

**Appendix 1****List of Forthcoming Contracts (April 2010 to September 2011)**

	<u>Approx</u>		
	<u>Annual</u>		
	<u>Value</u>		<u>Date</u>
	<u>(£'000)</u>		
<b>(a) Contracts with whole life value of more than £100,000</b>			
Heavy Sports Goods (CBC)	50	01-Apr-10	^
General Sports Goods (CBC)	200	01-Apr-10	^
First Aid Training (HIOWPP)	250	01-Apr-10	
Software (CBC/PRO5)	1,100	01-Apr-10	^
Manilla Files & Folders (CBC)	62	01-Apr-10	
PVC Accessories (CBC)	42	01-Apr-10	^
Whiteboard Markers (CBC)	156	01-Apr-10	^
Cash Collection (HIOWPP)	150	16-Apr-10	^
Print (Framework & Ancillary Services)	729	01-May-10	
Market Research Services	180	01-Jun-10	
Catalogue Content Management System	60	01-Jun-10	
Tyres and Tubes (CBC/OGC)	100	01-Jun-10	^
Solid Pack Apples (CBC/PRO5)	57	01-Jun-10	^
Flour (CBC/PRO5)	73	01-Jun-10	^
Canned Fish (CBC/PRO5)	100	01-Jun-10	^
Lease Finance (e.g. Schools IT) (CBC/PRO5)	700	01-Jun-10	^
Classroom Tables (CBC)	180	01-Jun-10	^
Diaries & Calendars (CBC)	49	01-Jun-10	^
School and Corporate Textbooks	2,900	01-Jun-10	
Web Based Printing	150	01-Jun-10	
Dry Pasta (CBC/PRO5)	75	01-Jun-10	^
Rice, Cereals & Pulses (CBC/PRO5)	36	01-Jul-10	^
Local Stationery	50	01-Jul-10	
Corporate Stationery (CBC)	66	01-Jul-10	^
Cabinet Roller Towels	35	01-Jul-10	
Statutory Notices	200	01-Sep-10	
Security Services Framework	740	01-Sep-10	
Cartridge Paper (CBC)	40	01-Sep-10	^
Volker Beds - Service & Maintenance	90	01-Sep-10	
Supply Teaching Services	2,000	01-Sep-10	
Commercial Vehicles (CBC/PRO5)	1,000	01-Sep-10	^
Education Audio Goods (CBC)	75	01-Sep-10	^
Mental Capacity Act Training (Adult Services)	160	01-Sep-10	
Canned Soft Drinks (Non Schools) (CBC)	160	01-Sep-10	^
Par Fried Chips (CBC)	48	01-Sep-10	
Wooden Storage Furniture (CBC)	120	01-Sep-10	^
Warehouse Racking, Shelving, Storage Equipment	130	01-Oct-10	
School Storage Trays (CBC)	50	01-Oct-10	^
Signage	80	01-Oct-10	
Frozen Individual & Multi-portion Meals (CBC)	500	01-Oct-10	^
Electricity - Unmetered Sites (HIOWPP)	300	01-Oct-10	
Catering Mixes (CBC/PRO5)	200	01-Oct-10	^

Agenda Item:

Bakery Items	60	01-Oct-10	
Heating Oils and Fuels (HIOWPP)	5,300	01-Nov-10	
Par Fried Chips/Prepared Pots/Fresh Fruit & Vegetables	1,540	01-Nov-10	
Poly Chairs and Stools (CBC)	185	01-Nov-10	^
Agency Agreement Travel and Ticketing	700	01-Dec-10	
Domestic Electrical Appliances (CBC)	90	01-Dec-10	
Timber and Fencing (CBC)	700	01-Dec-10	
Pencils	143	01-Jan-11	
Cleaning Chemicals (CBC)	600	01-Jan-11	^
Project Management Services	500	01-Jan-11	
Floor Cleaning Machines (CBC/ESPO)	130	01-Jan-11	^
Furniture - Office Desking & Seating (CBC)	1,200	01-Jan-11	^
Whiteboards and Noticeboards (CBC)	400	01-Jan-11	^
Glue Sticks (CBC)	170	01-Mar-11	^
Wash Room Paper Disposables (CBC)	800	01-Mar-11	^
Aiming High – Play Schemes	2,000	01-Apr-11	
Office Machines (CBC/ESPO)	107	01-Apr-11	
PPE, Corporate Clothing and School Wear (CBC/ESPO)	800	01-Apr-11	^
Audio-Visual Solutions (CBC)	500	01-Apr-11	^
Mortuary Services	400	01-Apr-11	
Asbestos Surveying and Testing	130	01-Apr-11	
Actuarial Services	100	01-Apr-11	
Extended Services, After School, Sat & Summer Hols	850	01-Apr-11	
Photographic Equipment (CBC/ESPO)	90	01-Apr-11	
E-Tendering Software (CBC)	26	01-Apr-11	^
Catering Disposables (CBC)	240	01-Apr-11	^
Early Learning (CBC/ESPO)	300	01-Apr-11	^
Flexible Working Solutions	150	01-May-11	
Library Security Contract	100	01-May-11	
Maintenance of PE Equipment (HIOWPP)	55	01-May-11	
Cleaning - Non-Education - 10 Areas	1,100	12-May-11	
Childcare Vouchers - Salary Sacrifice	1,600	01-Jun-11	
Outdoor Furniture (CBC/ESPO)	300	01-Jun-11	^
Inspect/Testing of Portable Electrical Appliances	120	01-Jun-11	
Catalogue Advertising Space	300	01-Jun-11	
Information & Participation Service - Aiming High	450	01-Jun-11	
Street Furniture (CBC/ESPO)	90	01-Jun-11	^
Dividers (CBC)	29	01-Jun-11	^
General Furniture	250	01-Jul-11	
Short Break Services (Disabled Young People)	375	01-Jul-11	
Short Break Disabled Children & Young People	375	01-Jul-11	
Domiciliary Care for Children (Care Support)	375	01-Jul-11	
Music Equipment (CBC)	500	01-Jul-11	^
Catalogue Production (CBC)	100	01-Jul-11	
Domiciliary Care for Children (Care Support)	375	01-Jul-11	
Franking Machines (CBC/ESPO)	128	31-Jul-11	
Electric Lamps & Tubes (CBC)	35	01-Aug-11	^
Provision Regional E-Recruitment Portal (HIOWPP)	275	03-Aug-11	
Removal Services	300	01-Sep-11	
Temporary Workers, Provision of (CBC) 1	8,000	01-Sep-11	

Agenda Item:

Cheese (CBC)	370	01-Sep-11	^
Envelopes (CBC)	92	01-Sep-11	^
NVQ Training Services in Health & Social Care	200	03-Sep-11	
Electricity – quarterly billed	2,800	01-Oct-11	^
Electricity – maximum demand monthly billed	1,600	01-Oct-11	^
Electricity – large sites monthly billed	2,900	01-Nov-11	^

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The other public bodies include:

- o West Sussex County Council
- o Hampshire Police
- o Hampshire Fire Service
- o Basingstoke and Deane Borough Council
- o Woking Borough Council
- o The County Council is also in discussion with Test Valley, Fareham, New Forest, Winchester and Bracknell

	<u>Approx</u> <u>Annual</u> <u>Value</u> <u>(£'000)</u>	<u>Date</u>	
<b>(b) Single Site/External Contracts</b>			
Cleaning - John Hanson Community School	84	01-Apr-10	#
Cleaning - Yateley School	146	01-May-10	#
Cleaning - The Vyne Community School	75	01-May-10	#
Cleaning - Sir Harold Hillier Gardens	48	15-May-10	
Cleaning - The Toynbee School	72	24-Jun-10	#
Cleaning - Swanmore College of Technology	84	22-Jul-10	#
Cleaning - Warblington School	80	25-Jul-10	#
Cleaning - Queen Mary's College	198	01-Aug-10	##
Catering - Neville Lovett Community School	86	01-Aug-10	#
Cleaning - Basingstoke College of Technology	194	01-Aug-10	##
Cleaning - Eastleigh College	112	01-Aug-10	##
Cleaning - The Hayling College	52	01-Aug-10	#
Catering - Crestwood College for Business & Enterprise	66	28-Aug-10	#
Cleaning - Everest Community College	94	28-Aug-10	#
Cleaning - Testbourne Community School	67	30-Aug-10	#
Catering - Basing House	60	01-Sep-10	
Catering - Hamble Community Sports College	125	01-Sep-10	#
Cleaning - Mill Chase Community Technology School	77	01-Sep-10	#
Cleaning - Frogmore Community College	63	01-Sep-10	#
Catering - Mill Chase Community Technology College	74	01-Sep-10	#
Catering - Yateley School	142	01-Sep-10	#
Catering - Mountbatten School A Language & Sport	150	01-Sep-10	#
Catering - Warblington School	50	01-Sep-10	#
Catering - The Clere School & Technology College	101	01-Sep-10	#
Cleaning - Park Community School	84	03-Sep-10	#
Cleaning - Court Moor School	76	01-Nov-10	#
Catering - Manor Farm Country Park	113	14-Nov-10	
Catering - Titchfield Haven Visitor Centre	121	14-Nov-10	
Cleaning - Cove School	43	01-Dec-10	#
Cleaning - The Wavell School	66	01-Jan-11	#
Grounds Maintenance - Thornden School	21	01-Jan-11	#
Cleaning - South Downs College	240	01-Jan-11	##
Grounds Maintenance - Old Basing House/Grange Farm	33	01-Jan-11	
Cleaning - Noadswood School	61	01-Jan-11	#
Catering - Wildern School	180	01-Jan-11	#
Cleaning - Cowplain Community School	94	08-Feb-11	#
Catering - Gosport Discovery Centre	60	01-Apr-11	
Cleaning - Portchester School	82	01-Apr-11	#
Cleaning - Eggar's School	65	14-May-11	#
Cleaning - Cranbourne School	95	27-May-11	#
Cleaning - Fairfield's Primary School	21	31-May-11	#
Cleaning - Calshot Activities Centre	73	01-Jun-11	

Agenda Item:

Cleaning - Crestwood College	72	23-Jul-11	#
Cleaning - Hiltigbury Infant and Junior Schools	33	25-Jul-11	#
Cleaning - Hamble Community Sports College	119	25-Jul-11	#
Cleaning - Horndean Technology College	158	25-Jul-11	#
Cleaning - Quilley School of Engineering	48	27-Jul-11	#
Cleaning - Fareham College	204	01-Aug-11	##
Catering - Eastleigh College	200	01-Aug-11	##
Cleaning - The Clere School & Technology College	60	01-Aug-11	#
Cleaning - Alton College	192	02-Aug-11	##
Catering - Basingstoke College of Technology	285	26-Aug-11	##
Catering - Everest Community College	76	28-Aug-11	#
Catering - Fairfield's Primary School	62	28-Aug-11	#
Catering - Cranbourne Business & Enterprise College	137	28-Aug-11	#
Transport - Barton Peveril College	475	01-Sep-11	##
Catering - Eggar's School	78	01-Sep-11	#
Transport - Testbourne Community School	90	01-Sep-11	#
Cleaning - Potley Hill Primary School	15	01-Sep-11	#
Catering - Cove School	110	01-Sep-11	#
Catering - Barton Peveril College	375	01-Sep-11	##
Catering - The Hurst Community College	66	01-Sep-11	#
Catering - Costello Technology College	105	01-Sep-11	#
Catering - Fort Hill Community School	58	01-Sep-11	#

**(c) Contracts with whole life value of less than £100,000**

Meter Operator	40	01-Apr-10	
Document Presentation Equipment (CBC/ESPO)	6	01-Apr-10	^
Stand for the New Forest & Hampshire County Show	31	01-Apr-10	
Library Binding Services (CBC)	20	01-Apr-10	^
Brown Goods (CBC)	70	01-May-10	^
Book Covering Film (CBC)	14	01-Jun-10	
Staplers, Staples and Perforators (CBC)	33	01-Jun-10	
Photographic Services	15	01-Jul-10	
First Aid & Medical (CBC)	21	01-Aug-10	^
Linen and Bedding (CBC)	16	01-Aug-10	^
Maintenance of A/V Equipment	80	01-Sep-10	
Mobile Gas Heaters - Hire	5	01-Sep-10	
Child Safety & Nursery Equipment (CBC/ESPO)	30	01-Sep-10	^
Entrance Matting	29	01-Sep-10	
Maintenance of Microwave Ovens	2	01-Oct-10	
Desk Top Plastics (CBC)	20	01-Oct-10	^
Calculators	30	01-Oct-10	
Office Books (CBC)	29	01-Oct-10	^
Sewing Machines Maintenance	20	01-Oct-10	
Welding Equipment Maintenance	8	01-Jan-11	
Propane/Butane - Bulk and Cylinders	15	01-Jan-11	
Office Dictation Machines (CBC)	10	01-Feb-11	^
Batteries & Torches, Supply of (CBC)	48	01-Feb-11	^
Coroners Removals (North East)	0	01-Feb-11	
Coroners Removals (Central)	0	01-Feb-11	
Tuning/Maintenance of Pianos	20	01-Feb-11	

Agenda Item:

Scissors, Supply of (CBC)	24	01-Mar-11	^
Occupational Health Physician Services	42	01-Mar-11	
Learning & Development Training (Young People)	35	21-Mar-11	
Paints and Sundries (CBC)	8	01-Apr-11	^
Swimming Pool Chemicals (CBC/ESPO)	25	01-Apr-11	^
Oscillating Fans, Portable Heaters & Air Cons (CBC)	10	01-Apr-11	^
Saw Sharpening	5	01-Apr-11	
Maintenance and Repair of Metal/Woodwork Machines	20	01-Apr-11	
Recruitment & Training: Independent Parental Supporters	28	01-Apr-11	
Office Fastenings (CBC)	16	01-May-11	^
Signs (CBC)	17	01-Jun-11	^

Notes:

- # Single site contracts awarded by governing bodies
- ## Contracts wholly for external customers and subject to decision by the authorities concerned
- ^ Contracts likely to be let by other Consortia Member Authorities