

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	19 January 2012
Title:	Procurement Approvals
Reference:	3516
Report From:	Director of Culture, Communities and Business Services

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1. Executive Summary

1.1. The purpose of this report is to seek approval to procure the framework agreements and procure and spend in relation to contracts referred to below, with a value over £1 million (including capital projects exceeding £250,000) in accordance with the County Council's Contract Standing Orders and Constitution. Further detail relating to these framework agreements and contracts are also provided in Appendix 1:

- Dry, Chilled and Frozen Foods framework agreement of up to five years duration with a total estimated value of £40 - £50 million (£30 - £40 million for the County Council).
- Early Years Equipment four year framework agreement with a total estimated value of £2.5 - £3 million.
- Cleaning Services four year framework agreement with a total estimated value of £15 - £20 million (£4 - 5 million for the County Council).
- Grounds Maintenance four year framework agreement with a total estimated value of £5 - £10 million.
- Grounds Maintenance for Central and North Andover Area call-off contract with a total estimated value of £1.295 million.
- Security Services four year framework agreement with a total estimated value of £4 - £8 million (£1 - £2 million for the County Council).
- Occupational Health and Wellbeing Services four year framework agreement with a total estimated value of £5m-£8m and a call-off contract for the County Council of up to four years at a value of £3.5 million.

- Microsoft Licensing three year contract with a total value of £2 - 2.7 million.
- Nurse Call Systems contract for one year with a total value of £1.2 million.
- Windows Replacement Programme contract with a total value of £2.17 million.
- Project Extra-Care call-off contract with an estimated value for the contractors fee for pre-construction services of £20,000. The full contract value is anticipated to be £3 million.
- Fire Precautions Improvement Programme across three contracts with a total value of £920,000.
- Decanting (Removal) and Environmental Disposal Services framework agreement of up to four years duration, with a total estimated value of £1.8 million (£1.6 million for the County Council).

2. Background

- 2.1. The County Council's Contract Standing Orders (CSO 3) requires that '*The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.*' This report requests approval to procure for framework agreements and approval to procure and spend for contracts which require approval by the Executive Member as they have a value, or estimated value, in excess of £1 million (including capital projects in excess of £250,000).
- 2.2. Framework agreements are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement. Therefore, the framework agreement values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders. Framework agreements therefore only require Approval to Procure and not Approval to Spend. However approval to procure and spend will be required in relation to each separate contract called-off under the framework given that those contracts will include contractual obligations in relation to payment for services/goods/works. Likewise, approval to procure and spend will be required in relation to any other contracts which are to be procured individually and have not been called-off under a framework agreement.
- 2.3. Some of the approvals in this report are revised approvals because either the estimated values or the procurement approach has been amended. Such amendments are often due to new partners joining the framework agreements or contracts or a more appropriate procurement approach being developed as the requirements for, operation of, and participation in, the contract have been clarified.

3. Recommendations

3.1. That approval to procure be given for the following framework agreements and approval to procure and spend be given for the following contracts valued over £1 million in accordance with the County Council's Contract Standing Orders and Constitution:

- Dry, Chilled and Frozen Foods framework agreement of up to five years duration with a total estimated value of £40 - £50 million (£30 - £40 million for the County Council).
- Early Years Equipment four year framework agreement with a total estimated value of £2.5 - £3 million.
- Cleaning Services four year framework agreement with a total estimated value of £15 - £20 million (£4 - 5 million for the County Council).
- Grounds Maintenance four year framework agreement with a total estimated value of £5 - £10 million.
- Grounds Maintenance for Central and North Andover Area call-off contract with a total estimated value of £1.295 million.
- Security Services four year framework agreement with a total estimated value of £4 - £8 million (£1 - £2 million for the County Council).
- Occupational Health and Wellbeing Services four year framework agreement with a total estimated value of £5 - £8 million and a call-off contract for the County Council of up to four years at a value of £3.5 million.
- Microsoft Licensing three year contract with a total value of £2 - 2.7 million.
- Nurse Call Systems contract for one year with a total value of £1.2 million.
- Windows Replacement Programme contract with a total value of £2.17 million
- Project Extra-Care call-off contract with an estimated value for the contractors fee for pre-construction services of £20,000. The full contract value is anticipated to be £3 million.
- Fire Precautions Improvement Programme across three contracts with a total value of £920,000.
- Decanting (Removal) and Environmental Disposal Services framework agreement of up to four years duration with a total estimated value of £1.8 million (£1.6 million for the County Council).

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Corporate Procurement Update and County Supplies Contracting Activity for 2011/12	2461	14.04.2011
Corporate Procurement Update	2691	21.07.2011
Corporate Procurement Update	2726	18.10.2011
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>
None		

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	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. Equality impact assessment has been considered in the development of this report and no adverse impact has been identified. The current Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Strategy has been subject to an equalities impact assessment.

2. Impact on Crime and Disorder:

2.1. The current Corporate Procurement Strategy recognises that community cohesion, safety and security is a key part of the County Council's corporate priorities. The Strategy aims to continue to identify where procurement can ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

3. Climate Change:

3.1. The current Corporate Procurement Strategy does not have a direct impact on our carbon footprint and energy consumption, although it aims to improve the County Council's performance on sustainable procurement.

<u>Project Title</u> Brief Project Description	Contract / Framework term and start date	Anticipated County Council value over term	Anticipated total value over term	Approval required / project update
<u>Dry, Chilled and Frozen Foods</u> Previously known as 'Groceries, Provisions and Frozen Foods' as previously approved at the Executive Member for Policy and Resources' Decision Day on 14 April 2011. Increase in the anticipated framework agreement turnover to £10 million per annum.	Maximum five year framework agreement commencing 1 April 2012	£30 - £40 million	£40 - £50 million	Revised approval for Authority to Procure
<u>Early Years Equipment</u> Previously approved at the Executive Member for Policy and Resources' Decision Day on 14 April 2011, increase in the anticipated framework agreement turnover to £750,000 per annum.	Framework Agreement commencing 1 February 2012	£2.5 - 3 million	£2.5 - 3 million	Revised approval for Authority to Procure
<u>Microsoft Licensing</u> To carry out a mini-competition under the terms of the Pro5 Software Framework Agreement to appoint a Microsoft Large Account Reseller. Microsoft software underpins the County Council's technical infrastructure and office IT productivity. The value depends on the actual number of users, but is estimated to be between £500,000 to £900,000 per annum.	Three year contract commencing 30 December 2011	£2 - 2.7 million	£2 - 2.7 million	Authority to Spend and Authority to Procure
<u>Cleaning Services</u> Variation to the scale of the proposed framework agreement for non-educational cleaning as previously approved at the Executive Member for Policy and Resources' Decision Day on	Four year framework agreement	£4 - 5 million	£15 - 20 million	Revised Approval for Authority to

14 April 2011. The potential addition of Thames Valley, Surrey and Hampshire Constabularies to the framework as well as Street Scene Cleaning on behalf of District Councils, will increase the overall value of the framework agreement.				Procure
<u>Grounds Maintenance</u> Previously approval was given at the Executive Member for Policy and Resources' Decision Day on 14 April 2011 for a number of geographical areas to be re-tendered. The scope of the framework agreement has been amended to cover Rights of Way clearance at an additional value of approximately £120,000 per annum, and the form of the contract is to be changed to a four year framework agreement.	Four year framework agreement	£5 - 10 million	£5 - 10 million	Revised Approval for Authority to Procure
<u>Grounds Maintenance – Central and North Andover Area</u> This is a call-off contract from the Framework Agreement listed above for the Central and North Andover Area and will be for a maximum duration of seven years (an initial duration of four years, with a possible extension for a further three years) with an estimated value of £185,000 per annum.	Call-off contract for up to seven years	£1.295 million	£1.295 million	Approval for Authority to Procure and Authority to Spend
<u>Security Services</u> Approval was previously given at the Executive Member for Policy and Resources' Decision Day on 14 April 2011 for the renewal of existing Security Contracts. The scope, and therefore value, of the framework agreement has been increased to cover the option for District Councils to use the framework agreement.	Four year framework agreement	£1 – 2 million	£4 - 8 million	Revised Approval for Authority to Procure

<p><u>Nurse Call Systems</u> Contract to procure, install, commission and test Nursecall systems to ten Nursing Care Centres. Care Centres currently utilise Vivetex Systems which is no longer supported following company insolvency. The new arrangements will be competitively tendered using approved electrical contractors from the Property Services Register of Contractors. Priority will be focussed on procuring an open protocol system.</p>	One-off contract with a programme of installation less than one year	£1.2 million	£1.2 million	Authority to Procure and Authority to Spend
<p><u>Occupational Health and Wellbeing Services</u> Approval was given at the Executive Member for Policy and Resources' Decision Day on 14 April 2011 for commencement of a procurement process to secure occupational health and staff counselling services for the County Council and partners. At that time the procurement approach had not been finalised. Subsequently the County Council has worked with a number of partner public bodies and is in the process of establishing a tendered framework agreement with a single supplier from which each partner organisation will formally call-off a contract for service. Approval to procure is therefore sought for the following:</p> <ul style="list-style-type: none"> • A framework agreement for the County Council and partner authorities for up to four years with an estimated total value of between £5 - £8 million. <p>And approval to procure and spend is sought for the following: A call-off contract for service for the County Council with an estimated annual value of £870,000.</p>	Four year framework agreement and; a call-off contract for service for Hampshire County Council commencing 1 April 2012	£3.5 million	£5 - £8 million	Revised Approval for Authority to Spend and Authority to Procure

<p><u>Window Replacement Programme</u> Approval was given at the Executive Member for Policy and Resources Decision Day on 27 October 2011 for commencement of a procurement process for the replacement of windows across the County, including 12 schools and 2 corporate estate properties. It has since been identified that the provisional sum of £1.8million was insufficient to allow for the completion of all works across all of the properties. An additional £317,000 has been funded from the P and Resources Capital Programme for Education. The revised contract value is now £2.17 million.</p>	One off contract with a commencement date of 24 November 2011	£2.17 million	£2.17 million	Revised Approval for Authority to Spend and Authority to Procure
<p><u>Project Extra-Care</u> Approval was given by Cabinet at their meeting on 24 October 2011 to progress with the modernisation of Adult Social Care provision. An allocation of £3 million was approved to fund an initial Consolidation Programme of capital works and enhancements and approval is sought to procure the associated building works. Procurement of the works will be via the South East and London Construction Framework for Major Projects. The estimated value of contractors fee for pre-construction is estimated to be £20,000. A project appraisal for the Consolidation Programme will be reported to a future meeting.</p>	One off contract commencing Summer 2012.	£3million (pre-construction element £20,000)	£3million (pre-construction element £20,000)	Authority to procure
<p><u>Fire Precautions Programme</u> Approval was given at the Executive Member for Policy and Resources Decision Day on 27 October 2011 for the commencement of a procurement process for the provision of fire precautions upgrade works across three geographical</p>	One off contract with a commencement date of 3 January 2012	£920,000	£920,000	Revised Approval for Authority to Spend and

<p>contracts in schools.</p> <p>Further work has been undertaken to identify and confirm the schools to receive the upgrade work in this tranche. Approval was given at the Executive Member for Policy and Resources Decision Day meeting on 14 April 2011 for the provisional programme, as well as the Executive Member for Children's Services Decision Day meeting on 20 July 2011. Following additional work with Children's Services the final programme has been confirmed and the schools within the programme are listed at appendix 2.</p>				<p>Authority to Procure</p>
<p><u>Decanting (Removal) and Environmental Disposal Services</u> Previously known as 'Removal Services' and approved at the Executive Member for Policy and Resources' Decision Day on 14 April 2011. There is an estimated increase in the anticipated value of the framework agreement.</p>	<p>Maximum four year framework agreement commencing 1 September 2011</p>	<p>£1.6 million</p>	<p>£1.8 million</p>	<p>Revised approval for Authority to Procure and Authority to Spend</p>

Fire Precautions Programme – Revised List of Schools

- Bawksbury Junior School, Andover
- Cherrywood Community Primary School, Farnborough
- Church Crookham Community Junior School, Fleet
- Court Moor Community School, Fleet
- Cove Community School, Cove
- Cranbourne Business and Enterprise Community College, Basingstoke
- Crookhorn (Foundation) College of Technology, Waterlooville
- Fernhill Community Primary School, Farnborough
- Fernhill Community School and Language College, Farnborough
- Forest Park Special School (Salterns Building), Totton
- Frogmore Community Junior School, Frogmore
- Hamble Primary School, Hamble
- Hart Plain Community Junior School, Cowplain
- Heatherside Community Junior School, Fleet
- Henry Beaufort Community School, Winchester
- Hiltingbury Community Junior School, Chandler's Ford
- Merdon Community Junior School, Chandler's Ford
- Mill Chase Technology College, Bordon
- The Mountbatten School (Academy) - A Language and Sports College, Romsey
- The Neville Lovett Community School And Continuing Education Centre, Fareham
- Oak Meadow Church Of England (Controlled) Primary School, Fareham
- Oakridge Community Junior School, Basingstoke
- Park View Community Junior School, Basingstoke
- Quayside Community Education Centre, Gosport
- South Farnborough Community Junior School, Farnborough
- South View Junior School, Basingstoke
- Talavera Community Junior School, Aldershot
- Waite End Primary School, Waterlooville
- Wildern School (Academy), Hedge End
- Woodcroft Community Primary School, Lovedean
- Woodlands Community Education Centre, Leigh Park