

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Member for Policy and Resources
Date:	25 July 2013
Title:	Corporate Procurement Update and Approvals
Reference:	4688
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 the relevant procurement approvals in relation to the framework agreements and contracts as listed in Appendix 1. This approval is in accordance with the County Council's Contract Standing Orders and Constitution.

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. Additional information

- 3.1. In January 2011 a report was presented to Executive Member for Policy and Resources on the future strategy on Data Storage and Backup for Hantsnet. This paper gained approval to procure and spend up to £2.5 million over a five year period. As part of this paper, an undertaking was given that a report identifying the exact procurement route would be made to the Executive Member.
- 3.2. The original report indicated that two potential procurement routes to contract would be reviewed for the total requirement. However once market testing commenced, it was identified that disaggregating the requirements into two procurements; Backup and Recovery solution and Data Storage solution, would deliver best value for money and provide the best technical fit for the organisation.
- 3.3. The backup and recovery solution has been subject to full market competition, within a restricted OJEU procurement process. 10 suppliers were invited to submitted tenders and following evaluation of the 6 bids received MTI Technology were identified as the Most Economical Advantageous Tender.
- 3.4. It is now anticipated to proceed to contract formation with the supplier by end of July 2013 for a 3 year initial contract with opportunity to extend for up to an additional 24 months. The initial term of the contract will be for a value of £652,650.
- 3.5. The second phase of the procurement for Data Storage Solutions will be conducted via a Government Procurement Service (GPS) Framework for IT Hardware and Software framework RM 1692 Lot 12.

4. Recommendations

- 4.1. That procurement and spend approvals, where required, be given for the framework agreements and contracts as detailed in the report and Appendix One.

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>
Buildings, Land and Procurement Panel: Corporate Procurement Update and Corporate Procurement and County Supplies Contracting Activity and Approvals for 2013/14	3846	19 March 2013
Executive Member for Policy and Resources: Corporate Procurement Update and Corporate Procurement and County Supplies Contracting Activity and Approvals for 2013/14	4567	18 April 2013
Executive Member for Policy and Resources: Data Storage Solution Replacement	2244	26 January 2011
Direct links to specific legislation or Government Directives		
<u>Title</u> None		<u>Date</u>

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.)

DocumentLocation

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.

Procurement and Spend Approvals over £1m

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	<p>Locks Heath Infant and Junior Schools, Southampton.</p> <p>Expansion of existing school</p> <p>Combined project to replace 9 temporary classrooms, with permanent extensions at the above school sites. The capacity of the schools are unaltered by these works.</p> <p>The preferred procurement strategy for the following project is to appoint contractors through the South East and London (SEaL) Construction Framework for Major Projects to progress the pre-construction stages. The pre-construction fee includes an allowance for an element of contractor design. This project may become part of a Tranche of works should the programme align. This secures benefits and efficiencies of this procurement strategy that have been demonstrated within previous Tranches. The work will be procured as a standalone project if the timing of a Tranche procurement approach</p>	<p>Anticipated start on site: summer 2014</p>	<p>Pre-construction value: £200,000</p> <p>Gross Project value £3 million</p>	<p>N/A</p>	<p>Approval to procure and approval to spend pre-construction fees.</p>	<p>1</p>

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	does not align with this time constraints for this project.					
	<p>Warblington School, Havant. Sports Facilities Development.</p> <p>Project incorporates a new sports hall, synthetic turf pitch, multi use games area and associated alterations</p> <p>Approval to commence procurement was given at the Executive Member for Policy and Resources at the Decision Day 24 January 2013. The preferred procurement strategy for the works element was to appoint contractors through the South East and London (SEaL) Construction Framework for Major Projects. This has not yielded a satisfactory result.</p> <p>Accordingly the procurement strategy has been amended and revised procurement approval is sought. It is now intended to procure the works via a competitive tender utilising contractors selected from the Property Services Register of Contractors.</p> <p>Further information will be provided in a Project Appraisal to a future meeting of</p>	Commence on Site February 2014	£3.4 million (works element)	N/A	Revised approval to procure and approval to spend	2

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	Buildings, Land and Procurement Panel, in September 2013.					
	<p>Children’s Homes in Winchester, Chandler’s Ford and Havant</p> <p>The strategy for Children’s Homes was approved by the Executive Lead Member for Children’s Services on 12 June 2013.</p> <p>Project proposals, including the procurement strategy, for the first three homes were considered by the Buildings, Land and Procurement Panel on 25 June 2013.</p> <p>Approval to procure and approval to spend is sought for the construction works and associated pre-construction services. In accordance with Contract Standing Orders, it is proposed that one of the Property Services approved and suitable construction frameworks is used.</p>	Commence on site Spring 2014	Construction value £2.75million	N/A	Approval to procure Approval to spend	3
Hampshire	Auditorium Seating, Staging and Stage Lighting (primarily schools)	Framework for 4 years, including a 12 month extension period, with a start date of 1/8/2013	£288,000	£2.2 million	Approval to procure	4

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
Hampshire	Bespoke Catalogue for Early Years & Curriculum Products	Framework for 3 years, with a start date of 1/1/2014	£750,000	£1.3 million	Approval to procure	5
	Catering – mini-competition – Priestlands Schools	Contract for 7 years, including a 36 month extension period, with a start date of 1/8/2013	£1.41 million		Approval to procure and approval to spend*	6
	Cleaning at Surrey Schools (Banstead Cluster – 12 schools)	Contract for 4 years, including a 12 month extension period, with a start date of 1/9/2013	£1 million		Approval to procure and approval to spend*	7
	Grounds Maintenance	Framework for 6 years, including a 36 month extension period, with a start date of 1/1/2014	£3.9 million		Approval to procure	8
	Temporary Teaching and Support Staff (primarily Schools)	Framework for 4 years, including a 36 month extension period, with a start date of 1/9/2014	£14 million		Revised approval to procure	9
Hampshire	IT Maintenance ('break/fix')	Framework agreement for 4 years, with a start	£4 million	£15 million	Revised approval to	10

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
		date of 1/1/2014 (including a call-off contract for Hampshire County Council of up to 5 years, including a 24 month extension period)			procure and revised approval to spend	
Hampshire	IT Data Storage Solutions: (See section 2.4 of the report) Data Backup & Recovery Data Storage	3 year contract start date 01/08/2013 (with potential for 24 month extension period) 5 year contract with start date 01/12/2013	£650,000 - £834,000 £500,000 – £1 million		Revised approval to procure and revised approval to spend	11

*Note: Approval to spend will also be given by the external customer in accordance with its own delegated approval requirements.