

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	10 January 2017
Title:	Corporate Procurement and County Supplies Contracting Activity and Approvals for 2016/17
Reference:	7992
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 present 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) 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.
- 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 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.

3. Overview of Contracting Activity for 2016/17

- 3.1. The programme of procurements contained within this submission includes arrangements for use by the County Council, Hampshire Constabulary and Hampshire Fire and Rescue Service, schools and other external partners and

customers, with a total estimated value over £1 million. Contracts with a total value of under £1 million are approved by the relevant budget holder under the scheme of delegation.

- 3.2. A number of the Corporate Procurement and County Supplies contracting arrangements described in this report refer to contracts let by Central Government Crown Commercial Services (CCS) in addition to local government buying consortia such as Eastern Shires Purchasing Organisation (ESPO). 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 local authorities and suppliers. In such cases, the award of contracts is jointly agreed by the procurement staff of the participating authorities. All of these various types of collaborative arrangements are shown in Appendix 1 with the name of the lead public body or consortium.
- 3.3. Some of the approvals in this report are revisions to existing approvals because either the estimated value 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 requirements and participation have been clarified.
- 3.4. Whilst all projects currently known are included in the report, further projects may arise during the coming year. These will be reported directly to the Executive Member for Policy and Resources for approval as and when required.

4. Recommendations

That the Buildings, Land and Procurement Panel make the following recommendations to the Executive Member for Policy and Resources:

- 4.1. That procurement and spend approvals, as appropriate, be given for the framework agreements and contracts as detailed in Appendix 1.

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>
None		
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. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This report seeks approvals for procurement and spending on individual projects and therefore an Equalities Impact Assessment has not been considered necessary in the development of this report.

2. Impact on Crime and Disorder:

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

3. Climate Change:

Positive impact on climate change will be considered at the time each of the projects is reported for approval. This report seeks solely procurement approvals and it is not appropriate to set out specific impacts on climate change for each individual item.

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Temporary Agency Resources (excluding schools)</u> Interim call-off contract from the national MSTAR framework agreement for the provision of Temporary Agency Staff with an estimated value of up to £23 million (£22 million for the County Council) for a period of up to twelve months from October 2017. Re-tender exercise to replace the existing contract which is currently being used by Hampshire County Council, Hampshire Constabulary and the Isle of Wight Council. The new arrangement will also be extended to other partner Authorities e.g. Oxfordshire County Council.	1 year contract Commencing October 2017. 7 year contract Commencing October 2018	£22m £154m	£34m £238m	Approval to procure and approval to spend Approval to procure and approval to spend
<u>Temporary Agency Resources – Schools</u> Procurement required to replace the current framework. The following organisations will be included within the scope; • Hampshire County Council • Oxfordshire County Council	7 year contract Commencing October 2018	£91m	£182m	Approval to procure and approval to spend

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Vehicle Spares and Consumables Framework</u> Collaborative Framework Contract will include Hampshire County Council, Hampshire Constabulary and Hampshire Fire & Rescue Service. This Framework Contract will replace two existing Frameworks.	4 year Framework Commencing June 2017	£2 million	£4 million	Approval to procure and approval to spend
<u>Backup and Recovery Software</u> The Council requires a replacement software solution to support the electronic data it produces and hosts in its data centre which must be protected so that, in the event of data loss, the data can be recovered and returned to the owner. Procurement route to market is a mini-competition from the Crown Commercial Services Technology Products framework.	5 year contract Commencing July 2017	£1.35m	n/a	Approval to procure and approval to spend

<u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)	Contract / framework term & Start date	Anticipated HCC value over full term	Anticipated Total Value over term (Collaborate Contracts where HCC lead)	Approval required / project update
<u>Refresh of Corporate Wireless Solution</u> The current corporate wireless network agreement has come to an end. A new supplier wireless network agreement is required to continue the provision and support of the existing 'Hantsnet' and HSS (Schools Service) Wireless infrastructure through the HPSN2 framework. This project will refresh corporate Access Points (APs) and aims to provide third party management of the solution. It is proposed to call off from the existing framework.	5 years contract Commencing March 2017	Up to £1.6m	n/a	Approval to procure and approval to spend
<u>Structural Inspections & Design Services</u> Further to Executive Member for Policy and Resources approval on 20 July 2016 for a 5 year Term Contract (with a 5 year extension option) ; the intention is to now procure a <u>framework agreement</u> for a period of 4 years instead, to allow for the maximum flexibility in use and minimised financial exposure. The framework would be a single supplier arrangement to maximise economies of scale for the provider and optimise our management input. This will also include a wider partnership base, including the Isle of Wight Council and Reading Borough Council.	4 year framework Commencing April 2017	£2 million	£2.4 million i.e. 20% potential for IOW & Reading BC.	Authority to procure and spend.

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<u>Motor Fuels and Heating Oil Framework</u> HCC Framework open to users within HCC boundaries and extending to neighbouring authorities, such as Dorset County Council. Current framework ended 31 October 2016 with all supply users placing purchase orders sufficient to allow them to draw down supplies until the end of March 2017. HCC is proposing putting a new framework in place commencing in April 2017. Scope to include 4 fuel types as currently used.	2 year framework plus an optional further 2 years Commencing April 2017	£20 - 27.5m	£35 – 40m	Approval to spend
<u>Supply of Non Domestic Water (Industry deregulation April 2017)</u> The market for the supply of non domestic water opens up on 1 April 2017. HCC requires approval to spend in the deregulated market for a 1 year contract period.	1 year contracts Commencing April 2017	£2.1m over 1 year	£5.5m over 1 year	Approval to spend