

HAMPSHIRE COUNTY COUNCIL**Report**

Committee/Panel:	Buildings, Land and Procurement Panel
Date:	18 March 2014
Title:	Corporate Procurement and County Supplies Contracting Activity and Approvals for 2014/15
Reference:	5677
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 obtain spend and procurement approvals (as appropriate) for the expected programme of contracting activity undertaken by Corporate Procurement and County Supplies and Property Services in the Culture Communities and Business Services Department. The report includes contracts (as shown in Appendix 1), which are due to start between 1 April 2014 and 30 September 2015 and have an estimated total contract value above £1 million (£250,000 for capital projects).

2. Contextual information

2.1. Corporate Procurement and County Supplies (CPCS) has implemented a 'category management' approach to procurement and lets contracts for crosscutting common-use commodities and services and also more specialist, sometimes site-specific, contracts for the County Council, Hampshire Fire and Rescue Service and Hampshire Constabulary (under the Procurement Joint Working arrangements), other external partners and customers. In addition, Culture, Communities and Business Services Department lets a range of property related procurement arrangements, with support from CPCS as appropriate.

2.2. 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 shown in Appendix 1, 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).

- 2.3. Framework agreements are not linked to specific one-off purchases or projects but provide for the on-going 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.
- 2.4. Consequently, framework agreements 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. 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.
- 2.5. 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. 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.
- 2.6. Some of the procurement arrangements shown may be extended rather than re-tendered if this is allowed for in the original approval and contract documents, subject to satisfactory performance and value for money.

3. Overview of Contracting Activity for 2014/15

- 3.1. The planned programme of contracting activity for 2014/15 is shown in Appendix 1 (for Property Services and Corporate Procurement and County Supplies). This covers the period to September 2015. The programme includes 49 individual procurement 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. Some of the contracts relate to site specific arrangements for services such as cleaning and catering or are contracts for specialist goods or services made on behalf of partner organisations or external customers only.
- 3.2. A number of the Corporate Procurement and County Supplies contracting arrangements described in this report refer to contracts let by one of the local government consortia, including the Central Buying Consortium (CBC) and 'Pro5'. As previously reported to Panel, the County Council is a member of the CBC and, in line with the national collaborative agenda, CBC is working closely with other local authority 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 local authorities and

suppliers. In such cases, the award of contracts is jointly agreed by the procurement 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. Other collaborative arrangements with central government's Crown Commercial Services (CCS) and other local or neighbouring authorities are also in place. In addition, collaborative procurement arrangements also operate between Police Forces, the Home Office and Fire and Rescue Authorities on behalf of Hampshire Constabulary and Hampshire Fire and Rescue Service. 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.
- 3.5. Some of the procurement arrangements shown may be extended rather than re-tendered if this is allowed for in the original approval and contract documents, subject to satisfactory performance and value for money.

4. Recommendation(s)

That the Panel advises the Executive Member for Policy and Resources that:

- 4.1. Procurement and spend approvals be given, as appropriate, for the programme of contracting activity shown 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):	

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. The current Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Corporate Procurement Strategy has been subject to an equalities impact assessment. This report is in line with the Corporate Procurement Strategy and therefore no adverse impact has been identified.

2. Impact on Crime and Disorder:

- 2.1. This report does not have an impact on crime and disorder.

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 Approvals 2014/15 with a total value over £1 million
1 April 2014 to 30 September 2015**

Appendix 1

Lead Authority (for Collaborative Contracts only)	Project / Contract Title	Contract / Framework term and start date	Anticipated HCC/HC/HFRS total value over term	Anticipated total value over term (Collaborative HCC lead)	Approval required	Ref
ESPO	Adhesives and Glitter (primarily for schools)	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/4/2014	£1.1 million		Approval to procure	1
	Advertising Space Sales for County Supplies Catalogue	Contract for 4 years, with a start date of 1/6/2014	£1.6 million (income to HCC) £272,000 (estimated commission to supplier)		Approval to procure and approval to spend	2
	AMR Smart Metering	Framework Agreement for 7 years, with a start date of 1/8/2015	£1.05 million		Approval to procure	3
	Business Travel	Contract for 2 years, with a start date of 1/7/2014	£1.4 million		Approval to procure and approval to spend	4
	Catalogue Advertising Space Sales	Contract for 7 years, including a 36 month extension period, with a start date of 1/6/2014	£2.8 million		Approval to procure and approval to spend	5
	Catering Services - Hampshire Fire and Rescue HQ	Contract for 7 years, including a 36 month extension period, with a start date of 10/6/2015	£1.01 million		Approval to procure and approval to spend*	6

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	Catering Services - mini competition - Perins School	Contract for 7 years, including a 36 month extension period, with a start date of 28/28/2014	£1.13 million		Approval to procure and approval to spend*	7
	Catering Services - mini competition - Wildern School	Contract for 7 years, including a 36 month extension period, with a start date of 1/8/2015	£1.3 million		Approval to procure and approval to spend*	8
	Catering Services - Wyvern Technology College	Contract for 7 years, including a 36 month extension period, with a start date of 1/7/2015	£1.5 million		Approval to procure and approval to spend	9
Kent	Cleaning Chemicals	Framework Agreement for 4 years, with a start date of 1/4/2015	£2.4 million		Approval to procure	10
ESPO	Commercial Catering Equipment & Associated Services	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/4/2014	£4 million		Approval to procure	11
	Computer Hardware and Associated Services	Framework Agreement for 2 years, with a start date of 7/5/2014	£4.2 million		Approval to procure	12

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Hampshire	Curtains and Blinds	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/4/2014	£2 million	£3 million	Approval to procure	13
Hampshire	Decanting (Removal) and Environmental Disposal Services	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/9/2014	£1.8 million		Approval to procure	14
Kent	Educational Tables	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/6/2014	£1 million		Approval to procure	15
Hampshire	Entrance Matting	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/11/2014	£116,000	£1.12 million	Approval to procure	16
Hertfordshire	Flooring Services	Framework Agreement for 4 years, with a start date of 1/4/2014	£1.8 million		Approval to procure	17
	Salary Sacrifice Scheme - Childcare Vouchers	Framework Agreement for 4 years, with a start date of 1/4/2015	£9.6 million		Approval to procure	18

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	Hire of Vehicles (Self Drive)	Framework Agreement for 4 years, including a 24 month extension period, with a start date of 1/8/2014	£1.8 million		Approval to procure	19
Hampshire	Fruit, Vegetables, Milk and Morning Goods	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/11/2014	£6.4 million	£9.2 million	Approval to procure	20
	Grounds Maintenance - Basingstoke	Contract for 6 years, including a 36 month extension period, with a start date of 1/1/2015	£1.4 million		Approval to procure and approval to spend	21
Hampshire	Heating Oils and Motor Fuels	Framework Agreement for 4 years, including a 24 month extension period, with a start date of 1/11/2014	£2.5 million	£48 million	Approval to procure	22
Hampshire	Ice Cream	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/9/2014	£1.16 million	£1.2 million	Approval to procure	23
	Insurance Services - Motoring	Contract for 5 years, including a 24 month extension period, with a start date of 1/4/2015	£2.94 million		Approval to procure and approval to spend	24

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Hampshire	Level Access Showers Components (mainly for District and Borough Councils, Housing Associations etc)	Framework Agreement for 4 years, including a 24 month extension period, with a start date of 1/6/2014	£262,000	£6 million	Approval to procure	25
Hampshire	Office Equipment and Consumables	Framework Agreement for 4 years, with a start date of 1/10/2014	£8 million	£28 million	Approval to procure	26
Hampshire	Office Furniture, Breakout and Project Related Furniture	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/3/2015	£6 million	£24 million	Approval to procure	27
ESPO	Personal Protective Equipment (P.P.E), Corporate Clothing, Sportswear and Schoolwear	Framework Agreement for 4 years, including a 24 month extension period, with a start date of 1/5/2015	£3.2 million		Approval to procure	28
Hampshire	Security Services	Framework Agreement for 4 years, with a start date of 1/12/2014	£1.6 million	£3.2 million	Approval to procure	29
	Specialist and Technical IT Training	Framework Agreement for 4 years, with a start date of 1/4/2014	£2.4 million		Approval to procure	30
	Temporary Teaching and Support Staff for Schools	Framework Agreement for 4 years, with a start date of 1/9/2014	£2.04 million		Approval to procure	31

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	Social Care Training for Adult Services	Framework Agreement for 4 years, including a 24 month extension period, with a start date of 1/4/2015	£1.4 million		Approval to procure	32
Hampshire	Tree Maintenance Services Across Hampshire	Framework Agreement for 5 years, including a 12 month extension period, with a start date of 1/9/2015	£100,000	£2 million	Approval to procure	33
Hampshire	Vehicle Spares - mini competition - Hampshire Transport Management	Contract for 4 years, with a start date of 1/4/2014	£2.4 million		Approval to procure and approval to spend*	34
Hampshire	Warehouse Rack, Shelving, Storage and Material Handling Equipment	Framework Agreement for 4 years, including a 12 month extension period, with a start date of 1/11/2014	£150,000	£3 million	Approval to procure	35
	Mobile Telephony	Call-off contract from a framework agreement for up to 4 years with a start date of February 2015	£1.8 million		Approval to procure and approval to spend	36
	Core Network Upgrade	Call-off contract from a framework agreement for up to 5 years with a start date of July 2015	£2.2 million	£2,200,000		37

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West Sussex	Procurement Card Services including embedded and physical card services	Call-off contract from a framework agreement for up to 9 years (including extension periods) with a start date of 01/04/2014	Nil cost to the County Council. Estimated total spend of £117 million ¹			38
Surrey Police	Forensic Services	Framework Agreement, extension option available from 01/05/2015 for a period of 2 years	£3.2 million		For information only	39
	Vehicle Recovery Services	Framework Agreement for up to 4 years, with a start date of 01/04/2014	£750,000 income to Hampshire Constabulary. Estimated gross cost to contractor is £7.4 million		Approval to procure	40
Thames Valley Police or HCC	Translators and Interpreters	Framework Agreement for up to 4 years, with a start date of 01/09/2014	£2.5 million	£10 million	Approval to procure (if led by HCC)	41
Hampshire Constabulary or HCC	Vehicle Accident Repair Services	Framework Agreement for up to 4 years with a start date of 01/10/2014	£600,000	£10 million	Approval to procure (if led by HCC)	42

¹ The total spend mainly comprises 'embedded card' spend relating to existing contracts such as food and other consumables, where use of an embedded or physical purchasing card provides an efficient payment mechanism and reduces transaction costs for the County Council.

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	Engineering and Building Fabric Maintenance Term Contract (Hampshire Constabulary only)	Contract extension from 01/10/2014 to 30/09/2017	£3.6 million		For information only	43
	Basingstoke Fire Station – Design and Build (HFRS only)	Contract to be awarded 2014 – build to start 2015/2016	£4 Million		For information only	44
Fire and Rescue Insurance Consortium	Insurance Arrangements	Framework Agreement of up to 4 years with a start date of summer 2014	£1.2 Million		For information only	45

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	<p><u>External Decorations & Repairs</u> Under the Joint Working arrangements, procurement of new collaborative Framework Agreement for use by Hampshire County Council, Hampshire Fire and Rescue Services and Hampshire Constabulary (and open to other relevant partners). Scope to include external decorations and repairs, as defined as planned and reactive works to include pre-decoration repairs, scaffolding, mobile access systems, glazing, guttering and joinery repairs. HCC acting as the lead on the procurement activity. The arrangement will be procured in full compliance with EU Procurement Directives and will be in place for 4 years.</p>	4 year framework from April 2015	£12 million	£13 million	Approval to procure	46

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	<p><u>Mechanical & Electrical Works (small value works)</u> Under the Joint Working arrangements, procurement of new collaborative Framework Agreement for use by Hampshire County Council, Hampshire Fire and Rescue Services and Hampshire Constabulary (and open to other relevant partners). Scope to include minor reactive repair and planned mechanical and electrical (M&E) maintenance works. The arrangement will complement the existing major M&E works framework and term maintenance contracts already in place. HCC acting as the lead on the procurement activity. The arrangement will be procured in full compliance with EU Procurement Directives and will be in place for 4 years.</p>	4 year framework	£4 million	£6 million	Approval to procure	47

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	<p><u>Oak Park (former hospital site), Havant – Procurement Strategy</u> Executive Member Policy and Resources authority to procure was first obtained in June 2013 (Ref 4743) for a Restricted OJEU tender process to develop and operate a scheme comprising affordable Extra-Care, a Nursing Home and associated care services for both elements. The process resulted in two tenders being received on 14 November 2013, both of which were deemed to be non compliant, and were therefore not able to be appropriately evaluated.</p> <p>Consideration has been given to the concerns and comments made by the two original tenderers which resulted in their tenders deemed as non complaint. Where appropriate, alterations to the tender documentation have been made and it is proposed to re-run the OJEU tender process in a revised Open format, commencing in February 2014. It is necessary to expedite the tender process in order to retain a prospect of delivering the scheme in 2017, therefore retrospective procurement approval is requested for this slight change in procurement strategy.</p>	<p>125 year building lease(s), 5 year terms for Extra-Care and Nursing Care services.</p> <p style="text-align: center;">16.</p>	<p>n/a</p>	<p>£8.58 million</p>	<p>Revised approval to procure Approval to Spend</p>	<p>48</p>

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	<p><u>Vigo Infant and Junior Schools, Andover</u> Approval to commence procurement was given by the Executive Member for Policy and Resources on 18 April 2013 for the commencement of a procurement process for a 1FE expansion of Vigo Infant and Junior Schools with an anticipated value of £1.7M. As a result of a change in use of the existing buildings, the scope of the expansion has been amended. The estimated Contract Value is now £2.5M. Approval to spend for the additional amount was given by the Executive Member for Children's Services 22 January 2014. Approval to procure for the revised contract value is now sought.</p>	<p>Start on site : summer 2014</p>	<p>Preconstruction value £150,000 Construction value £2.5 million</p>	<p>n/a</p>	<p>Revised approval to procure</p>	<p>49</p>

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	Help Desk and IT Support Software Solution	Contract for 6 years, including a 24 month extension period, with a start date of 1/1/2015	£1.2 million		Approval to procure and approval to spend	50
Hampshire	Hampshire Public Services Network (HPSN2) – Contract Extension	Contract extension for 4 years, as provided for in the original contract, with a start date of 1/07/2015, giving a total contract period of 10 years		£90 million - £110 million (including schools and partners)	Approval to procure and approval to spend	51

*Note – approval to spend will also be given by the external customer / partner in accordance with its own procedures.