

HAMPSHIRE COUNTY COUNCIL

Report

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	28 June 2016
Title:	Corporate Procurement Contracting Activity and Approvals for 2016/17
Reference:	7561
Report from:	Director of Culture, Communities and Business Services

Contact name: Steve Clow

Tel: 01962 847858

Email: Steve.clow@hants.gov.uk

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 procurement of a Contract (not including a Framework Agreement) is subject to the approval of the relevant decision maker who has the authority to give approval for the relevant expenditure under the Constitution.' This report requests approval to procure contracts which require approval by the Executive Member as they involve revenue expenditure with 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 formation of a framework agreement is not requiring executive member approval. Approval is required only for committed values made by budget holders which is known usually as a call off under the framework agreement.

3. Overview of Contracting Activity for 2016/17

3.1. The programme includes 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). The County Council is a member of the CBC. 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.
- 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.
4. 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.

5. Recommendations

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

- 5.1. 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.)

DocumentLocation

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:

2.1 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:

3.1 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.

<p><u>Project Title</u> Brief project description (including scope of project, customer, procurement route, other relevant bodies)</p>	<p>Contract / framework term & Start date</p>	<p>Anticipated HCC value over full term</p>	<p>Anticipated Total Value over term (Collaborate Contracts where HCC lead)</p>	<p>Approval required / project update</p>
<p><u>Property Services: Structural Inspection</u> There is currently a 4year framework with Opus that expires in March 2017. The proposal is to replace this framework with a term contract arrangement for an initial 5year term with the possibility to extend for a further 5years subject to performance and continued value for money. The contract would cover the delivery of the planned inspection programme, ad hoc inspections and on-going monitoring activities. The arrangement would cover the Hampshire County Council, HFRS and Police estates and those schools buying the Property Services SLA. The anticipated value would be in the order of £600k per annum.</p>	<p>Commence 1.4.17 for 5 years with an option to extend for a further 5 years</p>	<p>£0.6m per annum = £6m</p>	<p>£0.6m per annum = £6m</p>	<p>Authority to procure and spend.</p>

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<p><u>Property Services: Periodic Electrical Test & Inspection</u> There is a currently a 4year contract with SSE that expires in March 2017. The proposal is to replace this framework with a term contract arrangement for an initial 5year term with the possibility to extend for a further 5 years subject to performance and continued value for money. The contract would cover the delivery of the inspection and testing of fixed wiring installations and would cover the Hampshire County Council, HFRS and Police estates and those schools buying the Property Services SLA. The anticipated value would be in the order of £350k per annum.</p>	<p>Commence 1.4.17 for 5 years with an option to extend for a further 5 years.</p>	<p>£0.35m per annum = £3.5m</p>	<p>£0.35m per annum = £3.5m</p>	<p>Authority to procure and spend</p>
<p><u>Managed Print Service</u> Extension to the existing contract for the provision of print services to HCC and other partners. Refer to exempt Agenda Item 12.</p>	<p>August 2016 for 2 years</p>	<p>£2.3m</p>	<p>£2.6m</p>	<p>Authority to procure and spend</p>

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<p><u>Property Services: Strategic Partner (Lot 2), Project and Cost Management</u> The original Strategic Partner, AECOM Professional Services LLP (contract commenced in April 2014), transferred their business to AECOM Ltd in October 2015. As a result, retrospective approval is sought to a modification of the contract (Novation) to the new supplier. This is in accordance with Regulation 72 of the Public Contracts Regulations 2015.</p>	<p>Original contract start April 2014. Duration, 4 years with options to extend for 2 x 2 years (up to 8 years in total)</p>	<p>Up to £18m</p>	<p>N/A</p>	<p>Approval to modification (Novation)</p>