

HAMPSHIRE COUNTY COUNCIL

Committee/ Panel:	Buildings, Land and Procurement Panel
Date:	11 October 2016
Title:	Corporate Procurement Contracting Activity and Approvals Update for 2016/17
Reference:	7769
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 procurement activity in relation to framework agreements and contracts involving spend. This approval request is in accordance with the County Council's Contract Standing Orders and Constitution. Requests for approval are as follows:

- Supply and Distribution of dry, chilled and frozen foods - extension to current arrangements
- Commercial Waste Services – revised procurement strategy
- Periodic Electrical Testing & Inspections – revised approval for authority to spend
- Marketing, advertising and consultation – approval to framework

2. Background

2.1. The County Council's Contract Standing Orders (CSO) requires that 'The commencement of a procurement process involving commitment to spend at contract stage 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 a range of procurement proposals and spend which require approval by the Executive Member as the planned commitments will have an estimated value in excess of £1 million.

3. Overview of Contracting Activity for 2016/17

3.1. The report presented to BLaPP on 31 March 2016 outlined the programme for 2016/17 and 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.

- 3.2. This report outlines changes and additions to the programme of overall planned procurement activity for 2016/17.

4. Supply and Distribution of dry, chilled and frozen foods

- 4.1 The current framework agreement is due to expire on 31 March 2017 and is currently being re-procured. Due to the complex service mobilisation and testing arrangements that would be required on the new framework agreement, a contingency extension to the existing framework agreement for the supply and distribution of dry, chilled and frozen foods to the County Council and other partners of four months will be required.
- 4.2 Approval is now sought for an extension to the existing framework to allow for a short period of extended spend.

5. Provision of Commercial Waste Services

- 5.1 Further to the Panel's endorsement in the report of the 31 March 2015, giving authority to procure and spend in relation to the renewal of the Commercial Waste and Collection Services contracts, the strategy has been revisited and overall values of spend confirmed. It is now intended to procure a single supplier framework in partnership with the Office of the Police and Crime Commissioner and Hampshire Fire and Rescue Service that will also be available for use by schools, academies, districts and unitary authorities in Hampshire. The framework agreement will be for a four year term with the option for call off contracts that extend for up to 3 years beyond the framework duration. The total estimated value of the framework agreement is up to £35m over 7 years, of which £21m relates to the County Council's and schools' spend.
- 5.2 Authority is therefore sought to spend up to £21m over 7 years through framework call off contracts for the County Council including schools.

6. Periodic Electrical Testing & Inspections

- 6.1 Procurement approval was given by the Executive Member for Policy and Resources at the Decision Day on 20 July 2016 for a successor contract for the County Council's Periodic Electrical Testing & Inspections framework. As the coverage of the arrangement has been extended to cover Hampshire Constabulary, plus the average expenditure anticipated for the County Council being circa £500,000 per annum, the value of the contract will increase from the previously approved £350,000 per annum to £600,000 per annum.
- 6.2 The contract is due to commence from 1 June 2017 for 5 years with an option to extend by a further 5 years.
- 6.3 Over the term of the contract the anticipated HCC value will be £5m with an anticipated total value of £6m.

7. Marketing, Advertising and Consultation

- 7.1 As part of the drive to reduce costs and maximise efficiency on external spend it is proposed to consolidate all commitments in the area of marketing, advertising and consultation. Savings will be achieved through aggregation of contract arrangements into one new framework with a number of lots. This will maximise the cost effectiveness of a return from the market. The County Council and its partners, including schools, Police and Fire Services, spend in the region of £3m per annum. These costs include mandatory public notice advertising, recruitment and promotion of the County Council's businesses. Also included in scope are public consultations essential to transformation in services such as those recently undertaken for Household Waste Recycling Centres and Library Services.
- 7.2 Approval is sought for an efficient 4 year framework with a maximum spend up to £12m over the term.

8. Recommendations

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

- a) An extension to the current arrangements for the Supply and Distribution of dry, chilled and frozen foods is approved (see confidential appendix 1 for risk assessment).
- b) The procurement of Commercial Waste Services to spend up to £21m over a 7 year term is approved.
- c) Revised approval for authority to spend on Periodic Electrical Testing and Inspections is granted.
- d) A 4 year framework for Marketing, Advertising and Consultation with a maximum spend up to £12m over the term is approved.

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 and County Supplies Contracting Activity and Approvals for 2015/16	6441	09/04/2015
Corporate Procurement and County Supplies Contracting Activity and Approvals for 2015/16	6440	31/03/2015
Corporate Procurement Update and County Supplies Contracting Activity for 2011/12	2461	01/04/2011
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.)

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 and spend approvals and it is not appropriate to set out specific impacts on climate change for each individual item.