

Notice of Meeting

Cabinet Member for Business Services Decisions

**Date & time**

Wednesday, 8
October 2014 at
10.30 am

Place

Room 107, County
Hall, Kingston upon
Thames, KT1 2DN

Contact

Anne Gowing, Room 122,
County Hall
Tel 020 8541 9122

Chief Executive

David McNulty

Anne.gowing@surreycc.gov.uk

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Anne Gowing, Room 122, County Hall on 020 8541 9122 .

Cabinet Member for Business Services
Ms Denise Le Gal

AGENDA

1 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

2 PROCEDURAL MATTERS

2a Members' Questions

The deadline for Members' questions is 12pm four working days before the meeting (2 October 2014).

2b Public Questions

The deadline for public questions is seven days before the meeting (1 October 2014).

2c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

3 DOCUMENT STORAGE AND DELIVERY SERVICE

(Pages 1
- 4)

This report recommends that a framework for the provision of Business Removal Services to commence on 1 November 2014 is awarded to Deepstore Ltd. Together with the Part 2 report, this report demonstrates why the recommended contract award delivers best value for money for Surrey County Council.

4 EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

5 DOCUMENT STORAGE AND DELIVERY SERVICE - COMMERCIAL DETAILS AND CONTRACT AWARD

(Pages 5
- 16)

This is a Part 2 report relating to item 3.

Exempt: Not for publication under Paragraph 3

Information relating to the financial and business affairs of any particular person (including the authority holding that information).

David McNulty
Chief Executive
Published: 30 September 2014

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SURREY COUNTY COUNCIL

CABINET MEMBER FOR BUSINESS SERVICES

DATE: 8 OCTOBER 2014

LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR BUSINESS SERVICES

SUBJECT: DOCUMENT STORAGE AND DELIVERY SERVICES



SUMMARY OF ISSUE:

Surrey County Council ("SCC") has had an off-site storage contract for the past 13 years with a company called Deepstore Limited. A contract was set up due to an initiative called *Workstyle*, which brought new ways of working for Services by reducing in-house filing and office accommodation, the current annual value of this contract is approximately £126k. Children's Services have an alternative provider for off-site storage with a similar level (£102k) of spend with a company called Kelly's.

The current total council spend on storage is £236,000 per annum.

The contract with Deepstore Ltd was procured through a framework via ESPO (Eastern Shires Procurement Organisation). This was a 2 year framework with a one year extension but was not felt to be cost effective to take up the extension. As a result of this, SCC entered into a one year agreement which will expire on 31st October 2014. A new ESPO framework has now been implemented and the existing supplier is no longer included in the approved supplier list. The contract with Kelly's needs to be tendered to ensure that SCC complies with EU Procurement Legislation and Procurement Standing Orders.

The intention is to move all of the records to a single provider.

RECOMMENDATIONS:

It is recommended that:

- The information relating to the procurement process, as set out in this report, be noted; and
- The following consideration of the results of the procurement process in Part 2 of the meeting (as required), the award of a framework agreement to Deepstore Limited on the basis of a 2 year contract with the option to extend for 2 years as set out in the Part 2 report be agreed.

REASON FOR RECOMMENDATIONS:

The existing contract with Deepstore Limited will expire on 31 October 2014. A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders, has been completed and the recommendations provide best value for money for the Council following a thorough evaluation process.

DETAILS:

1. This report recommends that a framework agreement for the provision of Document Storage and Delivery Services to commence on 1 November 2014 is awarded to

Deepstore Limited. Together with the Part 2 report, this report demonstrates why the recommended contract award delivers best value for money for Surrey County Council.

3 Background and options considered

2. The existing contract for the provision of Document Storage and Removals Services will expire on 31 October 2014. Several options were considered when completing the Strategic Sourcing Plan (SSP) outlining the best route to market, before starting the procurement activity. These included taking out a one year extension on the original ESPO (Eastern Shires Procurement Organisation) framework and wait to use the new ESPO framework; delivering an in house solution and running; a full OJEU tender exercise to award an SCC framework that is also accessible by districts and boroughs and other councils within the SE7 region.

Procurement Strategy

2. A full tender process, compliant with the European Public Procurement Regulations and Procurement Standing Orders, has been carried out following the receipt of authority from Procurement Review Group (PRG) on 11 March 2014. This included advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 6 February 2014.
4. After a full and detailed options analysis, it was decided to establish an SCC framework agreement as this demonstrated best value for money and would deliver the most suitable delivery solution for Surrey County Council.
5. A joint procurement and project team was set up to including representatives from Procurement and Property.

Use of e-Tendering and market management activities

6. In order to open the tender process to a wider range of suppliers than have previously been involved, the electronic tendering platform Intend was used.
7. Use of the electronic tendering systems represented a major change from previous paper based processes and introduced a competitive process that was open and transparent to all involved.

Key Implications

8. By awarding a contract to Deepstore Limited for the provision of Document Storage and Delivery Services to commence on 1 November 2014, the Council will be meetings its duties and ensuring business continuity.
9. The management responsibility for the contract lies with the Property Service Contract Manager and will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation which also provides for review of performance and costs, including inflationary increases.

Competitive Tendering Process

10. The contract will be let as a competitive tendering exercise. It was decided that the open process was appropriate because it encouraged a wider range of applicants and reduced the tendering timescales.
11. The procurement activity included a pre-qualification stage, where suppliers expressing an interest in the advertised tender opportunity were evaluated to ensure that they had the legal, financial and technical capacity (including their health & safety, equal opportunities policies and social value) to undertake the contract for the Council. The results of this process were that of the all suppliers who expressed an interest were included in the tender evaluation stage.

12. An invitation to tender was sent to these 42 suppliers, who were given 40 days to complete and submit their tender. 16 of the suppliers submitted a response and these tenders were then evaluated against the following criteria and weightings, the results being that Deepstore Limited scored highest, with a total score of 89.89%.

RISK MANAGEMENT AND IMPLICATIONS:

- 13. The is framework agreement does not commit the Council to any volumes of spend. This will allow the Council to cease using the contract should priorities change or funding no longer be available.
- 14. All short listed tenderers successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts at the Pre-qualification stage.

Section 151 Officer Commentary

15. The cost of approving the recommended supplier to provide the likely level of storage is provided for in the current MTFP, assuming there are no significant changes in volume.

Legal Implications – Monitoring Officer

16. The Council has undertaken a competitive procurement exercise in accordance with the EU procurement regulations, to engage the supplier for services. The framework agreement offers the Council various measures of protection, including a requirement that the supplier subscribes for public liability insurance cover at £10,000,000.00.

Equalities and Diversity

17. The project team agreed that no formal EIA would be completed as this service is carried out entirely within Surrey County Council commercial buildings and will not impact on members of the public or staff. However within the tender documentation we have concentrated on social values.

Climate change/carbon emissions implications

- 18. The framework will require all boxes to be sent for destruction and none sent to land fill targets.
- 19. The Supplier will be asked about the make and model of fleet, the fuel type used and the CO2 emissions and will be operating locally.

WHAT HAPPENS NEXT:

20. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including ‘call-in’ period)	8 October 2014
Standstill Period	26 September – 8 October 2014
Contract Signature	16 October 2014
Contract Commencement Date	1 November 2014

21. The Council has an obligation to allow unsuccessful suppliers the opportunity to receive a debrief and have the opportunity to challenge the proposed contract award before the contract is entered into. This period is referred to as the standstill period.

Contact Officer:

Keith Coleman, Corporate Category Manager – Tel: 020 8541 7601

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Consulted:

Julie Reeve – Property Services
Adrian Powici – Property Services
Amanda Nye – Property Services
Louise Lawson – Finance
Sian Spaight – Procurement
Julia Bowman - Children's Services
Ayo Owusuh - Legal Services
Eastern Shires Procurement Organisation

Annexes:

None

Sources/background papers:

None

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By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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