

Notice of Meeting

Cabinet Member for Business Services and Resident Experience Decisions

**Date & time**

Tuesday, 17
January 2017 at
2.30 pm

Place

Room 111, County
Hall, Kingston Upon
Thames, KT1 2DN

Contact

Andrew Baird or Joss
Butler
Room 122, County Hall
Tel 020 8541 7609 or 020
8541 9702

Chief Executive

David McNulty

andrew.baird@surreycc.gov.uk
joss.butler@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 Andrew Baird or Joss Butler on 020 8541 7609 or 0208 541 9702

Elected Members

Ms Denise Le Gal

AGENDA

1 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

2 PROCEDURAL ITEMS

a Members' Questions

The deadline for Members' questions is 12pm four working days before the meeting (11/01/2017).

b Public Questions

The deadline for public questions is seven days before the meeting (10/01/2017).

c Petitions

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

3 AWARD OF CONTRACT FOR THE SUPPLY OF CLEANING MATERIALS AND JANITORIAL SUPPLIES VIA THE WEST SUSSEX COUNTY COUNCIL FRAMEWORK AGREEMENT

(Pages 1
- 6)

This report seeks approval to award a call off contract for the supply of cleaning materials and janitorial supplies via the West Sussex County Council Framework Agreement for the benefit of The Council to commence on 1 February 2017 as detailed in the recommendations as the current arrangements expire on 31 January 2017.

4 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for 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.

PART TWO – IN PRIVATE

5 AWARD OF CONTRACT FOR THE SUPPLY OF CLEANING MATERIALS AND JANITORIAL SUPPLIES VIA THE WEST SUSSEX COUNTY COUNCIL FRAMEWORK AGREEMENT

(Pages 7
- 10)

This Part 2 report contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

The information contained in this report may not be published or circulated beyond this report and will remain sensitive for the length of the contract.

Confidential: Not for publication under Paragraph 3

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

David McNulty
Chief Executive

Published: Monday, 9 January 2017

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

SURREY COUNTY COUNCIL

CABINET MEMBER FOR BUSINESS SERVICES.

DATE: 17 JANUARY 2017

LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER

SUBJECT: AWARD OF CONTRACT FOR THE SUPPLY OF CLEANING MATERIALS AND JANITORIAL SUPPLIES VIA THE WEST SUSSEX COUNTY COUNCIL FRAMEWORK AGREEMENT



SUMMARY OF ISSUE:

This report seeks approval to award a call off contract for the supply of cleaning materials and janitorial supplies via the West Sussex County Council Framework Agreement for the benefit of The Council to commence on 1 February 2017 as detailed in the recommendations as the current arrangements expire on 31 January 2017.

The report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrates why the recommended contract award delivers best value for money.

Due to the commercial sensitivity involved in the contract award process the financial details of the potential supplier has been circulated as a Part 2 report.

RECOMMENDATIONS:

It is recommended that the Cabinet Member for Business Services and Resident Experience agrees to award a call off contract to Whiteman and Parrish Ltd from 1 February 2017 for 12 months with an option to extend for a further period of 12 months for Surrey County Council (SCC) following consultations of the financial details and recommendations outlined in the part 2 report. The term will align with future procurement opportunities as part of the Orbis Facilities Management Strategy.

REASON FOR RECOMMENDATIONS:

Following an assessment of a number of options it was decided that a medium term call off contract using the West Sussex County Council Janitorial Supplies Framework Agreement was deemed the most appropriate route to market at this time.

The tender to establish this framework was in compliance with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders (PSO's).

The recommendation, following a thorough evaluation process, currently provides

best value for money for this contract and an appropriate and flexible service for the Council.

To ensure continued value for money is obtained, benchmarking will continue against other available frameworks to compare prices and if required a procurement exercise will be undertaken in the next 12 months to obtain a solution that better meets the overall needs of the Council.

DETAILS:

Business Case

1. Surrey has an existing contract for cleaning materials and janitorial supplies with Bunzl Hygiene Ltd which is due to expire on 31 January 2017. This arrangement was put in place through a call off contract entered into on behalf of the Council as a named user of the framework agreement procured by Braintree District Council and awarded to this supplier for 4 years.
2. The approach taken by Procurement is to secure the continued supply of these materials and supplies by entering into a call off contract under the West Sussex County Council Janitorial Supplies Framework Agreement which is available to several local authorities and to which the Council therefore has access. This will ensure that the Council not only fulfils all of its statutory obligations and duty of care responsibilities in relation to health and safety, but also delivers a cost effective and flexible solution to address the needs of the organisation.
3. A cross section of Council services use the contract, which will be managed and monitored by Buying Solutions who maintain the on-line catalogue for ordering, purchasing and payment of the supplies. The catalogue of core and non-core items for this requirement will be hosted in-house, with no cost attached for setting up and maintaining the order system for this medium term contract.

Procurement Strategy and Options

4. West Sussex County Council undertook a full tender process for the framework agreement, compliant with the Public Contracts Regulations 2015 and the Council's Procurement Standing Orders, to appoint a single supplier to operate this framework agreement and which included advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 15 February 2016
5. On the 1 October 2016 West Sussex County Council awarded a four year framework agreement for Janitorial Supplies to Whiteman and Parrish Ltd following a thorough evaluation process which took into consideration price, policies and quality of products to be supplied. Participating authorities can access the framework agreement by completing an Access Agreement and thereafter placing orders directly with the supplier via the online catalogue.
6. Several procurement options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included the following options:
 - a) Call off from the East Sussex County Council Framework.

- b) Extend the current call off arrangement with Bunzl via the Braintree District Council Framework
 - c) Utilise the West Sussex County Council Framework Agreement available to the Council.
7. After a full and detailed options analysis, the process described in paragraph 6(c) was chosen as the West Sussex County Council Framework Agreement had been awarded and prices were immediately available for core and non-core catalogue items required by the Council. Option 6(a) was rejected as the East Sussex County Council framework offered limited choice and product support, with pricing on like for like products 8% more expensive. Option 6 (b) was rejected as the Braintree District Council framework four year term was coming to an end, and it is therefore no longer current or efficient to the Council. The new arrangement also highlighted that products listed on the "Top 100" like for like items were 15.5% more cost effective when benchmarked against the Braintree District Council framework.

Key Implications

8. By awarding a contract to the supplier as recommended for the supply of cleaning materials and janitorial supplies to commence on 1 February 2017, the Council will be fulfilling all of its statutory obligations and duty of care responsibilities in relation to health and safety and will be ensuring best value for money for these supplies.
9. This contract with pre-agreed terms and conditions offers a flexible arrangement which is easy to access and use, and which has a comprehensive product range available to all Council users. The core and non-core catalogue of available products also includes alternative items of similar quality to those already being supplied to the Council, but priced lower than current branded products. If a particular item does not appear on the core list, the supplier will obtain quotations for the preferred product and a minimum discount of 8% against the supplier branded published price will be applied.
10. Deliveries will be made within three working days following receipt of order, are free for orders in excess of a set amount and the supplier operates a no argument return policy on condition that they are notified of items to be returned within 48 hours of delivery.
11. Appropriate contract management and monitoring of quality of products and deliveries will take place throughout the duration of the contract and be reviewed at regular contract meetings. The management responsibility for the Council's contract lies with Buying Solutions who will maintain a process to ensure deliveries are monitored in accordance with the conditions of the agreement. West Sussex County Council will also undertake pro-active product and account management including the supply of management reports to framework users, and hold regular contract meetings to discuss supplier performance.
12. Catalogue prices are fixed for 12 months from framework award after which time they will be reviewed by West Sussex County Council.
13. The supplier has confirmed they have a depot at Hailsham East Sussex which will service the Council's requirements.

Competitive Tendering Process by West Sussex County Council

14. Suppliers expressing an interest in the advertised tender opportunity were invited to tender for the framework through an open tender procurement process which commenced 15 February 2016. For the suitability stage, suppliers were evaluated to ensure that they had the legal, financial and technical capacity (including health and safety and equal opportunities policies) to undertake the contract for the framework agreement. Following the completion of a suitability assessment, suppliers were required to submit their tenders by 16 of March 2016.
15. Tender submissions received were scored against the price, geographical coverage, after sales support, service delivery, product range and management information
16. The pass mark for all 10 questions apart from price was a minimum score of 3 out of 5 with those failing to achieve this score for any of the criteria considered to not meet the requirements and therefore fail the evaluation with rejection of their tender. The Supplier with the highest score would receive the full mark.
17. 5 baskets of goods were selected from the pricing schedule with indicative costs. The supplier was requested to plus or minus a discount of the indicative total. The supplier with the lowest cost (largest minus discount) was awarded the full marks.

CONSULTATION:

18. Key internal stakeholders have been consulted at all stages of the commissioning and procurement process.

RISK MANAGEMENT AND IMPLICATIONS:

19. Risks were appropriately identified and have been satisfactorily mitigated. These risks and action to mitigate them include:
 - a) Financial (price increases due to market conditions) – the framework owner controls the prices which have been fixed for 12 months (31 September 2017). –The benchmarking exercise between the current and the new arrangement produced a saving of 15.5% comparing The Councils “Top 100” items.
 - b) Reputation and Service (the supplier does not meet delivery times and quality of product does not meet expectation) - ongoing checks and monitoring will be undertaken by Buying Solutions and West Sussex County Council as the framework owners to maintain standards. Rejected or unwanted goods can be returned to the supplier within an agreed time limit from delivery with no argument.
 - c) Supply (supply disruption during changeover of suppliers) – The Council has allowed 2 weeks for implementation to ensure the new supplier is fully ready

for the launch of the new contract, however this may be reduced. Pre-contract meetings have taken place to ensure that mobilisation can be swift and effective. Whiteman and Parrish has been a previous supplier to Surrey County Council and are aware of the requirement.

20. The contract includes termination provisions to allow the framework owner and the Council to terminate the contract earlier if the supplier commits a substantial break of any of its obligations under the agreement. If terminated, the framework owner and the Council will only be liable to pay the supplier for sums due for services provided up to the date of termination.

Financial and Value for Money Implications

21. Full details of the contract including values and financial implications are set out in the Part 2 report.
22. The contract will deliver a flexible solution which offers a comprehensive range of products at competitive prices.

Section 151 Officer Commentary

23. The County Council is facing a very serious financial situation, whereby it is forecasting a significant revenue budget overspending in this year, and does not have a balanced nor sustainable budget plan for future years. This planned expenditure has been included within the current Medium Term Financial Plan. Services are expected to have in place appropriate controls to ensure that all cleaning materials purchased are necessary within this financial context.

Legal Implications – Monitoring Officer

24. The Council is calling off these services from a West Sussex County Council Framework Agreement. The law allows the Council to be deemed to have complied with the Public Contracts Regulations 2015 provided that West Sussex County Council has done so. The Council is not aware of any reason to suggest that West Sussex County Council in procuring the Framework Agreement has broken the law.

The Council has complied with its legal obligations to obtain best value and done the evaluation without infringing the law. The award is in accordance with the law and the Council's Procurement Standing Orders.

Equalities and Diversity

25. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as there were no implications for any public sector equalities duties due to the nature of the services being procured, an EIA was not required. Despite this the supplier will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission.

Other Implications:

26. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Public Health	The contract supports the Council's ability to meet its duty of care requirements in relation to health and safety
Climate change	No significant implications arising from this report
Carbon emissions	Depots in the South East of England will supply the products as required thereby reducing carbon emissions from transport

WHAT HAPPENS NEXT:

27. The timetable for implementation is as follows:

Action	Date
Cabinet Member decision to award	17 th January 2017
Cabinet call in period	January 2017
Contract Signature	January 2017
Contract Commencement Date	1 February 2017

Contact Officer:

Carl Prendergast, Interim Category Specialist – Procurement and Commissioning,
01273 481502.

Consulted:

West Sussex County Council – Jessica Coleman Procurement and Contract Services
03302 228560

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

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