

Notice of Meeting

Cabinet Member for Business Services and Resident Experience Decisions

**Date & time**

Tuesday, 18
October 2016 at
9.30 am

Place

Room G44, County
Hall, Kingston Upon
Thames, KT1 2DN

Contact

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

Chief Executive

David McNulty

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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 (12/10/2016).

b Public Questions

The deadline for public questions is seven days before the meeting (11/10/2016).

c Petitions

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

3 AWARD OF FRAMEWORK AND CONTRACT FOR THE PROVISION OF SALTING AND SNOW CLEARANCE SERVICES FOR SURREY COUNTY COUNCIL BUILDINGS AND OTHER USERS (Pages 1 - 8)

This report seeks approval to award:

- a. a framework agreement for the benefit of the Council and other participating authorities
- b. a subsequent award of a call off contract for Surrey County Council against the above framework

for the provision of salting and snow clearance services for operational

and estate sites to commence on 10 November 2016 as detailed in the recommendations as the current arrangements expire on 31 October 2016.

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 2 – IN PRIVATE

5 AWARD OF FRAMEWORK AND CONTRACT FOR THE PROVISION OF SALTING AND SNOW CLEARANCE SERVICES FOR SURREY COUNTY COUNCIL BUILDINGS AND OTHER USERS (Pages 9 - 12)

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.

Exempt: 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, 10 October 2016

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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 AND
RESIDENT EXPERIENCE****DATE: 18 OCTOBER 2016****LEAD
OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER****SUBJECT: AWARD OF FRAMEWORK AND CONTRACT FOR THE
PROVISION OF SALTING AND SNOW CLEARANCE SERVICES
FOR SURREY COUNTY COUNCIL BUILDINGS AND OTHER
USERS****SUMMARY OF ISSUE:**

This report seeks approval to award:

- a. a framework agreement for the benefit of the Council and other participating authorities
- b. a subsequent award of a call off contract for Surrey County Council against the above framework

for the provision of salting and snow clearance services for operational and estate sites to commence on 10 November 2016 as detailed in the recommendations as the current arrangements expire on 31 October 2016.

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 framework and call off contract award delivers best value for money.

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

RECOMMENDATIONS:

The Cabinet Member for Business Services and Resident Experience is asked to authorise:

1. the award of a framework agreement to NGS Corporation Plc for two years from 10 November 2016 with an option to extend for two periods of one year each.
2. agree an immediate call off contract under the framework agreement placed with NGS Corporation Plc for the benefit of Surrey County Council with an estimated maximum annual value of £240,000 (cost dependant on weather conditions during the winter season) for a two year contract term with an option to extend the contract for two periods of one year each, noting that the value of the contract during the full four year term shall not exceed

£960,000

REASON FOR RECOMMENDATIONS:

The existing contract will expire on 31 October 2016. A full tender process, in compliance with the requirements of the Public Contract Regulations 2015 and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

The framework agreement as awarded sets out the terms and conditions under which a specific purchase known as a call-off contract can be made on behalf of the Council and other users during the term of the agreement.

DETAILS:

Business Case

3. The framework agreement provides an efficient, cost effective and flexible salting and snow clearance service to assist in dealing with icy conditions to enable safe and free movement of staff, visitors and vehicles at business critical sites within the Integrated Facilities Management (IFM) portfolio, the Fully Service Accommodation (FSA) portfolio and to a number of private and managed roads (not public highways) that the Council is responsible for. Premises that require this service include: administrative offices, fire stations, residential homes, day centres, libraries and adult learning centres. Property Services will liaise with other front-line services on their requirements for this service at designated sites for the Council and other named users of the framework on a call off basis. The agreement supports the Council's ability to provide a high quality service with a competitive schedule of rates that represents value for money and clear monitoring measures to ensure this quality is maintained. The current arrangement expires on 31 October 2016.

The agreement allows other named bodies including borough and district councils within Surrey, Surrey schools, East Sussex County Council and its borough and district councils, Brighton and Hove City Council and West Sussex County Council and their borough and district councils to utilise the framework agreement for their own salting and snow clearance services.

Procurement Strategy and Options

4. A full tender process using an electronic tendering platform, compliant with Public Contracts Regulations 2015 and the Council's Procurement Standing Orders, was carried out for the framework agreement which included advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 09 June 2016.
5. Several options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These were:
 - a) undertake a tender exercise and establish a bespoke contract for current required services - SCC only;

- b) place a call-off contract from a framework agreement provided by an external buying organisation;
 - c) undertake a tender exercise and establish a bespoke framework agreement for partners and other participating authorities.
6. After a full and detailed options analysis, the process described in paragraph 5(c) was chosen. Option 5(a) was rejected as does not fit in with Orbis FM Contract Strategy. Option 5(b) was rejected as the specification (list of services, service standard, key performance indicators) for the externally provided frameworks were unlikely to meet the requirements of the Council and other named users. Further Option 5(c) as a regional approach offered a collaborative opportunity with other named users with the added benefit of saving more by increasing spending power and sharing best practice.

Key Implications

- 7. By awarding a framework agreement and a call off contract to commence on 10 November 2016, the Council will be meeting its obligations to provide quality, responsive and flexible salting and snow clearance services and ensuring best value for money is achieved.
- 8. There will be a one week mobilisation period for the Council's call off contract under which is considered to be sufficient as the supplier is the incumbent and therefore is already familiar with the property portfolio and requirements.
- 9. Appropriate contract management will take place throughout the duration of the framework agreement and be reviewed at regular contract meetings. The management responsibility for the Council lies with Orbis Property Services who will maintain a process to ensure the services are monitored in accordance with the conditions of the agreement.
- 10. Performance will be monitored through a series of Key Performance Indicators (KPIs) as detailed in the framework agreement and reviewed at monthly operations meetings.
- 11. The schedule of rates will be fixed for the initial term of the contract and then reviewed for any extension offered. Any extensions will be subject to Retail Price Index increases at the discretion of the Council after negotiation with the supplier.
- 12. The supplier is required to give the Council an annual financial rebate of 3% at financial year end of total charges for services accessed through the framework agreement by any of the participating authorities.
- 13. In terms of Social Value, bidders were required in their tender submissions to provide details of how they would implement and deliver the commitments made in their Employment and Skills Plan (ESP). This includes opportunities that would be offered within the local area and over the term of the call-off contract. Direct new labour generated by the contract will be sought from the immediate locality and within the Surrey boundaries where reasonably practicable. The supplier will seek to provide support and training within the local community through grants including skills training and initiatives and services will be provided for local Not in Education, Employment and Training

(NEET) young people. Support will be given to the local youth centres and care homes. All goods and services will be procured locally where possible,

14. The supplier recommended for award is located in Southampton and has given a contractual commitment for the Surrey county area to the creation of eight jobs for local residents and from priority groups during the framework term.

Competitive Tendering Process

15. The framework agreement has been tendered following a competitive tendering exercise using the open procedure.
16. All eleven suppliers expressing an interest in the advertised tender opportunity were invited to tender for the framework and were given 35 days to complete and submit their tender. A total of five responses were received.
17. Tender submissions were initially evaluated on a pass/fail basis against selection criteria including Good Standing, Insurance Requirements, Financial Information, Health and Safety and Equalities, Quality Assurance and Sustainability, Social Value and Business Continuity which all suppliers passed.
18. Tender submissions were scored against the quality and commercial award criteria and weightings as shown below.

Tender Award Criteria	Weighting
Section A – Staffing and Recruitment	4%
Section B – Performance	9%
Section C – Contract Management and Supervision	8%
Section D – Services	8%
Section E – Health and Safety	2%
Section F – Environmental Issues	13%
Section G – Environmental Method Statement	6%
Price	50%
Total	100%

19. Each question was assessed using a score range from 0 Unacceptable – No response or irrelevant information provided and bid excluded from further consideration to 5 – Excellent/Exceptional report – response of very high standard, and excellent evidence is provided of continuous improvement and innovative ways of working to deliver best value outcomes.

20. For price, the lowest total cost for the schedule of rates tendered by each supplier multiplied by the estimated number of visits and treatments of sites listed in the ITT pricing schedule received the maximum score and higher prices bids received a score according to their relationship with the lowest bid.

RISK MANAGEMENT AND IMPLICATIONS:

21. Risks were appropriately identified and have been satisfactorily mitigated. These risks and action to mitigate them include:
- a) Cost– high risk of exceeding budget if we have cold and long winters. Review the trigger point of call out; reduce visit frequencies and areas serviced. The prices are fixed for the initial two years of the call off contract. The Council at its discretion may consider whether an adjustment is to be made in years three (3) and four (4) of the Agreement if the option to extend the term is exercised. Where the Council decides to make an adjustment to the Charges it shall base it on the Retail Price Index.
 - b) Stability – the risk of the supplier not being financially stable resulting in no longer being able to provide the services has been mitigated through annual checks to be undertaken to monitor spend on the framework agreement and call-off contracts.
 - c) Reputation – high standards need to be maintained in respect of supplier staff continuity, health and safety, flexibility and response, and the overall efficiency of the service. Ongoing performance monitoring will be undertaken by the supplier and the Council to maintain standards.
 - d) Service delivery risks – poor performance of the supplier affecting relationship between Property Services and sites. Careful selection of Supplier and management of Supplier after contract award.
22. The framework agreement includes termination provisions to allow the Council to terminate the agreement with a three month notice period should circumstances change. The Council also has the right to terminate individual purchase orders with immediate effect for non performance or the call off contract for convenience giving suppliers three months notice.
23. The supplier recommended for the framework award was assessed as satisfactory for all financial checks in relation to the value of the proposed award.

Financial and Value for Money Implications

24. Full details of the framework agreement and call-off contract value and financial implications are set out in the Part 2 report.
25. The procurement activity has delivered a solution that is both within budget and making a cost saving of £15,664, assuming usage remains the same.
26. Further, direct new labour generated by the contract will be sought from the immediate locality and within the Surrey boundaries where reasonably practicable and all goods and services will be procured locally where possible which will contribute to overall growth in the local economy.

Section 151 Officer Commentary

The Section 151 Officer confirms that the potential level of spend is provided for in the current Medium Term Financial Plan.

Legal Implications – Monitoring Officer

27. The Council has a duty to enable safe and free movement of staff, visitors and vehicles at business critical sites within its property portfolio including the fully serviced accommodation and to a number of private and managed roads (not public highways) that the Council is responsible for.
28. The recommended supplier has been selected in accordance with Public Contract Regulations 2015 and Procurement Standing Orders. A thorough evaluation was done of suppliers bids. The recommended supplier will also provide best value, added social value and aid Surrey's economy.

Equalities and Diversity

29. Tender submissions were assessed for adherence to the Council's Equality and Diversity policy. From mobilisation onwards Orbis Property Services will monitor the supplier's adherence to the above and take appropriate action to address any concerns with the supplier. The preferred supplier will be required to comply with all relevant legislation.

Other Implications:

30. 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	All supplier's staff to be DBS checked in line with statutory guidance.
Public Health	The supplier will have regard to the SCC's Health & Safety Policy, and ensure that all their employees comply with the requirements of the Health and Safety at Work Act. The supplier is required to adhere at all times to good practice and procedure and particular attention is drawn to the statutory requirements and guidance.
Climate change	The supplier will be expected to use environmentally friendly materials as well as following the Council's policy on recycling.
Carbon emissions	The supplier will be expected to meet the Council's standards for any vehicle/machinery emissions and use energy efficient appliances and equipment.

WHAT HAPPENS NEXT:

31. The timetable for implementation is as follows:

Action	Date
Cabinet Member decision to award	18 October 2016
Cabinet call in period	19 to 24 October 2016
'Alcatel' Standstill Period	25 October to 04 November 2016
Framework Agreement and Contract Signature	10 November 2016
Framework Agreement and Contract Commencement Date	10 November 2016

Contact Officer:

Zoran Kahvo, Category Specialist – Procurement and Commissioning, Orbis - Business Services, Tel: 020 8541 9785

Consulted:

None applicable for external

Annexes:

None - Part 2 report with financial details attached to agenda as item 5

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

Document is Restricted

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