

SURREY COUNTY COUNCIL**CABINET MEMBER FOR BUSINESS SERVICES AND
RESIDENT EXPERIENCE****DATE: 1 DECEMBER 2015****LEAD
OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER****SUBJECT: AWARD OF CONTRACT FOR THE SUPPLY OF CLEANING
MATERIALS AND JANITORIAL SUPPLIES VIA BRAINTREE
DISTRICT COUNCIL FRAMEWORK****SUMMARY OF ISSUE:**

This report seeks approval to award a call off contract for the supply of cleaning materials and janitorial supplies via the Braintree District Council Framework Agreement for the benefit of the Council to commence on 1 February 2016 as detailed in the recommendations as the current arrangements expire on 31 January 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 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 a call off contract is awarded to Bunzl UK Ltd from 1 February 2016 for six months with an option to extend for a further period of six months for Surrey County Council (SCC).

REASON FOR RECOMMENDATIONS:

Following an assessment of a number of options it was decided that a short term call off contract using the Braintree District Council Janitorial Supplies Framework Agreement (ref PROC15-0101) 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 2006 and the Council's Procurement Standing Orders.

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 Wightman and Parrish which is due to expire on 31st January 2016. 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 West Sussex County Council (WSSCC) 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 Braintree District Council Janitorial Supplies Framework Agreement which is available to all UK public bodies including 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 Business Operations 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 short term contract.

Procurement Strategy and Options

4. Braintree District Council undertook a full tender process for the framework agreement, compliant with the Public Contracts Regulations 2006 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 16 January 2015.
5. On 8 July 2015 Braintree District Council awarded a four year framework agreement for Janitorial Supplies to Bunzl UK 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) extend the arrangement with the current supplier;
 - b) undertake a full EU compliant tender exercise and establish a contract;
 - c) utilise an external organisation's framework agreement (other than that of Braintree District Council);

- d) utilise the Braintree District Council Framework Agreement available to the Council.
7. After a full and detailed options analysis, the process described in paragraph 6(d) was chosen as the Braintree District 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 WSCC framework four year term has ended, and it is therefore no longer available to the Council. Option 6 (b) was rejected as the tender process would incur additional cost and resources and this is currently not the best option open to the Council. Option 6(c) was rejected as for the two frameworks considered, the new WSCC framework has not yet been awarded, and the East Sussex County Council's Soft Facilities Management Services framework offers substitute products which are a less competitive price than for the option chosen.

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 2016, 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 existing 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 20% 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. Braintree District Council will also undertake pro-active product and account management including the supply of management reports to framework users.
12. Catalogue prices are fixed for 12 months from framework award after which time they will be reviewed by Braintree District Council.
13. The supplier has confirmed they have conveniently located depots at Croydon and Langley which will service the Council.

Competitive Tendering Process by Braintree District Council

14. Suppliers expressing an interest in the advertised tender opportunity were invited to tender for the framework through a restricted tender procurement process which commenced 16 January 2015. For the pre-qualification 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 pre-qualification process, short listed suppliers were required to submit their tenders by 12 May 2015.
15. Tender submissions received were scored against the price, geographical coverage, after sales support, service delivery, product range and management information award criteria and weightings as shown below.

| Award Criteria | Weighting |
|------------------------|-----------|
| Quality | |
| Price | 20% |
| Geographical Coverage | 20% |
| After Sales Support | 20% |
| Service Delivery | 20% |
| Product Range | 10% |
| Management Information | 10% |

16. The pass mark for all 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.
17. A large basket of goods was selected from the pricing schedule issued for the tender. The lowest total price received full marks (5) and the remaining bids were scored according to their relationship with the lowest bid.

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. If branded products are selected by Council service users, costs will increase by 61% by switching to the new contract. The supplier has, however, offered alternative products of the same quality as branded items at significantly lower prices. If these are chosen instead of branded products, it will reduce the overall contract cost to the Council by 25%.
 - 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 Braintree District 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 six weeks for implementation to ensure the new supplier is fully ready for the launch of the new contract.
- 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.
- 21. The supplier recommended for contract award was assessed as satisfactory for all financial checks and is required by the framework owner to provide a Performance Bond equal to 10% of the annual contract sum against failure.

Financial and Value for Money Implications

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

Section 151 Officer Commentary

- 24. The Section 151 Officer confirms that the report clearly sets out the financial issues. There is a risk that if branded cleaning materials are chosen by services then the costs are unaffordable. However, the Section 151 Officer accepts that the best value solution has been sought and alternative supplies can be bought at a price that is affordable within the current Medium Term Financial Plan (MTFP). The reported savings will be delivered by services opting for alternative unbranded products.

Legal Implications – Monitoring Officer

- 25. There is very little legal risk. This is because Braintree District Council procured the Framework Agreement. By calling off services from it the Council is treated as complying with EU procurement law provided that Braintree has done so. The Council has no reason to suppose that Braintree breached EU law.
- 26. The award is being made in accordance with the law and the Council's Procurement Standing Orders.
- 27. There is only one supplier on the Framework so there are no other suppliers that could challenge the Council's award.

Equalities and Diversity

- 28. 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:

29. 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:

30. The timetable for implementation is as follows:

| Action | Date |
|----------------------------------|----------------------|
| Cabinet Member decision to award | 1 December 2015 |
| Cabinet call in period | 2 to 9 December 2015 |
| Contract Signature | December 2015 |
| Contract Commencement Date | 1 February 2016 |

Contact Officer:

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Consulted:

Braintree District Council – The Essex Procurement Hub, Financial Service, Tel: 01376 552525