

SURREY COUNTY COUNCIL

CABINET

DATE: 22 OCTOBER 2013



REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES

MRS HELYN CLACK, CABINET MEMBER FOR COMMUNITY SERVICES

LEAD OFFICER: LAURA LANGSTAFF, HEAD OF PROCUREMENT AND COMMISSIONING

PETER MILTON, HEAD OF CULTURAL SERVICES

SUBJECT: APPOINT A NUMBER OF SUPPLIERS TO THE SURREY COUNTY COUNCIL AND EAST SUSSEX COUNTY COUNCIL FRAMEWORK FOR LIBRARY FIT OUTS

SUMMARY OF ISSUE:

In May 2013 Surrey County Council (SCC) and East Sussex County Council (ESCC) agreed to enter into a joint framework agreement, with SCC as the Lead Authority, to satisfy the requirements for the procurement of the final design, consultancy, supply and installation of the soft fit out of a range of potential library refurbishment projects between 2013 and 2017.

As part of a procurement collaboration between the two authorities, SCC and ESCC already share a joint Head of Procurement and are working together to utilise combined buying power to deliver better contract value to both organisations in the future. Following a comprehensive procurement activity, it is proposed to award the framework to the recommended suppliers described in the Part 2 Annex (item 18). Due to the commercial sensitivity involved in the Framework award process, the names and financial details of the recommended suppliers have been circulated as a Part 2 Annex (item 18).

This is amongst the first joint-frameworks between Surrey County Council and East Sussex County Council since the merger of Procurement services and demonstrates the effectiveness of joint council working and the potential financial savings that can be achieved.

RECOMMENDATIONS:

It is recommended that the Cabinet:

Approves the award and appoints five suppliers to the Framework for Library fit outs, to work to a set specification and allow SCC and ESCC to utilise the appointed suppliers for projects as they arise through the use of mini competitions. The new Contracts will be operational from November 2013 for three years with an option to extend for further 12 months.

Details of the recommended suppliers can be found in the Part 2 Annex (item 18). The proposed framework agreements will be made available for use by SCC and ESCC.

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REASON FOR RECOMMENDATIONS:

The overarching aim of the framework is the efficient delivery of library refurbishments, to develop a library environment that creates a sense of excitement amongst users and promotes books and reading. The profile of SCC's and ESCC's libraries will be raised and library use within the community increased.

Surrey County Council's Library service has undertaken a major programme of library refurbishments since 2004. Thirty of SCC's libraries have been refurbished to a high standard working with a range of suppliers over that period. A continuing programme of refurbishment is dependent upon the agreement of the funding which will be considered as part of the Medium Term Financial Planning (MTFP) process. The agreed MTFP capital programme, however, includes a number of projects which will require the services of skilled and experienced fit-out suppliers over the duration of the framework agreement. These include the fit-out of Cobham Library and the development of a community hub in Merstham. ESCC has an immediate requirement for a major library refurbishment in Hastings and other projects over the next two years amount to £750,000.

A full tender process, in compliance with the EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council.

The suppliers have listed a range of discounts up to a maximum of 27.5% on their products, guaranteed for a year. SCC and ESCC expect to achieve further reductions throughout the life of this Framework. Wherever possible, we would expect appointed companies to sub-contract elements of the fit-out work to local companies in order to meet SCC's business target to support the local economy.

DETAILS:

Competitive Tendering Process

1. A joint procurement and project team was established including representatives from SCC and ESCC. The team reviewed existing frameworks and felt that these did not provide the opportunity or access to the range of specialist suppliers in the market. A decision was therefore made to

undertake a new procurement process to ensure value for money from new contractual arrangements.

2. SCC and ESCC have entered into a Joint Working Arrangement with SCC as the Lead Authority to procure and jointly manage a Library Fit outs Framework across their geographical areas.
3. The detailed results of the resulting procurement process are included in Part 2, Annex (item 18). Of the 55 suppliers who expressed an interest, 21 responded and 12 were short listed.
4. Bidders were evaluated under the following criteria to ensure the most commercial advantageous response.
 - 70% Quality; a detailed Technical Specification was developed by both SCC and ESCC drawing from the knowledge and experience of the team.
 - 30% Price; based on costed case studies and a comprehensive price list.
5. The results of the procurement exercise are that five suppliers are recommended to be included on the Framework.

CONSULTATION:

6. Officers from both SCC and ESCC have been involved in the procurement, providing expert knowledge around the design of the specification and evaluating tenders and agreeing contract award.

RISK MANAGEMENT AND IMPLICATIONS:

7. The Council does not guarantee the value or volume of instructions it may place with any of the suppliers.
8. All short listed tenderers successfully completed satisfactory financial checks at the Pre-qualification stage.
9. The contracts include a Termination Clause that protects the Contracting authority in case of any breach of the Framework Agreement or any Underlying Contract.
10. Any risk or liability for SCC is specifically excluded where ESCC or any other Authority use the Framework.
11. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Describe the risks associated with this project	Risk Description	Mitigation Action
Legal Risks	Limited risk – a potential for a company to go into liquidation during a library fit-out resulting in delays or non delivery of a project.	A Framework Agreement will enable SCC/ESCC to draw on other companies.

Financial Risks	Limited number of refurbishment projects as a result of budget constraints	Set a non-obligatory framework
Reputational Risks	Extended closure of libraries lead to disruption in services provided to the local residents.	The mini-competition and subsequent supplier management, will focus on delivering the project with as little disturbance as possible.

Financial and Value for Money Implications

12. The suppliers have listed a range of discounts up to a maximum of 27.5% on their products, guaranteed for a year and are aware that SCC and ESCC will seek to achieve further reductions throughout the life of this Framework.
13. In addition, efficiency savings have been achieved by undertaking a single tender process across the two authorities. The mini-competition process further reduces the staff time required to award contracts.

Section 151 Officer Commentary

14. The Section 151 Officer confirms that the appointment of suppliers to the framework agreement does not have any new financial implications for the Council. Suppliers will be commissioned as required for projects which are included within the agreed capital programme.

Legal Implications – Monitoring Officer

15. All successful tenderers supplied a written confirmation that if successful they will accept the terms of the draft Agreement agreed by Legal Services, without any material amendment.
16. The duty on the Cabinet is to have due regard to public authorities obligations as set out under the Equality Act 2010.
17. The risks which SCC exposes itself to under the framework, are the risk related to its own purchases.

Equalities and Diversity and Public Social Value

18. The Council has been mindful of its equalities duties in carrying out the tender process and letting the contract. Under the Equality Act 2010 when considering this item, the Cabinet Member should have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons

who do not share it The relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

19. The procurement process for the Framework agreements was undertaken through an EU Procurement procedure, which was advertised to allow suppliers across the EU to express their interest. An electronic tendering platform was used through the Bravo E-sourcing Portal. The tender was also advertised on the SCC's website so as to attract local businesses and SMEs.
20. The contract which the suppliers will sign stipulates that the supplier will comply with all relevant equality and diversity legislation (including the Equality Act 2010) whilst performing the services. The contracts also require the supplier to adopt SCC's equal opportunities policy when recruiting and dealing with Safeguarding responsibilities for vulnerable children and adults implications.

Other Implications:

21. 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	All Surrey libraries remain open and able to assist children and their carers with reading, literacy, and information.
Safeguarding responsibilities for vulnerable children and adults	See section below
Public Health	Volunteering in libraries has benefits for health and wellbeing.
Climate change	Retaining cost-effective local services reduces travel - See section below for additional information.
Carbon emissions	Lending books is an effective way of reusing and reducing the number of books that are bought and then discarded. See section below for additional information

Safeguarding responsibilities for vulnerable children and adults implications

22. With regard to the suppliers' personnel who potentially may participate in providing these services to school premises or which may otherwise involve contact with children or vulnerable adults, SCC reserves the right to require the suppliers to ensure that all employees engaged in the performance of the Service have been checked with the Disclosure and Barring Service (DBS) and received a clear Enhanced Disclosure Certificate. They will be required to provide evidence of all staff that are DBS enhanced cleared before commencing the contract. SCC may require persons employed or otherwise

engaged by the suppliers to undertake other security checks in accordance with SCC's security procedures.

CLIMATE CHANGE/CARBON EMISSIONS IMPLICATIONS

- 23. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change.
- 24. The suppliers shall institute and maintain, in relation to their performance of the Services, a system of quality assurance. This will cover improvement planning and operation and an environmental management system designed to ensure that the Services are carried out in accordance with the Specification.
- 25. The suppliers will be required to look to achieve efficiencies, reduce CO² emissions and reduce running costs of their transport.

WHAT HAPPENS NEXT:

- 26. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	29 October 2013
10 Calendar day statutory Standstill Period	8 November 2013
Contract Signature	Week commencing 11 November 2013
Contract Commencement Date	November 2013

- 27. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the Standstill period.

Contact Officer:

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John Case - Libraries' Property, Environment & Stock Manager - Customers & Communities. tel: 07837 113140

Consulted:

No Member or external consultation was necessary as this procurement is to establish a framework only.

Annexes:

Part 2 Annex attached as agenda item 18

Sources/background papers:

Tender Evaluation Summary
