

SURREY COUNTY COUNCIL**CABINET****DATE:** 20 JULY 2021**REPORT OF CABINET MEMBER:** BECKY RUSH, DEPUTY LEADER AND CABINET MEMBER FOR FINANCE AND RESOURCES**LEAD OFFICER:** LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR - RESOURCES**SUBJECT:** CLEANING CONSUMABLES CONTRACT**ORGANISATION STRATEGY PRIORITY AREA:** GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT, TACKLING HEALTH INEQUALITY, ENABLING A GREENER FUTURE, EMPOWERING COMMUNITIES**Purpose of the Report:**

To seek Approval to Procure a contract to enable the provision of cleaning consumables across Surrey County Council's facilities including care homes, schools, offices and libraries.

The recommendations align to the Financial Management and Partnership key enablers within the organisation strategy which will support the council in delivering across all four of the priority objectives.

Recommendations:

It is recommended that Cabinet:

1. Grants Approval to Procure for a contract to enable the provision of cleaning consumables across Surrey County Council's care homes, schools, offices and libraries. A decision is required to add this procurement to the Annual Procurement Forward Plan (APFP) for 2021/22.
2. Delegates the authority for contract award decision to the Executive Director for Resources.

Reason for Recommendations:

- To comply with the Procurement and Contract Standing Orders agreed by the Council in May 2019.
- To provide Cabinet with strategic oversight of planned procurement projects for 2021/22.
- To secure fixed product and service pricing where possible, and economies of scale for a wide variety of products ordered frequently across multiple sites within Surrey.

Executive Summary:**Approval to Procure**

1. Under section 1.6 of the Procurement & Contract Standing Orders (PCSO), where the need arises during the year for procurement activity on contracts over the Regulatory Thresholds which have not been pre-approved through the APFP, then Approval to Procure must be sought by the Head of Service concerned before any

procurement activity may begin. The approved Approval to Procure form is included in Annex 1.

2. Final approval to commence a procurement process should be secured as follows:

Value over £1m: Head of Procurement (SCC), S151 Officer and Cabinet

Rationale for Procurement

3. Surrey County Council's care homes, schools, offices and libraries have the ability to purchase a broad range of cleaning and healthcare products including bleach, washing up liquid, toilet rolls, non-clinical PPE (gloves & masks) and dispensers with associated fitting and maintenance services. Generally, the orders are small but the number of purchasers and recent demand has significantly increased, due to the COVID-19 pandemic. Surrey County Council services collectively spent c£550k during 2020 through the current supplier catalogue, compared to c£400k the previous year.
4. Spend is incurred across the Council and funded from within service budgets. It is the relevant budget holder's responsibility to ensure that any expenditure on this contract is containable within their relevant budget envelope.
5. The current county-wide contract with Wightman and Parrish is coming to an end on 31st January 2022 and cannot be extended any further. Permission to procure a contract for up to 4 years at an estimated cost of £2.3m over the duration, is requested.

Consultation:

6. The Approval to Procure Form has been completed (Annex 1) and approved by the Head of Procurement and Executive Director of Resources and S151 Officer with support from the Principle Facilities Manager, Land & Property.

Risk Management and Implications:

7. Any risks identified will be managed through the procurement process.
8. The procurement process includes approvals before publication and again prior to contract award. Approvers include Finance, Legal, Facilities Management and Procurement.

Financial and Value for Money Implications:

9. The overall estimated value of the contract is £2,300,000, this is based on average historic spend over the past two years and a contingency in anticipation that costs may continue to be higher into the medium term as a result of ongoing implications of the pandemic. The actual expenditure incurred is dependent on demand, and individual orders are funded and managed by multiple revenue budgets across the Council's Directorates.
10. Further financial and Value for Money implications will be considered in the Procurement Report.
11. No further approval for the contract award is required provided that the outcome is within +/-5% of the budget agreed with Finance when each procurement begins.

12. Where the outcome is not within these budget parameters, this must be reported to and approved by the S151 Officer and Portfolio Holder, as required in table 2.7a of the Procurement and Contracts Standing Orders, in the case of overspend above 5%, or for information in the case of a saving greater than 5% being delivered. In the case of overspend the contract award must be put on hold pending appropriate approval.

Section 151 Officer Commentary:

13. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
14. The Section 151 Officer supports the approval to procure a contract to enable the provision of cleaning consumables across the Council's services. The budget for the costs relating to this contract will be funded from budgets across the Council's services and it is the responsibility of the relevant budget holder to ensure that there is sufficient budget available to fund the expenditure in their areas.

Legal Implications – Monitoring Officer:

15. Cabinet is being asked to give formal Approval to Procure for this project in accordance with Council's Procurement and Contract Standing Orders. In making this decision, Cabinet should be cognisant of its fiduciary duty to Surrey residents to ensure services are provided effectively while also maintaining a balanced budget.
16. Notwithstanding Cabinet giving Approval to Procure, officers will have to ensure that the Public Contracts Regulations 2015 are complied with in relation to any procurements undertaken. Furthermore, commissioners will need to be aware of the 'best value duty' under Section 3 of the Local Government Act 1999 and its requirements on them. It states that the Council "...must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."
17. The procurement is expected to be carried out using a compliant public sector framework and will be subject to the framework terms and conditions.
18. Where required Legal Services will provide support for reviewing the framework, drafting the contract and sealing the contract.

Equalities and Diversity:

19. An EIA is not required. The procurement does not have any direct impact on residents and staff with different protected characteristics.

Other Implications:

20. 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
Environmental sustainability	<p>The Procurement process will attempt to identify areas where the product offering or service provision can become more environmentally sustainable.</p> <p>The Greener Futures Team has analysed the existing provision of products and using the Environmentally Extended Input-Output model estimate that the procurement could lead to indirect generation of greenhouse gas emissions estimated at 1,967 tonnes of carbon dioxide over the 4 year term. Procurement and Land and Property Contract Managers will use this estimate as a baseline to aid a reduction in emissions and investigate the use of more eco-friendly products and service structure through the procurement and on-going supplier management stages.</p>
Public Health	No significant implications arising from this report

Social Value – The procurement process will investigate the potential for local work experience and apprenticeship opportunities.

What Happens Next:

21. The timetable for implementation is as follows:

Action	Date
Cabinet decision to add the procurement to the Annual Procurement Forward Plan 2021/22	20 July 2021
Access framework	August 2021
Award the contract	November 2021
Service go live	1st February 2022

Timescales allow 2 months for contract mobilisation should the procurement result in a change of supplier.

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12

Consulted:

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David Matthey, Operational Support Lead Officer, Surrey Fire & Rescue Service

Simon Harding Service Manager, Surrey Libraries

Sam Ayling, Senior District Catering Manager, Twelve15 Catering for schools

Annexes:

Annex 1 – Approval to Procure

Sources/background papers:

None

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