

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Policy and Resources
Date:	24 January 2013
Title:	Procurement Approvals
Reference:	3845
Report From:	Director of Culture, Communities and Business Services

Contact name: Shaun Le Picq

Tel: 01962 846216

Email: shaun.lepicq@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to seek approval to procure the framework agreements up to a total value of £4,920,000 for Hampshire County Council expenditure (Total value £7,000,000 including expenditure of other Local Authorities) and approval to procure and spend in relation to contracts with a total value of £17,725,000 (including capital projects exceeding £250,000) as listed in Appendix 1. This approval is in accordance with the County Council's Contract Standing Orders and Constitution. Further detail relating to these framework agreements and contracts are provided in Appendix 1.

2. Background

2.1. The County Council's Contract Standing Orders (CSO 3) requires that '*The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.*' This report requests approval to procure for framework agreements and approval to procure and spend for contracts which require approval by the Executive Member as they have a value, or estimated value, in excess of £1 million (including capital projects in excess of £250,000).

2.2. Framework agreements are not linked to specific one-off purchases or projects but provide for the ongoing routine goods and services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement. Therefore, the framework agreement values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders. Framework agreements therefore only require Approval to Procure and not Approval to Spend. However approval to procure and spend will be required in relation to each separate contract called-off under the framework given that

those contracts will include contractual obligations in relation to payment for services/goods/works. Likewise, approval to procure and spend will be required in relation to any other contracts which are to be procured individually and have not been called-off under a framework agreement.

2.3. Some of the approvals in this report are revised approvals because either the estimated values or the procurement approach has been amended. Such amendments are often due to new partners joining the framework agreements or contracts or a more appropriate procurement approach being developed as the requirements for, operation of, and participation in, the contract have been clarified.

3. Recommendations

3.1. That approval to procure be given for the following framework agreements in accordance with the County Council's Contract Standing Orders and Constitution (as detailed in Appendix One of this report):

- Art, Craft and Display Papers
- Global Custodian Services
- Trade Magazine Advertising

3.2. That approval to procure and spend be given for the following contracts valued over £1 million in accordance with the County Council's Contract Standing Orders and Constitution (as detailed in Appendix One of this report):

- Equipment Inspection and Testing for Insurance
- SCOLA Re-cladding:
 - Brookfield Community School, Sarisbury Green.
 - Henry Beaufort School, Winchester.
 - Fair Oak Junior School, Eastleigh
 - Chiltern Primary School, Basingstoke
 - Horndean Technical College, Waterlooville
 - Aldworth Science College, Basingstoke
- The Crescent Primary School, Eastleigh:
 - Expansion of existing school
 - Provision of Temporary Accommodation
- Warblington School, Sports Development

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> None	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u> None		<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. Equality impact assessment has been considered in the development of this report and no adverse impact has been identified. The current Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Strategy has been subject to an equalities impact assessment.

2. Impact on Crime and Disorder:

2.1. The current Corporate Procurement Strategy recognises that community cohesion, safety and security is a key part of the County Council's corporate priorities. The Strategy aims to continue to identify where procurement can ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

3. Climate Change:

3.1. The current Corporate Procurement Strategy does not have a direct impact on our carbon footprint and energy consumption, although it aims to improve the County Council's performance on sustainable procurement.

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
Hampshire	<p>SCOLA Re-cladding, Brookfield Community School, Sarisbury Green.</p> <p>Re-cladding of existing SCOLA school building with FY 12/13 Capital Maintenance funding. It is proposed to procure these works via competitive tender utilising contractors drawn from the Property Services Register of Contractors.</p>	Commence on site June 2013	£628,000	n/a	Approval to procure and approval to spend	1
Hampshire	<p>SCOLA Re-cladding, Henry Beaufort School, Winchester.</p> <p>Re-cladding of existing SCOLA school building with FY 12/13 Capital Maintenance funding. Our approach will be to procure this work via the HCC/SCC Local Area Construction Framework.</p> <p>The contract value includes a £262,000 allowance for the provision of temporary classrooms. This may be procured as part of the main contract via the main contractor or alternatively via a separate appointment utilising the HCC/SCC Volumetric & Modular Buildings</p>	Commence on site Re-cladding: June 2013 Temporary buildings: April 2013	£1,270,000 (inclusive of £262,000 for provision of temporary accommodation)	n/a	Approval to procure and approval to spend	2

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	Framework. The second option may be selected where there is a benefit to provide temporary accommodation in advance of the main re-cladding works to allow the school to decant through the summer term.					
Hampshire	<p>SCOLA Re-cladding (Various projects)</p> <p>Funding Approval for SCOLA recladding across several sites (a-d listed below) is being sought at the Executive Member for Policy and Resources decision day 24 January 2013, via the report entitled “Update on Capital Repairs Programmes 2012/13 and Forward Look to 2013/14 Programmes”</p> <p>Although approval will be subject to the approval for the FY 13/14 Capital Maintenance budget, approval to design has been requested ahead of funding to retain an option to carry out these works during Summer 2013.</p> <p>The proposed approach will be to procure these work via the HCC/SCC Local Area Construction Framework.</p>					

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	<p>Projects may be procured individually or in groups if it is expedient to do so.</p> <p>Within each sum, allowance is made for the provision of temporary classrooms as detailed.</p> <p>Temporary accommodation will be procured as part of the main contract via the main contractor or alternatively via a separate appointment utilising the HCC/SCC Volumetric & Modular Buildings Framework. The second option may be selected where there is benefit to provide temporary accommodation in advance of the main re-cladding works to allow the school to decant through the summer term.</p>					
Hampshire	a) Fair Oak Junior School, Eastleigh	Commence on site Re-cladding: June 2013 Temporary buildings April 2013	SCOLA works £1,365,000 (inclusive of sum for temporary buildings £100,000)	n/a	Approval to procure and approval to spend	3
Hampshire	b) Chiltern Primary School, Basingstoke	Commence on site	SCOLA works	n/a	Approval to procure	4

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
		Re-cladding: June 2013 Temporary buildings: April 2013	£1,323,000 (inclusive of sum for temporary buildings £100,000)		and approval to spend	
Hampshire	c) Horndean Technical College, Waterlooville	Commence on site Re-cladding: June 2013 Temporary buildings: April 2013	SCOLA works: £1,299,000 (inclusive of sum for temporary buildings: £250,000)	n/a	Approval to procure and approval to spend	5
Hampshire	d) Aldworth Science College, Basingstoke	Commence on site Re-cladding: June 2013 Temporary buildings: April 2013	SCOLA works: £1,490,000 (inclusive of sum for temporary buildings: £250,000)	n/a	Approval to procure and approval to spend	6
Hampshire	The Crescent Primary School, Eastleigh Expansion of existing school To increase accommodation for pupils from 420 to 630. The estimated total	Estimated commence on site July 2013	Preconstruction: £60,000 Estimated Construction: £3,500,000	n/a	Approval to procure and approval to spend	7

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	<p>value of the contractors fee for pre-construction services is £60,000.</p> <p>The preferred procurement strategy is to appoint contractors through the South East and London (SEaL) Construction Framework for Major Projects to progress the pre-construction stages as part of Tranche 3 of the Education Basic Need Programme for the delivery of primary school places for Hampshire County Council (HCC) and neighbouring authorities. The combined primary age projects will enable HCC and other authorities to maximise the benefits and efficiencies of this procurement strategy that have been demonstrated within Tranche 1 and 2 of the programme. The pre-construction fee includes an allowance for an element of contractor design.</p> <p>Specific details for Tranche 3 for the projects for inclusion have not been defined by all parties. Should there be a delay to the release of the Tranche 3 mini competition, it may be necessary to procure the pre construction works for</p>					

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	<p>The Crescent Primary school via the South East and London (SEaL) Construction Framework for Major Projects, as a standalone project.</p> <p>Further information will be provided in a Project Appraisal to a future meeting of Buildings, Land and Procurement Panel.</p>					
Hampshire	<p>Provision of Temporary Accommodation, The Crescent School</p> <p>To facilitate the permanent works to install a number classrooms for temporary teaching facilities will be required to allow uninterrupted and safe operation of the school during the construction works.</p> <p>The proposed procurement route will be via the HCC / SCC volumetric and modular buildings framework.</p>		£850,000		Approval to procure and approval to spend	8
Hampshire	<p>Sports Development, Warblington School, Havant</p> <p>New sports facilities including Sports</p>	Start on site June 2013	Preconstruction services £100,000	n/a	Approval to procure and approval	9

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
	<p>Hall , Synthetic Turf Pitch (STP), Multi Use Games Area (MUGA) Pitch and associated works.</p> <p>The proposed procurement strategy for the construction and works element is to appoint contractors through the South East and London (SEaL) Construction Framework for Major Projects. The STP and MUGA will be procured via a competitive tender using specialist contractors drawn from the Property Services Register of Contractors.</p> <p>Further information will be provided in a Project Appraisal to a future meeting of Buildings, Land and Procurement Panel.</p>		Construction value £4.3 million		to spend	
Hampshire	<p>Art, Craft and Display Papers</p> <p>Original approved was given in April 2012, however retrospective approval is being sought due to an increase in the overall contract value. This increase in value is due to combining three previous contracts into one new contract for efficiency purposes. The majority of the spend is by schools.</p>	Four year framework agreement with an estimated start date of April 2013	£420,000	£4,000,000	Approval to procure	10

Lead Authority (Collaborative Contracts)	Title	Contract Term and Estimated Start Date	Anticipated County Council total value over term	Anticipated total value over term (collaborative – HCC Lead)	Approval Required	Ref
Hampshire	<p>Global Custodian Services</p> <p>This framework was originally submitted and approved in April 2012, however it is being re-submitted due to an increase in the overall value.</p>	Five year framework agreement with the option to extend by a further 5 years with an estimated start date of August 2013	£3,500,000	n/a	Approval to procure	11
Hampshire	<p>Trade Magazine Advertising</p> <p>This framework agreement is required for ad-hoc specialist advertising in trade magazines to ensure effective communication with, and engagement of, suppliers and members of the public for specific initiatives and tenders. It is complementary to existing contractual arrangements for statutory public notices and other advertising.</p>	Four year framework agreement with an estimated start date of October 2013	£1,000,000	£3,000,000	Approval to procure	12
Hampshire	<p>Equipment Inspection and Testing for Insurance</p>	Five year contract with an option to extend for a further five years with an estimated start date of August 2013	£1,700,000	n/a	Approval to procure and approval to spend	13