

Minutes of the meeting of the PROCUREMENT COMMITTEE held on TUESDAY
5 MARCH 2013 at 5.30 pm

Present: Councillor Hopkins (Vice Chair)
Councillors Brock, Dransfield and P Geary.

Officers: M Hancock (Assistant Director [Joint Commissioning]), P Mellor (Assistant Director [Public Access & Customer Service]), M Shaw (Assistant Director [HR Strategy]), W Spurgeon (Assistant Director [Integrated Support and Social Care]), D Wilkinson (Assistant Director [Audit and Risk Management]), M Dolling (Head of Capital and Infrastructure), S Gonsalves (Head of Policy and Performance), A Hodson-Curran (Head of Assets and Strategy), R Kingsley (Head of Highways Services), D Leith (HR Consultant – Employee Relations & Reward), S Rankin (Head of Service Older People's Housing and Community Support), C Southern (Head of Strategic Procurement), D Beaumont (Partnering Manager), P Barton (Control Centre Manager), J-A Hammond (Web Content Manager), P Wheeler (Senior I T & eGovernment Manager), S Chaundy (Senior Bridge Engineer & Team Leader), K Cook (Project Leader - Children and Families), P Fleming (IT Consultant), P Gibson (Housing Policy & Development Officer), S Layton (Capital Development Officer – Children & Families), J McGovern (Senior Capital Development Officer [Legal]), D Ninnis (Senior Project Manager – Building Services), P Srinivasan (Senior Solicitor), P Wong (Commissioning Officer) and S Muir (Committee Manager)

Also Present: Councillors Miles and O'Neill

PC124 MINUTES

RESOLVED -

That the Minutes of the meeting held on 5 March 2013 be approved and signed by the Vice Chair as a correct record.

PC125 DISCLOSURES OF INTEREST

Councillor Dransfield disclosed a personal pecuniary interest at item 10 (approval to seek tenders for the construction works to facilitate a proposed expansion of Denbigh School) and indicated that he would be leaving the meeting at that point.

PC126 REPORT ON WAIVERS OF CONTRACT PROCEDURE RULES

The Committee noted that nine exemptions to the Contract Procedure Rules had been granted since October 2012.

It was reported the Contract Procedure Rules only allowed exemptions to be given in special circumstances such as were there was:

- (a) an unforeseen and real risk of harm to individuals; or

- (b) excessive and significant damage to the Council's services, finances and reputation had occurred or could potentially occur.

RESOLVED –

That the exemptions to Contract Procedure Rules granted since October 2012, be noted.

PC127

INVITATION OF TENDER – HAVERSHAM FLOODSPAN BRIDGES REFURBISHMENT

The Committee considered commencement of an open tender process for the procurement of Haversham Floodspan Bridges Refurbishment.

It was reported that the project contributed toward the Highway Network Management Service Plan objective to provide a safer highway network thereby reducing the potential for accident, delays and future costs to the Council.

The Committee noted that if the works to stop corrosion of the steel troughing were not undertaken the structures would eventually fail.

RESOLVED –

That the commencement of an open tender process for the procurement of Haversham Floodspan Bridges Refurbishment be approved.

PC128

APPROVAL TO USE THE GOVERNMENT PROCUREMENT SERVICE FRAMEWORK AGREEMENT FOR THE PROVISION OF AN OCCUPATIONAL HEALTH SERVICE AND EMPLOYEE ASSISTANCE PROGRAMME

The Committee considered using the Government Procurement Service Framework Agreement for the provision of an occupational health service and employee assistance programme.

It was reported that the Council did not currently have a contract in place for the delivery of Occupational Health Services.

The Committee recognised that to not let a contract would mean continued difficulties in seeking advice and would put in jeopardy the stated aim of a 20% reduction in FTE days lost to sickness absence.

The Committee also considered that the option of an open or restricted tender approach would require a full OJEU exercise which would delay the implementation of the contract putting at risk achieving the planned reduction in sickness absence.

The Committee also recognised that an externally let Government Service Framework would ensure that an OJEU, legal and equality compliant agreement was in place which had undergone a rigorous testing process administered by the Government Procurement Service and would give the Council the benefit of economies of scale.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

That use of the new Government Procurement Service RM932 for Occupational Health Services (Lot 1 – 3 suppliers) and Employee Assistance Programmes (Lot 2 – 4 suppliers) be approved.

PC129

PROVISION OF SOCIAL ALARMS, TELECARE SENSORS, TRIGGERS AND RELATED CONSUMABLES – DECISION TO PROCEED TO TENDER (REF: CU2342)

The Committee considered inviting tenders for the procurement of a social alarm, telecare sensors, triggers and consumables by a mini-competition using the Northern Housing Consortium's Assisted Living Framework.

It was reported that the Northern Housing Consortium (NHC) framework included four pre-approved suppliers who joined the Framework in November 2011 via a formal OJEU tendering process.

It was also reported that the contract would provide a straightforward, compliant method of purchasing Social Alarm and Telecare products at the best possible market price whilst maintaining the necessary technical compatibility with the existing installed base and Control Centre Tunstall PNC system.

The Committee recognised that a mini competition through the framework would provide better buying power and value for money as suppliers of products of a known quality within the social alarm sector were already held within NHC framework.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

That the commencement of tender processes for the procurement of social alarm, telecare sensors, triggers and consumables by mini-competition, using the Northern Housing Consortium's Assisted Living Framework, be approved.

PC130

INVITATION TO TENDER – COUNSELLING SERVICE CONTRACTS

The Committee considered the commencement of tender processes for the procurement of a Comprehensive Counselling Service.

It was reported that the project supported the strategic priorities of the Joint Health and Wellbeing Strategy 2012-15, specifically objective 2 to improve access to, and quality of, mental health promotion and services through improving access to a range of psychological therapies.

The Committee heard that the service would support a range of topics that included, but was not restricted to, gambling, carers, relationship, HIV and welfare benefits issues and would be responsive to local needs.

The Committee considered the alternative option of doing nothing which was not recommended as the current provision was based on

grant agreements which were not outcome focussed or contractually sustainable.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

That the commencement of tender processes for the procurement of a Comprehensive Counselling Service be approved.

PC131

INVITATION OF TENDERS FOR ROOFING WORKS IN BRADVILLE AND BLETCHLEY

The Committee considered inviting tenders for a restricted, two-stage tender process to undertake roof works for Milton Keynes Council house properties in Bradville and Bletchley.

It was reported that the contract sought to upgrade the roofs of specific council housing properties in line with current Building Regulations, including the renewal of the existing tiled roofs, in order that the life of the structures was extended

The Committee noted that the roofs were in poor condition and were increasingly subject to repair and therefore increased maintenance expenses. Also, it was not feasible to use an existing Housing Planned Maintenance and Improvement Works Framework Agreement as the estimated cost of the work exceeded the maximum value of £250,000 for that agreement. Therefore an open-market, 2 stage tender was the preferred option as it allowed for a range of competitive bids and was considered the most likely way of achieving value for money.

RESOLVED -

That the commencement of a restricted, two-stage tender process for roof works to Milton Keynes council house properties in Bradville and Bletchley be approved.

PC132

INVITATION OF TENDERS FOR THE CONSTRUCTION WORKS TO FACILITATE A PROPOSED EXPANSION OF DENBIGH SCHOOL

The Committee considered inviting tenders for the expansion of Denbigh School to provide 300 additional secondary school places.

The Committee was advised that on this occasion the contracts for Denbigh School and Two Mile Ash School and Oakgrove Secondary and Oakgrove Primary Schools may, as an alternative approach, be paired in order that contractors could tender for pairs of contracts or single contracts, to see if this is approach would also generate savings to the Council when the tenders were evaluated.

It was reported that as an Academy the decision to approve the expansion of the School was still to be taken by the Education Funding Agency (EFA) on behalf of the Secretary of State and would not be taken until the school had completed an eight week consultation and the business case had been presented to the EFA.

The Committee heard that the Council was required to fulfil its statutory duty to provide school places. The expansion complied with the Council's policy to provide places at Ofsted rated "Outstanding" or "Good" Schools and also complied with the Department of Education Capital Allocations Policy dated 1 March 2013.

It was reported that the alternative option not to proceed with a tendering exercise would delay the progression of the project and result in not having extra provision at Denbigh School which would add to the shortfall in the number of school places overall in Milton Keynes.

RESOLVED -

That commencement of the tendering exercise to appoint a contractor to design and build additional facilities at Denbigh School to allow the school to expand, providing 300 additional secondary places be approved

(The Cabinet Member for Children's Services then declared a pecuniary interest as a Trustee of Denbigh School, moved to the public gallery and took no part in the discussion or voting.)

PC133

INVITATION OF TENDERS FOR THE CONSTRUCTION WORKS TO FACILITATE A PROPOSED EXPANSION AT TWO MILE ASH SCHOOL

The Committee considered inviting tenders for the construction works to facilitate a proposed expansion of Two Mile Ash School that would provide 180 infant places and an additional 40 junior places

It was reported that the required funding for the project budget was approved as part of the Council's Capital Programme by Cabinet on 13 February 2013.

The Committee heard that the Council was required to fulfil its statutory duty to provide school places. The expansion complied with the Council's policy to provide places at Ofsted rated "Outstanding" or "Good" Schools and also complied with the Department of Education Capital Allocations Policy dated 1 March 2013.

The Committee was reassured that provision for 40 parking spaces would be included in the planning application for this project and that approval to go to tender would not fetter the planning process.

It was reported that the alternative option not to proceed with a tendering exercise would delay the progression of the project and result in not having extra provision at Two Mile Ash School which would add to the shortfall in the number of school places overall in Milton Keynes.

The Committee heard from Councillor Miles during consideration of this item.

RESOLVED –

That the commencement of a tendering exercise to appoint a contractor to design and build additional facilities at Two Mile Ash School, to allow for the school to expand, providing 180 infant places and an additional 40 junior places be approved.

PC134

INVITATION OF TENDERS FOR THE CONSTRUCTION WORKS TO FACILITATE A PROPOSED EXPANSION AT OAKGROVE SCHOOL

The Committee considered inviting tenders for the construction works to facilitate a proposed expansion of Oakgrove School to accommodate an increase of 300 school places.

It was reported that as an Academy the decision to approve the expansion of Oakgrove School was taken by the Education Funding Agency (EFA) on behalf of the Secretary of State and would not be taken until the school had completed an eight week consultation and the business case had been presented to the EFA.

The Committee heard that the Council was required to fulfil its statutory duty to provide school places. The expansion complied with the Council's policy to provide places at Ofsted rated "Outstanding" or "Good" Schools and also complied with the Department of Education Capital Allocations Policy dated 1 March 2013.

The Committee heard that concerns about the size of this Academy had been discussed with the Academy's Leadership Team and Governing Body; however, as the school was an Academy, the expansion was a matter for the Academy's Leadership Team and Governing Body.

It was noted that the alternative option not to proceed with a tendering exercise would delay the progression of the project and result in not having extra provision at Oakgrove School which would add to the shortfall in the number of school places overall in Milton Keynes.

RESOLVED –

That the commencement of tendering exercise to appoint a contractor to design and build additional facilities at Oakgrove School, to accommodate an increase of 300 pupil places, be approved.

PC135

EXTENSION OF THE CURRENT CONTRACTS FOR CHILDREN'S CENTRES AT THE ART ROOM AND AT THE ROWANS FOR ONE YEAR

The Committee considered extending the contracts for the provision of Children's Centres at the Art Room, Lakes Estate and The Rowans, Fullers Slade for one year from 1 April 2013.

It was reported that the Council continued to have a statutory duty to consult before opening, significantly changing or closing Children's Centres and securing sufficient provision to meet local need.

It was also reported that two Voluntary Sector providers had provided the children's centres at the Art Room and the Rowans

since 2006 and the contracts with both providers were due to expire at the end of March 2013. However a review of children's centres was not due to be completed until 30 April 2013 and it was necessary to ensure continuity of service for children and families living within the specified ward areas until the review was concluded.

The Committee heard that the project timelines would include a consultation and review period before contracts were secured for the start of April 2014.

RESOLVED –

1. That the extension of the contracts for the provision of Children's Centres at the Art Room at the Lakes Estate and at The Rowans at Fullers Slade for one year commencing 1 April 2013, be approved.
2. That contract values, reduced by 10% from their 2012/13 values and tied to improved performance targets be approved.

PC136

EXTENSION OF CONTRACT – MILTON KEYNES DOMESTIC VIOLENCE INTERVENTION SERVICE

The Committee considered extending the contract for the Milton Keynes Domestic Violence Intervention Service.

It was reported that the current contract with MK ACT was due to expire on 31 August 2013. An extension to 31 August 2014 was requested to enable a strategic review of domestic violence services to be carried out locally which would inform the re-tendering of the contract.

The Committee noted that the Domestic Violence Intervention Service Review could have an impact on other related Council services and was reassured that the review would include ensuring that the commissioning process would provide the Council with the best service it could get whilst working with partners.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

That the Domestic Violence Intervention Service contract, provided by MK ACT, be extended until August 2014.

PC137

EXTENSION OF CONTRACT – PROVISION OF SUPPORT AND MAINTENANCE FOR THE ADULT SOCIAL CARE CASE MANAGEMENT

The Committee considered extending the contract for the provision of support and maintenance for the Adult Social Care Case Management Contract.

It was reported that The Frameworki Adult Social Care case management system was originally procured via an OJEU compliant

tender process. The contract for the supply and implementation of the software and the ongoing support was awarded to Corelogic for five years in July 2008. However no provision was made in the original contract for the option of an extension clause for ongoing support and maintenance and it was recognised that an alternative supplier would not be able to guarantee functionality in the short term.

It was also recognised that a A 3 year extension period would allow the business and market requirements to be reviewed.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

1. That the extension of the contract for the support and maintenance of the Framework Adult Social Case Management System be awarded to Corelogic for a further three years.
2. That any further recommendation to extend this contract further be bought back to the Committee in good time.

PC138

EXTENSION OF CONTRACT – GENERIC FLOATING SUPPORT SERVICE

The Committee considered extending the contract of the Generic Floating Support Service supplied by Connection Floating Support to provide support to vulnerable adults where there were young children involved and which was sub-contracted to Parents and Children Together (PACT).

It was reported that a more targeted service could be achieved by varying and extending the current contract with Connection which would also reduce the contract value to £170,000 from £500,000.

The Committee noted that instead of varying and extending the current contract, the contract could be terminated which was likely to lead to an increase in failed tenancies and homelessness which would increase the costs of statutory services. Alternatively the current service could be retained but this was unlikely to give sufficient value for money as a number of the original support functions of the service were now being provided in other ways.

The recommendation was supported by the Cabinet Member for Adult Social Care, Health and Wellbeing.

RESOLVED –

That the Contract for the Milton Keynes Floating Support Service be extended for two years until March 2015, but varied to provider a smaller more targeted service.

PC139

AWARD OF CONTRACT - REGISTERED PROVIDER TO BUILD COUNCIL HOUSES

Further to Minute PC23 of the Committee's meeting on the 3 July 2012, the Committee considered awarding the contract to build Council homes to a registered provider for the provisions of wheelchair standard bungalows for older people and those with physical difficulties.

The Committee also heard that the specifications for the properties included the most up to date equipment and fittings.

RESOLVED –

That Tender A from a Registered Provider (RP) be appointed as the Council's development agent for the former Briar Lodge site in Stacey Bushes, subject to the Registered Provider obtaining planning permission.

PC140

EXCLUSION OF PRESS AND PUBLIC

RESOLVED –

That the public and press be excluded from the meeting by virtue of Paragraph 3 (Information Relating to the Financial or Business Affairs of the Authority) of Part 1 of Schedule 12A of the Local Government Act 1972, in order that the Cabinet Procurement Committee may consider the Annexes to the following reports:

- (a) Provision of Insurance Services – Award of Contract
- (b) Milton Keynes Council Website – Award of Contract
- (c) Mobile Phone and Data Services – Award of Contract
- (d) Provision of Asphaltic and Bituminous Materials – Award of Contract
- (e) Canal Westbound Bridge, Strengthening and Refurbishment - Award of Contract

PC141

AWARD OF CONTRACT – PROVISION OF INSURANCE SERVICES

The Committee considered awarding the contract for the provision of insurance services to support the delivery of all Council services and safeguard Council assets was for a 5 year term with annual reviews.

It was reported that the Council maintained high excess levels in those service areas where it was more cost effective to prevent liability e.g. slips and trips, to keep the premium as low as possible.

It was also reported that the tender had been structured into 7 lots to give fair opportunity to smaller or local potential bidders to bid for individual lots or more than one lot and that "lessons learned" from the previous contract had been included in the tender brief.

RESOLVED –

That the contract for insurance services be awarded to the bidder scoring the highest in accordance with the most economically advantageous tender (meat) evaluation.

PC142

AWARD OF CONTRACT – MILTON KEYNES COUNCIL WEBSITE AND INTRANET SITE.

The Committee considered awarding the contract to deliver a range of services necessary to support both the Council's website and intranet sit.

The Committee were reassured that all the information on the Council's website and design concepts would continue to be owned by the Council.

RESOLVED:

1. That the contract for the support of Milton Keynes Council Website and Intranet site be awarded to the bidder scoring the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.
2. That any recommendation to extend the contract be brought back to the Committee for a decision in good time.

PC143

AWARD OF CONTRACT – MOBILE PHONE AND DATA SERVICES

The Committee considered awarding the contract for the mobile phone and data services to allow the Council to enable and support the delivery of Mobile Phone and Data equipment and services

It was reported that the Council was expected to deliver estimated savings of £70,000 based on current device numbers and call usage volumes.

It was noted that a "transformation fund" of £110,000 would also be available for MKC to spend on a wide range of IT services.

The Committee heard that the that the current contract term was for up to 3 years expiring on 31/-3/2016 and could be extended for up to two one year periods which allowed for a second 24 month contract (at the end of year 2) which could attract a further £11,000 transformation fund.

The Committee commented that the framework contracts procedure seemed to demonstrate weaknesses and suggested that the Government Procurement Service should be advised of the Committee's concerns about possible collusion between suppliers.

The Committee noted that the term value of the contract was £795,000K and not £465,000 as reported.

RESOLVED –

1. That the contract for the mobile phone and data services be awarded to the tenderer who had scored the highest in accordance with the most economically advantageous tender evaluation.

2. That any recommendation to extend the contract be brought back to the committee for a decision in good time.
3. The Head of Strategic Procurement be requested to provide a Policy on the use of Framework Agreements.

PC 144

AWARD OF CONTRACT – PROVISION OF ASPHALTIC AND BITUMINOUS MATERIALS

The Committee considered awarding the contract for the supply of asphalt and bituminous materials.

It was reported that award of the contract would enable the delivery of highways projects for 2013/14 up to the externalisation of Highways Services currently scheduled for April 2014.

RESOLVED -

1. That the contract for the supply of asphalt and bituminous materials be awarded to the tenderer who had scored the highest in accordance with the most economically advantageous tender evaluation.
2. That any recommendation to extend the contract be brought back to the committee for a decision in good time.

PC 145

AWARD OF CONTRACT – H6 CANAL BRIDGE STRENGTHENING AND REFURBISHMENT

The Committee considered awarding the contract for the H6 Canal Bridge Strengthening and Refurbishment which would be funded from the capital budget allocation within the years 2012-14.

The Committee was reassured that a contra-flow system would be used whilst the works were in progress to avoid road closures and inconvenience to traffic.

RESOLVED -

That the contract for the H6 Canal Bridge Strengthening and Refurbishment be awarded to Supplier 1 who has scored the highest in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

THE CHAIR CLOSED THE MEETING AT 6.25 PM