

# PROCUREMENT COMMITTEE

TUESDAY 7 FEBRUARY 2012  
5.30 PM

***PLEASE NOTE TIME OF MEETING***

THE CONSERVATORY, CIVIC OFFICES  
CENTRAL MILTON KEYNES

## AGENDA

### **Members of the Committee:**

Councillor           A Geary (Chair and Leader of the Council)  
Councillors        Bint, Brock, Dransfield, P Geary, Hopkins and A Morris

If you have any enquires about this agenda please contact Simon Heap (Democratic Services Manager) on Tel: (01908) 252567 or E-mail: [simon.heap@milton-keynes.gov.uk](mailto:simon.heap@milton-keynes.gov.uk)

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**Meeting Attended: Procurement Committee**

**Date of Meeting: 07 February 2012**

Comments:.....  
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Contact details:.....

# AGENDA

**1. Apologies**

2. To note the Terms of Reference for the Committee as agreed by Cabinet on 20 December 2011 (Item 2) **(Pages 4 to 5)**.

**3. Disclosure of Interests**

Members to disclose any personal or prejudicial interests they may have in the business to be transacted, and officers to disclose any interests they may have in any contract to be considered.

**4. Exclusion of the Press and Public**

The public and press may 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 during consideration of the following reports or the annexes to them:

**5. Cash Receipting and Income Management System**

To consider Item 5 **(Pages 6 to 8)**.

**6. Local Bus Service Contracts**

To consider Item 6 **(Pages 9 to 11)**.

**7. Grid Road Trimming and Dimming of Street Lights**

To consider Item 7 **(Pages 12 to 13)**.

**8. Milton Keynes Basic Foot Care Service**

To consider Item 8 **(Pages 14 to 16)**.

**9. Dates for future Meetings**

The Committee is asked to note that the meetings of the Committee will take place on the first Tuesday of each month except in April 2012 when it will meet on the first Wednesday.

The next meetings will be on Tuesday 6 March 2012 and Wednesday 4 April 2012.



**CABINET PROCUREMENT COMMITTEE  
TERMS OF REFERENCE**

**1 Terms of Reference**

To exercise the functions of the Cabinet in respect of all contracts for procurement of works, goods or services.

**2 Membership**

- (a) **Appointment.** The Cabinet Procurement Committee will consist of three to five members appointed by the Leader. There is no power to co-opt.
- (b) **Chair.** The Leader or Deputy Leader, if present, will take the role of Chair and Vice-Chair of the Committee.
- (c) **Quorum.** Except where decisions are to be made by the Leader as advised by the Committee, business shall not be transacted at a meeting of the Committee unless at least three members are present.

**3 Functions**

The Cabinet Procurement Committee will exercise the following functions and those matters which flow from them, which are executive functions.

- a) To undertake initial consideration of large procurement related projects, defined as non-property related projects between the value of £1,000,000 and £20,000,000, including the consideration of initiation documents, full business cases and specification and the consideration of procurement projects where there is a TUPE transfer by the Council.
- b) To authorise officers to issue specification and invitations to tender and, where within budget, to make an award of contract to the tenderer assessed as providing the highest score against the agreed MEAT (most economically advantageous tender) criteria in respect of large procurement projects
- c) To promote, oversee and monitor performance improvement regarding the full range of procurement activities, including Capital, Social Care and ICT projects, involving receipt of reports concerning
- d) To oversee and monitor procurement and contract activity, including:

- (i) reviewing the S151 Officers decisions to waive Contract Procedure Rules;
  - (ii) review of tenders and award of contracts on behalf of Cabinet in accordance with the Scheme of Delegation;
  - (iii) approval of contract variations, extensions and novations;
  - (iv) benefit realisation (post implementation) reviews;
  - (v) contract performance management; and
  - (vi) the commissioning cycle.
- e) To review, approve or make recommendations to Cabinet concerning the Procurement Strategic Plan and the Procurement Forward Plan
  - f) To review the Contract Procedure Rules from time to time and make recommendations for change to Council;
  - g) To advise the Cabinet on all matters concerned with procurement generally and to make recommendations on any of the above matters to (as appropriate) the Cabinet or Council

In acting under the Committee's terms of reference and in exercising responsibility for those functions listed above, the Authority's Procedure Rules, any limitations on authority and all legislative requirements and applicable rules of law must be complied with.

**Wards Affected:**

None

**CABINET PROCUREMENT COMMITTEE****7 FEBRUARY 2012****CASH RECEIPTING AND INCOME MANAGEMENT SYSTEM**

Author: Frank Reedy, Financial Systems Manager, Tel: (01908) 254260

**EXECUTIVE SUMMARY**

The Council currently uses the Civica ICON income management system to collect and allocate income received through our bank accounts, cash and debit / credit cards. Due to changing banking regulations and the nature of customer interactions the Council needs to change or upgrade its income management system.

The Council has undergone a tendering process using the Government Procurement Software Application Solutions Framework Agreement for the provision of a Cash Receipting and Income Management System. The contract is for the period 1 April 2012 to 31 March 2016.

This report has been prepared to agree the award of contract following a Most Economically Advantageous Tender (MEAT) evaluation.

**1. Recommendation(s)**

- 1.1 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 during consideration of the **Annex** to the report.
- 1.2 That the contract for the hosted Cash Receipting and Income Management System for the Council be awarded to the tenderer with the highest MEAT evaluation.

**2. Issues**

- 2.1 The Council currently uses the Civica ICON income management system to collect and allocate income received directly to the Council's bank accounts, cash, cheques and debit / credit cards.
- 2.2 There have been a number of recent changes that require the replacement or upgrade of the Council's current cash receipting and income management system. These include:
  - changes to the card issuers' regulations around receiving income via credit and debit cards – the current system is not compliant with the revised regulations;

- Government policy to make sure as many public sector interactions as possible are done electronically; and
- The closure of the Council's cash desk and the changes to internal processes that resulted.

2.3. A tendering process using the Government Procurement Software Application Solutions framework agreement was undertaken and 4 bids were received. Two bids were not compliant with the mandatory requirements of the tender. The two compliant bids are summarised in the **Annex**.

### 3. **Alternative Options**

3.1 The recommendation above is the outcome of the Most Economically Advantageous Tender (MEAT) so is the only option.

### 4. **Implications**

#### 4.1 Policy

There are no relevant Council policies affected by this decision.

#### 4.2 Resources and Risk

The costs of the hosted software solution are approximately £45,000 for one-off implementation costs and £37,000 for annual maintenance. The cost over four years (the longest contract period under the framework as advised by the Procurement team) would be £192,260.

An upgrade to the existing software will be mandatory during 2012 to meet the card issuers' regulations and the costs quoted include both the upgrade to the latest version and the move to a hosted solution.

Annual running costs are in line with the projected costs of the current system. The annual costs are based on transactions volumes going through the system and are in line with expected volumes over the coming period.

The implementation costs are in line with the cost of upgrading the current system. Due to delays in the tendering process the implementation of the move to a hosted solution will now fall into 2012/13. The costs of implementation had been expected in the current year and the delay has resulted in unspent funds in 2011/12. A carry forward request has therefore been prepared and submitted for the scheme.

N	Capital	Y	Revenue	N	Accommodation
Y	IT	N	Medium Term Plan	N	Asset Management

#### 4.3 Carbon and Energy Management

No implications.



#### 4.4 Legal

The tender was undertaken and the contract is to be awarded through the Government Procurement Software Application Solutions framework agreement. These framework agreements are compliant with EU Procurement legislation.

#### 4.5 Other Implications

The system integrates closely with the Council's customer facing systems as it is the enabler of accepting payments for services in person, over the telephone, using Automated Telephone Payments or the internet

N	Equalities / Diversity	N	Sustainability	N	Human Rights
Y	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: MEAT scoring of the bids for the contract.



**Wards Affected:**

ALL WARDS

7 FEBRUARY 2012

**LOCAL BUS SERVICE TENDERS - AWARD OF CONTRACTS**

Author: Andrew Coleman, Passenger Transport Manager  
Tel: (01908) 254736

**Executive Summary:**

This report seeks approval to award local bus contracts listed in Annex A that will commence 22 April 2012.

The Cabinet meeting of 9 November 2011 gave approval to tender for those local bus contracts to replace contracts that expire in April 2012.

Under the Transport Act 1985, the Council has a duty to consider whether there are gaps in the commercial network and if it thinks appropriate, fill those gaps to meet unmet social needs.

This is a key decision.

**1. Recommendation(s)**

- 1.1 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 during consideration of the **Annexes** to the report.
- 1.2 That the contracts for the local bus services shown in Annex A using the MEAT (Most Economically Advantageous Tendering) process be approved.
- 1.3 That the variation and/or termination of the local bus contracts listed in Annex B be approved.

**2. Issues**

- 2.1 Under the Transport Act 1985, the Council has a duty to consider whether there are gaps in the commercial bus service network and if it thinks appropriate, fill those gaps to meet unmet social needs.
- 2.2 The Cabinet meeting of 9 November 2011 gave approval to tender for local bus contracts to replace contracts that expire in April 2011. Tenders have been received and contract awards are proposed as indicated at Annex A
- 2.3 The estimated cost of local bus services for 2012/13, based on the proposals set out in Annexes A and B is £3.149m which can be accommodated within the available budgets, including s106 and Tariff funding where applicable.

### 3. **Alternative Options**

#### 3.1 The “do nothing” option would mean that:

The contracts would expire without replacement, with the consequent reduction in local bus service provision. While this would meet potential requirements for budget saving, there would have been no consideration of whether or not these were the most appropriate contracts to cut.

The end result would be a negative impact on the delivery of the policies noted below and greater risk of adverse comment from members and public alike.

#### 3.2 The “do something” option is as outlined above and detailed in Annexes A and B.

### 4. **Implications**

#### 4.1 Policy

Provision of subsidised bus services is consistent with a range of existing approved and adopted policies as outlined in the background papers.

If services are not secured there will be a reduction in local bus service provision. This will have a negative impact on the delivery of the policies noted above, will reduce the ability of the Council to meet its targets for bus patronage and will severely restrict the ability of non-car drivers to access essential services.

#### 4.2 Resources and Risk

The new or varied contracts replace existing contracts which come to an end in April 2012.

The estimated cost of local bus services for 2012/13, based on the proposals outlined here and detailed in Annexes A and B is £3.149m which can be accommodated within the available budgets, including s106 and Tariff funding where applicable.

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

#### 4.3 Carbon and Energy Management

The enhancement of local bus services fits in with the Carbon & Energy Management policy which includes an action (9) “Use vehicles with low fuel consumption and pollution-reducing technology and ensure their regular servicing and energy conscious operation. Promote and facilitate the use of alternative modes of transport”.

#### 4.4 Legal

The Council is exercising its powers under the Transport Acts 1985 and 2000, and the Local Transport Act 2008, to secure passenger transport services in order to meet public transport requirements within the Milton Keynes Council area that would otherwise not be met.

#### 4.5 Other Implications

The Core Strategy outlines the Council's vision for the sustainable growth of Milton Keynes in the next 30 years. Failure to secure an adequate local bus service network will have a direct impact on the ability to deliver sustainable growth and will result in increased carbon emissions from private car use.

This decision is not significant and/or relevant in regard to equality issues

An Equality Impact Assessment was completed in relation to the November 2011 Cabinet report and recommended that no change should be made.

Details of equality issues can be found at <http://bit.ly/EqIA2011-13>.

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

#### Background Papers:

Cabinet Report Local Bus Service Tendering (2012-13)

Bus Strategy (December 2008)

Report of the Milton Keynes Citizens' Advisory Group on Transport (the CAGoT Report) (October 2008)

The Transport Vision & Strategy for Milton Keynes (LTP3)



**Wards Affected:** Emerson Valley, Walton Park, Middleton, Stony Stratford, Linford South, Bradwell, Denbigh, Whaddon, Woughton, Loughton Park, Eaton Manor, Furzton, Campbell Park, Wolverton, Danesborough, Bletchley and Fenny Stratford, Newport Pagnell South, Linford North.

## **STREET LIGHTING GRID ROADS TRIMMING AND DIMMING – AWARD OF CONTRACT**

Author: Laurence Pratt – Head of Highway Services, Tel: (01908) 252531

### **Executive Summary:**

The council received bids from 5 tenderers following the completion of the tender process for the contract for the Trimming and Dimming of Street Lighting on Grid Roads. The bids have been evaluated under the council's M.E.A.T. process and approval is sought to award the contract.

### **1. Recommendations**

- 1.1 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 during consideration of the **Annex** to the report.
- 1.2 That the street lighting contract for Trimming and Dimming of Grid Roads be awarded to the bidder using the MEAT (Most Economically Advantageous Tendering) process.

### **2. Issues**

- 2.1 Five tender applications were received, two of which were incomplete. The complete tenders were assessed under the M.E.A.T. evaluation process at Annex A.

### **3. Proposals**

- 3.1 As part of the Capital programme 2011/12 it is proposed to install dimming and trimming controls to 4400 street lights on the grid roads in order to reduce energy consumption and consequently make financial savings. There are a total of 7100 street lights on the grid roads of which 2700 have been switched off.
- 3.2 In September 2011 a decision was made to commence the procurement for the dimming and trimming of the remaining 4,400 lights on the Grid Roads. Under OJUE legislation the council received tenders from 5 contractors. Following formal evaluation of the tenders, it is proposed to award the contract to the bidder with the highest score.

#### 4. Options

There are no options to this proposal as the alternative of doing nothing would result in no cost savings.

Cost savings for 2011/12 have been agreed as part of the overall revenue budget projections based on reduced energy consumption.

#### 5 Implications

##### 5.1 Policy

The policy to reduce energy costs and carbon emissions remains unchanged.

#### 6 Resources and Risks

Financial

This contract will form part of the previously agreed revised street lighting capital programme for which £782,000 has been approved and the expenditure code to carry out the works is 3/C/00594.

Y	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	Y	Asset Management

#### 7 Carbon and Energy Management

The schemes have been produced in accordance of the Council's carbon reduction policy.

#### 8 Legal

No direct legal implications to the Council

#### 9 Other Implications

E-Govt:

Information regarding the proposals will be made available through the Council's web pages.

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	Y	Crime and Disorder

Background Papers: None



**Wards Affected:**

All Wards

**ITEM 8****CABINET PROCUREMENT COMMITTEE****7 FEBRUARY 2012****FOOTCARE SERVICE - AWARD OF CONTRACT**

Author: Mary Hartley, Senior Joint Commissioner, Tel: (01908) 253352

**Executive Summary:**

To seek approval to invite tenders for a preventative Basic Foot Care service for Older People within Milton Keynes.

Foot problems, such as painful feet, impair balance and functional ability and increase the risk of trips and falls. This new preventative service will provide basic foot care, in order to improve people's quality of life by supporting independence, mobility, socialisation and associated mental well being.

This service is primarily aimed at people who, for a variety of reasons, are unable to cut their own toe nails. The Service would benefit people falling into the following categories:

- Older people who can no longer manage to cut their own toe nails and have no care or family support to assist them
- People with a physical or Learning Disability and have no care or family support to assist them

The expected value of the contract will be in the region of £200,000 over a period of three years. This will enable the provider to set up a service that will achieve full cost recovery and achieve self sustainability by the end of the contracted period.

**1. Recommendation(s)**

- 1.1 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 during consideration of the **Annex** to the report.
- 1.2 That the award of the contract for the Basic Foot Care service be approved using the MEAT (Most Economically Advantageous Tendering) process.

**2. Issues**

- 2.1 The main aim of the proposed preventative service is to enable older people to remain independent and live in their own homes for as long as possible, therefore reducing the need for them to enter into more intensive services providing health and/or social care. As part of the prevention agenda, this service will be required to be targeted and responsive to the needs of older people and to ensure they are supported in achieving a high quality of life, stay

healthy, and are able to maximise control over their own lives and those of their families, helping to retain dignity and respect.

- 2.2 The contract will be awarded to the successful application evaluated using the Council's Most Economically Advantageous Tender (MEAT) process at Annex A. This will be adapted to ensure that the evaluation criteria reflect that the tender results in the provision of a preventative service and overall value for money; incorporating service quality and relevant experience is required rather than lowest cost. The new service is proposed to commence in April 2012, dependent on an agreed timetable with the successful provider regarding transfer of services.
- 2.3 Extensive consultation with Older People has shown that they would very much like a reasonably priced nail cutting service, especially since the NHS Podiatry Service no longer offers this service. Additionally, local Older Peoples' groups and LINK:MK have lobbied for this service to be established in MK.

## 2. **Policy**

- 2.1 This service will support the Putting People First Agenda which highlights the Government's commitment to independent living through prevention and early intervention, and the seven strategic outcomes identified:
- Live Independently
  - Stay healthy and recover quickly from illness
  - Exercise maximum control over their own life and, where appropriate, the lives of their family members
  - Sustain a family unit which avoids children being required to take on inappropriate caring roles
  - Participate as active and equal citizens, both economically and socially
  - Have the best quality of life, irrespective of illness or disability
  - Retain maximum dignity and respect
- 2.2 These outcomes are fully incorporated into the Council's social care transformation programme.
- 2.3 The proposed preventative service will contribute to a number of the Council's strategic objectives and contribute to key performance indicators.
- NI 141- The percentage of service users who are supported to achieve independent living (also included in the LAA).
- NI 142 The percentage of service users who are supported to establish and maintain independent living.

### 3. Implications

#### 3.1 Resources and Risk

The Council already jointly commissions an extensive range of health and social care services from the independent and third sector with a strong requirement to evidence value for money. This will be evidenced through the procurement and contract monitoring process.

N	Capital	N	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

#### 3.2 Carbon and Energy Management

Not applicable

#### 3.3 Legal

Contracts will be let in accordance with the Council Contracts Tenders and Quotations Handbook and its Financial Regulations.

Health and Social services are Part B services within the context of the European Union procurement directives. There is no requirement to advertise this tender opportunity in the Official Journal of the European Union and it is not necessary to follow a timetable prescribed by the EU directives.

#### 3.4 Other Implications

An Equality Impact Assessment was completed on the service changes and recommended to continue the decision noting the adjustments or amendments required. Details of the assessment can be found at: <http://bit.ly/EqIA2011-26>. The service will contribute to the improvement in the quality of life, and physical and mental health, of vulnerable and older people. The service will contribute to home safety, well being and independence and the reduction of falls. People will receive education on how to look after their feet, such as: washing feet correctly, self help, identification of risks associated with foot problems and complications, how to apply a simple foot dressing. And will also be provided with advice and information about accident prevention such as appropriate, supportive footwear. Commissioners will work with the provider to understand how and where people would prefer the service to be delivered i.e. geographical areas, types of venue, home visits etc. and will monitor and evaluate the service throughout the life of the contract.

Y	Equalities / Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers: Department of Health (2009) Footcare DH. London