

Minutes of the meeting of the PROCUREMENT COMMITTEE held on TUESDAY 8 JANUARY 2013 at 5.30 pm.

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

Officers: M Bracey (Assistant Director [Children and Families]), M Hancock (Assistant Director [Joint Commissioning]), D Wilkinson (Assistant Director [Audit & Risk Management]), M Dolling (Head of Capital & Infrastructure), C Southern (Head of Strategic Procurement), R Davis (Sports Development Manager), R Grehan (Corporate Procurement Manager), A Jackman (Project Manager [Highway Services]), P Wheeler (Senior IT & eGovernment Manager), J Dewick (Leisure & Community Officer), S Downer (Heritage Development Officer), C Jarman (Senior Passenger Transport Officer – Implementation), S Layton (Capital Development Officer), G Oldfield (Education Officer), P Srinivasan (Senior Solicitor) and S Muir (Committee Manager).

Also Present Councillors Bald, Miles and Alderwoman Saunders

Members of the Public: 1

PC88 MINUTES

RESOLVED -

That the Minutes of the meeting of the Procurement Committee held on 4 December 2012 be approved and signed by the Chair as a correct record.

PC89 DISCLOSURES OF INTEREST

None.

PC90 INFORMATION PAPER ON THE USE OF FRAMEWORK AGREEMENTS WITHIN PROCUREMENT

It was reported that the Information Paper set out the context for Framework Agreements within Procurement and included the legislative background of framework agreements, the different types of agreements available and the context for their use.

The Committee raised the following concerns:

- Specifications for invitations to tender were over designed and included items that were not of utilitarian style;
- Regular benchmarking with other contracts was not carried out;
- The low number of bidders in framework agreements did not reflect true market competition;
- There was not a consistent approach to the benefits realisation when contracts were awarded; and

- Post evaluation of contracts to monitor whether the criterion on the MEAT analysis was carried out.

The Committee commented that in some cases Framework Agreements worked for standard items of procurement as the risks and costs of procuring were reduced. However, for more specialised areas, best value would be better achieved if an open contract procedure was used which would give the opportunities to negotiate better prices and for increased competition by attracting more bidders.

RESOLVED -

1. That the information contained within the paper be noted and used to support future decision making on the procurement strategy in relation to individual procurement projects.
2. That a paper to be brought to a future meeting of the Committee addressing the following points:
 - (a) Specification and "over design";
 - (b) Regular benchmarking of framework pricing with other contracts / frameworks;
 - (c) The number of suppliers on frameworks; and
 - (d) Most Economically Advantageous Tender (MEAT) – taking a consistent approach to evaluation and monitoring of the benefits realisation once contracts were awarded.

PC91 INVITATION TO TENDER – COMMUNITY TRANSPORT, HOME TO SCHOOL TRANSPORT AND SOCIAL CARE TRANSPORT CONTRACTS

Item withdrawn.

PC92 INVITATION TO TENDER – BUS STOP IMPROVEMENT DELIVERY

RESOLVED -

That the Item be deferred for consideration at the Committee's meeting on 5 February 2013.

PC93 INVITATION TO TENDER – VARIOUS SCHEMES INCLUDED WITHIN THE 2012-14 SCHOOLS CAPITAL MAINTENANCE PROGRAMME

The Committee heard that the proposal to invite tenders for various schemes included within the 2012 -14 Schools Capital Maintenance Programme had been endorsed by the Portfolio Holder.

The Committee noted that to not tender the schemes would result in the works to improving conditions within the various schools not taking place and could worsen ongoing problems, leading to larger, more costly schemes in the future to rectify faults. This could also

have an implication on safety and suitability of each identified site with possible closure of elements of the buildings.

RESOLVED -

That tenders be invited for the procurement of the following schemes, as agreed by Cabinet on 28 November 2012:

School name	Project Type
Cedars Primary School (Newport Pagnell)	Renew heating system
Chestnuts School (Bletchley)	Renew heating system
Drayton Park School (Bletchley)	Renew Roofing (Phase 2)
Loughton School	Renew patent glazing
Willen Primary School	Renew windows and doors

PC94

INVITATION TO TENDER – BRADWELL WINDMILL WORKS

The Committee noted that the procurement would support implementation of the Council's Heritage Strategy adopted by Cabinet in July 2008 and refreshed in December 20110 and would assist in delivering the Council's strategic aim that provided distinctive arts and heritage as part of the World Class MK Vision.

It was reported that the draft specification to repair the Grade II Listed Windmill had been developed by a specialist millwright in partnership with Council Officers. The Bradwell Windmill Steering Group, Milton Keynes Museum, local parish councils and the Heritage Lottery Fund had been consulted.

The Committee considered the following options:

1. Do nothing - the windmill would not be fit for use as it would continue to disintegrate, would cost more to repair in the long-term and the Council risked financial penalties from English Heritage for not looking after its historic assets which would damage the Council's reputation.
2. As a minimum, capital funding could be used to refurbish the windmill to the appropriate listed building and health and safety standards as laid out in the conditions survey report that would allow use of the structure to deliver public programmes,.
3. Preferred option - In addition to and dependent on the above option, the capital funding available could lever in external funding from the Heritage Lottery Fund of up to £100,000. This would allow the windmill to be put into full working order, improve the site access, and increase volunteer staffing resources for operation, which in turn would bring in additional income, services and facilities. This option would also provide funding for an associated three-year community learning and volunteer activity programme of events. It would also assist in delivering the Community Asset Transfer programme for enhanced asset management at a local level.

RESOLVED -

1. That the commencement of the tender process for the procurement of a millwright and specialist team(s) to deliver the improvement and modernisation works required to Bradwell Windmill be approved.
2. That officers obtain spend approval for any successful Heritage Lottery Funding from either this Committee or Cabinet as appropriate before the award of any contract using Heritage Lottery Funding.

PC95

EXTENSION OF STREET LIGHTING MAINTENANCE CONTRACT 2013/14

It was reported that the street lighting maintenance contract was awarded in 2007 on the basis of it being a four year contract with the possibility of two extensions each of 12 months duration, terminating in March 2013.

The Committee heard that the outcome of the Organisational Transformation Project (OTP) to procure a combined Highways and Street Lighting infrastructure Contract to start in April 2014 meant that the Council was left with a shortfall in the life of the contract of one year. The estimated annual value of this contract was £760k funded by the existing budget allocation of £805k. The contract was subject to an increase in line with the provision for uplift based on 'cost of living' indices.

The Committee noted that the contract extension was deemed necessary as it would not be practical to procure a one year contract for this service at the same time as longer term contract was being procured.

RESOLVED:

That the existing Street Lighting Maintenance Contract be extended for a further 12 months to 31 March 2014.

PC96

INVITATION TO TENDER – CORPORATE STATIONERY CONTRACT

It was reported that a mini competition of suppliers on the Central Buying Consortium Framework which MKC was a member of, would be run. It was noted that an exercise using a trial basket of stationery items had been carried out to provide comparison data from suppliers.

The Committee noted that the procurement sought to deliver the following efficiencies:

- Value for Money – suppliers own brands were lower priced and provided reasonable quality to serve purpose.

- Demand Management – provision of an e-catalogue with general access to view core items only and restricted access to view complete catalogue.
- An improved Purchase to Pay process, by requiring e-invoicing capacity or similar.

The Committee considered the alternative options:

1. Do Nothing - the Contract would expire and stationery would be purchased from any supplier resulting in increased vendors in SAP and increased administration costs. There would be no control on costs or quality.
2. Go to tender under the OJEU process; however there was insufficient time before the current contract expired and Milton Keynes Council would be non-compliant with Contract Procedure Rules.
3. Tenders be invited under the Central Buying Consortium framework for Stationery Contract for next four years. This would consider the lowest price offer and a saving of 37% per annum was anticipated (preferred option).
4. Call-off using mini competition of available frameworks previously tendered by other public contracting authorities.

RESOLVED:

That the commencement of the tender process for the procurement of Stationery, Printing & Facsimile Supplies using the Central Buying Consortium framework, be approved.

PC98

EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press representatives 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 Committee could consider the Annexes to the following reports:

- (a) Proposed Expansion of Heelands School – Award of Contract
- (b) Replacement of the Heating System at Queen Eleanor Primary School – Award of Contract
- (c) Management Information Service Outsourcing for Adult Continuing Education – Award of Contract
- (d) Print Equipment Supply and Services – Award of Contract
- (e) Wolverton Pool Gym Equipment – Award of Contract
- (f) Sensory Impairment Service – Award of Contract
- (g) Combined Home Improvements Agency / Handy Van Service –

Award of Contract

- (h) Riverside Meadow Replacement Footbridge – Award of Contract
- (i) Wolverton Station Car Park and Works Contract – Award of Contract

PC99 AWARD OF CONTRACT – PROPOSED EXTENSION OF HEELANDS SCHOOL.

The Committee, noting that there would be insufficient school places for children starting school for the first time in September 2013 in the area local to Heelands considered awarding a contract for additional accommodation at Heelands School. It was noted that the additional accommodation would enable the school to expand the number of places that it offered to children starting school from 30 to 60 with effect from September 2013. The proposal to expand had been subject to a consultation with all stakeholders.

RESOLVED:

That the award of the contract for the capital building project at Heelands School to the highest scoring tenderer in accordance with the Most Economically Advantageous Tender (MEAT) criteria for the scheme be approved.

PC100 AWARD OF CONTRACT – REPLACEMENT OF HEATING SYSTEM AND DOMESTIC SERVICES AT QUEEN ELEANOR PRIMARY SCHOOL GALLEY HILL

The Committee considered awarding a contract for works to replace and upgrade the heating system, boilers and domestic services at Queen Eleanor Primary School which had been procured via a mini competition process using Lot 3 of the Milton Keynes Council Construction Framework.

The Committee raised concerns that two of the scores submitted under the Most Economically Advantageous Tender (MEAT) criteria were very close and there was insufficient evidence of the rationale and technical compliance used to calculate the score and further clarification of the award was requested.

The Committee noted that an Audit could be carried out of the contract.

RESOLVED -

That in order to allow clarification of the MEAT assessment the Cabinet Portfolio Member for Children Services and Lifelong Learning be authorised to award the tender to the highest scoring tenderer in accordance with the MEAT assessment.

PC101 AWARD OF CONTRACT – MANAGEMENT INFORMATION SYSTEMS ADULT CONTINUING EDUCATION SERVICE

The Committee considered awarding a contract for the provision of a Management Information System which met the requirements of the Skills Funding Agency and the Education Funding Agency.

It was noted that tenders had been invited using a framework jointly managed by the Department for Education and the Government Procurement Service. The contract would enable the delivery of monthly learner and funding returns to the Skills Funding Agency which would trigger funding payments to the Adult Continuing Education Service and allow the service to collate and use a range of statistical information. The contract was for £71,000p.a. with a term of 2 years to expire on 31 July 2015. The contract could be extended until 31 July 2018 by three annually agreed extensions.

The Committee commented that as the contract was for a relatively small amount, a joint procurement with other Local Authorities for similar contracts should be considered in order to make a contract of sufficient size to attract a good range of suppliers

RESOLVED:

1. That the contract for the Management Information Systems Adult Continuing Service be awarded to the highest scoring tenderer in accordance with the Most Economically Advantageous Tender (MEAT) criteria for the scheme be approved.
2. That any intention to extend the contract be brought back to this Committee for a decision
3. That officers be requested to research the possibility of carrying out joint procurement with other Local Authorities for future similar contracts where a contract with this Council alone may not be of sufficient size to attract a good range of suppliers.

PC102 AWARD OF CONTRACT – PRINT EQUIPMENT SUPPLY AND SERVICES

The Committee, in noting that 44 of the 100 departmental printer/copiers/scanners were at the end of their leases and needed to be replaced considered a contract for their replacements. .

The Committee was reassured that the printers were being moved around from high usage areas to low usage areas in order to extend their life and only replaced due to the expiry of leases and breakdown of equipment.

The Committee noted that subject to the lease agreements terms and conditions, there might be opportunities to transfer machines beyond their useful life for the Council to the voluntary sector.

The Committee considered the alternative options:

1. Do Nothing – This was considered not a viable option as equipment that is at the end of its life needed to be replaced and was increasingly incapable of being repaired and maintained which would result in uneconomic maintenance costs.

2. An externally managed Print Service would be a radical change from the current arrangement where the Council 'owned' the equipment. The Council would become totally reliant on a third party provider and would in effect 'rent access to equipment and services', both in central print and for the departmental printing devices. The likely staff TUPE transfer requirement for the current print staff was considered to make this option problematic and cut across the current Public Private Partnership contract arrangements. The reductions in equipment supply and maintenance costs via this option were not anticipated to exceed those of other options. However it might be possible to achieve a staffing reduction in the central print unit if services were merged with larger scale, off-site operations. This option was not recommended as it was expected to introduce risk that was not commensurate with the likely savings.
3. Preferred Option– Award a contract for the print equipment supply and service contract that utilised the GPS Framework Contract. This approach preserved the Council's ability to upsize or downsize the scale of the equipment and services taken by replacing the equipment in phases and by making judgements about the total scale of needs over time. This option was viable and very flexible in approach. It was evident that this option would provide verifiable savings and enabled the type of devices in use to be adjusted as they are replaced. The Council would also retain a significant element of control over the whole service operation.

RESOLVED:

That the contract for Print/Copier equipment supply with the provision of associated services be awarded to the preferred contractor as determined through the Council's Most Economically Advantageous Tender (MEAT) evaluation.

PC102 AWARD OF CONTRACT – WOLVERTON POOL GYM EQUIPMENT

The Committee considered the award of contract for the provision of fitness equipment for the fitness suite within the new Wolverton Pool project.

The Committee also considered the alternative option for the Council to lease the equipment rather than purchase, but this was discounted because leasing incurred additional costs not supported by the business plan. The Committee noted that the asset would be managed by the Wolverton and Watling Way Pools Trust which had indicated that its preferred option was outright purchase.

RESOLVED:

That the contract for Wolverton Pool Gym Equipment contract be awarded to the highest scoring supplier in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

PC103

AWARD OF CONTRACT – MILTON KEYNES SENSORY SERVICE

The Committee considered the award of contract the Milton Keynes Sensory Service which would provide adults in the Borough who had a wide range of sight and hearing impairments or dual sensory loss with appropriate support and resources to maintain and/or improve their health and well being and enable them to continue to live as independently as possible.

The Committee heard that the service contract term was for three years expiring on 31 March 2016 with an annual value £240,000; with the term value being £720,000 and it was noted that the contract terms allowed the contract to be extended until 31 March 2017.

The Committee heard that a group of three sensory impaired service users were included in the assessment panel that undertook the tender scoring process and noted that service users and their comments would be included in future evaluation reports.

RESOLVED:

That the contract for the Milton Keynes Sensory Service be awarded to the highest scoring supplier in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

PC104

AWARD OF CONTRACT – COMBINED HOME IMPROVEMENT AGENCY AND HANDY PERSON SERVICE

The Committee considered the award of contract for the provision of a Combined Home Improvement Agency and Handy person service which would assist vulnerable homeowners to continue to live in their own homes as independently and as safely as possible by providing advice, repairs and home safety checks.

The Committee heard that the service supported the Council's policy for Community Care and contributed to the delivery of the vision from the Council's Corporate Plan 2012-2016 that vulnerable and hard to reach citizens of Milton Keynes would have access to all the services they need and have support to access opportunities and enjoy a healthy and good quality of life.

The Committee noted that concerns that the change in service provider might confuse vulnerable service users had been addressed and a local helpline number was in place to assist service users. The Committee also noted that that the Council was working closely with partners and service users on the handover process.

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RESOLVED:

1. That the contract for the Combined Home Improvements Agency and handyperson Service be awarded to the highest scoring supplier in accordance with the Most Economically Advantageous Tender (MEAT) evaluation.

2. That any recommendation to extend this contract be bought back to this Committee for a decision in good time.

PC105 AWARD OF CONTRACT – RIVERSIDE MEADOW FOOTBRIDGE, NEWPORT PAGNELL, BRIDGE REPLACEMENT

The Committee considered awarding the contract for the replacement footbridge at Riverside Meadow, Newport Pagnell.

The Committee noted the Legal advice that the NEC 3 contract could be used and that the Construction Client's Board recommended that public sector organisations used the NEC3 contracts when procuring construction as standardised use of that comprehensive suite of contracts should help deliver efficiencies across the public sector and promoted behaviours in line with the principles of Achieving Excellence in Construction.

RESOLVED:

That the contract for the Riverside Meadow Footbridge. Newport Pagnell be awarded to the supplier who had scored the highest in accordance with the Most Economically Advantageous Tender evaluation be approved.

PC106 AWARD OF CONTRACT – WOLVERTON STATION CAR PARK AND DRAINAGE WORKS

The Committee considered awarding the contract for the Wolverton Station Car Park and Drainage Works.

The Committee noted that the tenders had been obtained using the Highways Small Works Framework.

RESOLVED:

1. That the contract for the Wolverton Station Car Park and Drainage Works be awarded to the tenderer who had scored the highest in accordance with the Most Economically Advantageous Tender evaluation be approved.
2. That Officers be requested to closely supervise the works.

THE CHAIR CLOSED THE MEETING AT 7.02 PM