

CABINET

28 June 2016

Title: Contract for Provision of Personal Protective Equipment (PPE) and Corporate Uniform	
Report of the Cabinet Member for Finance, Growth and Investment	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
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Accountable Divisional Director: Tony Ralph, Operational Director, Clean and Green	
Accountable Director: Claire Symonds, Strategic Director for Customer, Commercial and Service Delivery	
Summary: <p>This report asks the Cabinet for approval to enter into a procurement exercise for the award of new Term Contracts for Personal Protective Equipment (PPE) and Corporate Uniform for a term of three years from 1 December 2016 to 30 November 2019, with the possibility of a one-year extension subject to satisfactory performance of the appointed contractor to 30 November 2020.</p> <p>These contracts are to provide PPE and Corporate Uniform to the Council's staff to meet its obligations under the Health and Safety Act 1974 and to satisfy the Council's own due diligence to ensure the well-being of its staff.</p> <p>The key benefits of the contract will be:</p> <ul style="list-style-type: none">• Provide good quality and cost effective PPE• Provide good quality and cost effective Corporate Uniform• Cost efficiencies through economies of scale• Amalgamation of the current suppliers to a maximum of four, one for each Lot.	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ol style="list-style-type: none">Agree that the Council proceeds with the procurement of a contract for Personal Protective Equipment (PPE) and Uniform in accordance with the strategy set out in this report; andDelegate authority to the Strategic Director for Customer, Commercial and Service Delivery, in consultation with Cabinet Member for Finance, Growth and Investment, the Strategic Director for Finance and Investment and the Director of Law and	

Governance, to conduct the procurement and award the contracts for the initial term and if required the period of extensions to the successful bidder's in accordance with the strategy set out in this report.

Reason(s)

To ensure the Council fulfils its obligations under the Health and Safety at Work Act 1974 and the Councils own due diligence in maintaining the wellbeing of its staff.

1. Introduction and Background

- 1.1 The Council has a statutory responsibility to comply with the Health and Safety at Work Act 1974. The current contract with Rexel Parker Merchandising (Parkers) for the provision of PPE and Corporate Uniform will expire on 30 November 2016.
- 1.2 In addition to Parkers, the Council also utilises six further suppliers, who provide specialist Uniform such as crossing Patrol Uniform, which could not be provided for under the existing contract.
- 1.3 The total current annual spend for PPE and Corporate Uniform is £177,403.31 per annum for the Council and £532,209.93 based on a three year contract and £709,613.24 for the full four year term which includes a possible one year extension). The spend has been calculated from management information provided by Parkers for 2014/15 financial year and the remaining six suppliers for the 2015/16 financial year.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

- 2.1.1 The multi lot approach for the service will be made up of a combination of PPE and Uniform across the Council as follows:

Lot 1 – Footwear, including boots and trainers.

Lot 2 – Heavy work wear and high visibility wear

Lot 3 – Corporate uniform, including LBBB branded uniform

Lot 4 – Equipment, including first aid kits, safety helmets, respirators and safety spectacles.

2.2 Estimated Contract value, including the value of any uplift or extension period.

- 2.2.1 In total, across all lots, approximately £532,209.93 for the three year contract period and £709,613.24 for the full four-year period, should the one-year extension option be taken up.
- 2.2.2 The precise total contract value will be dependent upon client budgets and requirement. This will give the Council the benefit of economies of scale and will enable the Council to standardise equipment and uniform used.

2.3 Duration of the contract, including any options for extension

2.3.1 Each Lot will be awarded for three years from 1st December 2016 to 30 November 2019 with the option to extend for up to a further year, until 30 November 2020.

2.4 Recommended procurement procedure and reasons for the recommendation.

2.4.1 To mitigate the Council's commercial and financial risk, it is proposed that tenders be sought for each lot using the open procurement procedure with an e-auction via the Bravo portal, following an advertisement in the Official Journal of the European Union (OJEU) and Contracts Finder.

2.4.2 The proposal is to use a multi lot approach:

- Lot 1 - Footwear
- Lot 2 – Heavy work wear
- Lot 3 – Corporate Uniform and
- Lot 4 – Equipment.

2.4.3 Each lot will be awarded to a single supplier, although bidders are able to apply for one or any combination of lots including all four lots.

2.4.4 Applicants will be assessed on their economic and financial standing, health and safety standards, technical capability, prices and references, as well as a qualitative assessment of performance targets and method statements on a range of criteria relevant to the contract. All goods will be required to meet, as a minimum, UK standards and must comply with the Councils responsibilities under the Health and Safety at Work Act 1974.

2.4.5 Applicants who have policies and methods in place to measure quality and performance and are able to provide this information to the Council will be considered as suitable tenderers.

2.4.6 Outline Procurement Timetable;

Procurement Strategy Report to Procurement Board	23 May 2016
Procurement Strategy Report to Cabinet	28 June 2016
Submit OJEU notice	11 July 2016
Project live on Bravo	13 July 2016
Tenders returned and evaluation	12 August - 20 Sept 2016
Award Report to Procurement Board	12th October 2016
Alcatel ends	25th October
Implementation	1st – 30th November 2016
Contract Commencement	1st December 2016

2.5 The contract delivery methodology and documentation to be adopted

2.5.1 The contracts will be let using London Borough of Barking and Dagenham's standard Terms and Conditions, which are appropriate for use by all employees who have a requirement for PPE and/or uniform.

2.5.2 The contracts will work on a “call off” basis for a number of departments within the Council, including but not limited to; Parks, Building Cleaning, Building Services, Security, Facilities Officers, Castle Green, Landlord Services, Repairs and Maintenance Housing, Culture and Sport Services, Children’s Services and Adult Social Care. The “call off” arrangements will not commit the Council to guaranteed payments to the contractor by way of any stand-by arrangements, but will ensure continued supply of important goods during the contract term.

2.5.3 The successful contractors will be required to maintain a full electronic set of Management Information of the goods provided to the Council. This data will be accessible to LBBD officers in the form of Management Information when requested.

2.6 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

2.6.1 Following this procurement strategy will provide the Council with a cost effective and high quality service through leveraging economies of scale by reviewing the range of products purchased and with a view to reduce the number of suppliers used.

2.7 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.7.1 Each lot will be awarded through a scoring matrix on the basis of 80% price and 20% quality. The process will include full quality testing of the proposed goods and an e-auction to ensure competitive pricing is achieved.

2.8 **How the procurement will address and implement the Council’s Social Value policies**

2.8.1 It is important to maintain sustainable procurement, by engaging with local and regional suppliers to promote the local economy and taking account of the social and environmental impact of spending decisions.

2.8.2 The Council, along with its policies, is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being.

2.8.3 The Council plans to approach competition positively, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and voluntary sectors.

3. **Options Appraisal**

3.1 **Option 1** - Tender four Lots, each with a three year term contract, with the option to extend for up to one year with the preferred service provider for each lot. This is the preferred option as it gives the benefits listed in Section 2 of this report.

3.2 **Option 2** - Access an open framework/collaboration

An EU compliant route to market would be to utilise an open framework or an accessible collaboration contract which is available to us.

Organisation	Framework / Contract Available
CCS (Crown Commercial Services)	Yes. Contract RM3763 – expires 16 July 2019.
ESPO (Eastern Shires Purchasing Organisation)	Yes. Contract 144 - expires 6 September 2018 but has option to extend for one year.
LCSG (London Contracts and Supplies Group)	No

At the time of submitting this paper, there are two active open frameworks available to LBBD to enter. Both the CCS and ESPO Framework's are not appropriate for LBBD to call off of as they do not meet all of the Council's sizing requirements for clothing for women and men.

- 3.3 **Option 3** - Do nothing – This option was considered but due to the levels of annual spend on the goods; to do nothing would be direct non compliance with the Council's and EU Procurement rules. This option has therefore been discounted.
- 3.4 **Option 4** – Collaborative procurement. This option was considered but due to other organisations different requirements for logos and colours for logos, in embroidered and heat sealed products there would be no economies of scale gained.

4. Other Considerations and Implications

4.1 Risk and Risk Management

- 4.1.1 The Insurance and Risk Team confirmed that in the last four years, no LBBD employee has claimed against the Council in regard to lack of or defective PPE products.

Current Risks;

1. Disaggregation of spend could leave the Council open to challenge through FOI requests or internal audit.
2. Non standardisation of quality could lead to complaints by staff, union representatives as the goods may be deemed as not fit for purpose and the Council has a duty of care under the Health and Safety at Work Act 1974.
3. Divisional budgetary overspend due to non contracted activity (costs can increase without prior agreement), which may result in cheaper goods being purchased (possibly not fit for purpose).

How these risks are managed;

1. The contract will be managed in accordance with the Councils requirements and maintaining our obligations under the Health and Safety at Work Act 1974.
2. The use of the proposed contract will enable the Council to accurately manage and forecast all of the associated costs in providing PPE and Uniform to its

staff. Full auditable data will be produced to enable Divisions to keep an eye on their budgetary positions.

3. Standardisation of products will be more manageable and will give a collaborative view of our services by residents and visiting public.
4. Stringent performance monitoring will ensure all goods are delivered on time, at the right quality and correct cost. This will also negate the issue of non approved price increases.
5. Contractual terms will be set for the operation of this service to ensure all parties adhere to their obligations.

4.1.2 **TUPE, other staffing and trade union implications** - There are no TUPE implications to the Council.

4.1.3 **Health Issues** - The Council has an obligation to its staff under the Health and Safety Act 1974 to provide fit for purpose equipment in order for their role to be carried out safely. The Council has a duty of care to its staff.

4.1.4 **Property / Asset Issues** - Appropriate PPE will enable staff to maintain and keep clean the Council's assets and surrounding areas which will benefit the residents and general public. In addition cost avoidance may be achieved by reducing the amount spent on minor repairs and works.

5. Consultation

5.1 The proposals within this report have been the subject of consultation with staff throughout the Council and in conjunction with the Unions.

5.2 The Project Team set up to input into the specification for each Lot, define product requirements, draft KPI's, test the quality of products and evaluate tenders has representation from all appropriate Council services.

5.3 In addition, involvement from both Unions has been sought. There is currently representation on the Project Team from Unison.

6. Corporate Procurement

Implications completed by: Sam Woolvett, Category Manager

6.1 The proposed approach will comply with LBBD contract procedures rules. As this procurement falls under the remit of the European regulations, an OJEU and Contracts Finder notice will be placed, timelines and the Alcatel standstill periods will be adhered to.

6.2 A full tender process is likely to yield the best value for money for this requirement and is suitable for this level of spend.

7. Financial Implications

Implications completed by: Richard Tyler, Interim Finance Group Manager

- 7.1 This report seeks approval for a procurement exercise for the supply of Personal Protective Equipment (PPE) Corporate Uniforms from 1st December 2016 when the current contract finishes.
- 7.2 The contracts will be on a call off basis and will not commit the council to any guaranteed payments to the contractor, hence limiting spend to the service needs (as set out in paragraph 2.5.2).
- 7.3 The cost of these contracts will be met from individual services' existing budget allocations.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law and Governance

- 8.1 This report is seeking approval to tender a three year contract with an option to extend for a period of one year for the provision of Personal Protective Equipment (PPE) and Corporate Uniform from 1st December 2020, split into four lots according to the category of the supplies.
- 8.2 It is anticipated that the combined estimated value of the new contracts will be approximately £709,613.24 over the four years which is in excess of the threshold for supplies (currently set at £164,176) under the Public Contracts Regulations 2015 (the Regulations) and therefore a competitive tendering process will be required, which will be subject to the full application of the Regulations.
- 8.3 Contract Rule 28.7 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. Furthermore, in line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 8.4 It is noted that the proposed procurement route is to be conducted in accordance with the Regulations using the open procedure. This would appear to be following a compliant tender exercise and Legal Services will be available to assist and advise upon further instruction.
- 8.5 The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None