

SUBJECT: Environment, Planning and Regeneration Procurement Measures Direct Labour Organisation DLO Supplies Contracts

Control sheet

All of the following actions MUST be completed at each stage of the process and the signed and dated report MUST be passed to the Governance Service for publishing

All reports		
1. Governance Service receive draft report	Name of GSO Date	Andrew Charlwood 05/03/2012
2. Governance Service cleared draft report as being constitutionally appropriate	Name of GSO Date	Andrew Charlwood 06/03/2012
3. Finance clearance obtained (<i>report author to complete</i>)	Name of Fin. officer Date	Jayne Fitzgerald 21/03/2012
4. Staff and other resources issues clearance obtained (<i>report author to complete</i>)	Name of Res. officer Date	Not applicable
5. Strategic Procurement clearance obtained (<i>report author to complete</i>)	Name of SPO Date	Lesley Meeks 21/03/2012
6. Legal clearance obtained from (<i>report author to complete</i>)	Name of Legal officer Date	Sheila Saunders 30/04/2012
7. Policy & Partnerships clearance obtained (<i>report author to complete</i>)	Name of P&P officer Date	Andrew Nathan 28/02/2012
8. Equalities & Diversity clearance obtained (<i>report author to complete</i>)	Name of officer Date	Andrew Nathan 28/02/2012
9. The above process has been checked and verified by Director, Head of Service or Deputy	Name Date	Pam Wharfe 30/04/2012
10. Signed & dated report, <u>scanned or hard copy</u> received by Governance Service for publishing	Name of GSO Date	Chidilim Agada 30/04/2012
11. Report published by Governance Service to website	Name of GSO Date	Chidilim Agada 9/05/2012
12. Head of Service informed report is published	Name of GSO Date	Chidilim Agada 9/05/2012
13. Expiry of call-in period	Date	Not applicable
14. Report circulated for call-in purposes to Business Management OSC members & copied to Cabinet Members & Head of Service	Name of GSO Date	Not applicable

ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER (EXECUTIVE FUNCTION)

Subject **Environment, Planning and
Regeneration Procurement Measures
Direct Labour Organisation (DLO)
Supplies Contracts**

Officer taking decision Interim Director of Environment,
Planning and Regeneration

Date of decision 30 April 2012

Summary

This report seeks authorisation to accept quotations from and to award contracts to the following companies for the provision of equipment and material supplies to the council's Direct Labour Organisation ("DLO") based at Mill Hill Depot. The period for the contracts being 29 February 2012 to 31 March 2013:

A) Asphalt Supply

- a) Hot Material: award to Lafarge Aggregates Ltd;
- b) Cold Material: award to Instarmac Group Ltd;

B) Sign Shop Alloys: award to ASD Metal Services Ltd;

C) Sign Shop Vinyl and Print: award to Pama Signs Ltd;

D) Highways and Sign Shop Consumables:

- a) Highways consumables: award to Bunzl Greenham's PLC;

b) Sign Shop Consumables: no award due to inconclusive pricing. Another quotation exercise will be carried out for the Sign Shop consumables service.

Officer Contributors

Alex Djan, Highways Maintenance Manager

Status (public or exempt)

Public (with separate exempt report)

Wards affected

All

Enclosures

None

Reason for exemption from call-in (if appropriate)

Not applicable

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Serial No. **1597**

1. RELEVANT PREVIOUS DECISIONS

1.1 None.

2. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

2.1 In line with the corporate plan 2011-2013 and to meet the objective of “Better services with less money” the council has a responsibility to ensure that it adheres to procurement legislation and corporate procurement guidelines and that it demonstrates that contracts are procured on a fair and just basis and offer the best value for money.

3. RISK MANAGEMENT ISSUES

3.1 Failure to have appropriate contract arrangements, with suppliers, would mean that the DLO would not be able to provide a range of highways services on behalf of the Council in an efficient and effective manner. The cost of providing the reactive service through the alternative, current provider, would be significantly more expensive.

3.2 Health and safety could be compromised if authority to appoint new suppliers is not given. This could also affect the council’s ability, in the event of a claim for damage resulting from failure to maintain a highway maintainable at public expense, to rely on the special defence provided by Section 58 of the Highways Act 1980; namely that the council has taken such care as in all the circumstances was reasonably required to secure that the part of the highway to which the action relates was not dangerous to traffic.

4. EQUALITIES AND DIVERSITY ISSUES

4.1 On the basis of the equality duty, set out in Section 6, below, the council must demonstrate that it has procured contracts and services on a fair, just and equitable basis evidencing best practice and value for money. The quotation process, has been fair and transparent, with the Council ensuring it is fully accessible. The quotation response included a requirement for all interested companies to complete the London Borough of Barnet’s Diversity Monitoring Form. In addition to this, all contracts with the Council require that successful bidders adhere to the requirements of the London Borough of Barnet’s equalities policy.

4.2 In addition, the quotation exercise has satisfied corporate procurement requirements

5. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

5.1 In the current economic climate supplier prices fluctuate on a regular basis. In December 2011 action was taken to begin to bring these supply contracts into line with corporate requirements. The DLO’s future purchasing requirements for the next 14 months were classified into 4 distinct supply contracts.

- A) **Asphalt Supply** i) Hot Material and ii) Cold Material
- B) **Sign Shop Alloys**

C) **Sign Shop Vinyl and Print**

D) **Highways and Sign Shop Consumable's** i) Highway consumables and ii) Sign Shop consumables

5.2 A) Asphalt Supply

Four companies were invited to submit quotations. These were sought in line with the council's Contract Procedure Rules. The award criteria followed a 60:40 price to quality ratio to ensure a value for money solution. Two companies returned quotations, the quotes and overall scores are listed below:

Table 1 Asphalt Supply

<u>Supplier</u>	<u>Quote</u>	<u>Aggregate Score for Quality and Price</u>
Lafarge Aggregates	£45,450.00	N/A please see below
Instarmac	£ 5,524.50	N/A please see below
Contractor C	Declined to quote	
Contractor D	Declined to quote	

Quality standards for delivery of hot materials define the time period that can elapse from source to use; this restricts the supply base. Of the two Suppliers who submitted tenders, only Lafarge Aggregates is able to provide hot material which conforms to British standards for temperature /workability fit for purpose for laying by the time it arrives from the plant to the borough.

Instarmac have confirmed that they are not able to provide hot material and so priced only for the cold asphalt items.. Lafarge Aggregates have confirmed that they do not provide cold asphalt materials.

Based on the above, the recommendation is to award i) hot asphalt materials to Lafarge Aggregates; and ii) cold asphalt materials contract to Instarmac.

5.3 B) Sign Shop Alloys

Three companies were invited to submit quotations. These were sought in line with the council's Contract Procedure Rules. The award criteria followed an 80:20 price to quality ratio to ensure a value for money solution. Three companies returned quotations, the quotes and overall scores are shown below:

Table 2 Sign Shop Alloys

<u>Supplier</u>	<u>Quote</u>	<u>Aggregate Score for Quality and Price</u>
Company A	£19,310	38.2
ASD Metals	£14,623	58.1
Company C	£ 22,750	23.1

Based on the above scores, the recommendation is to award the contract to ASD Metal Services Ltd.

5.4 C) Sign Shop Vinyls and Print

Three companies were invited to quote for this contract.

Company A and Company C did not price for all items on the schedule. Pama was the only company to provide comprehensive pricing. The items that Company A

priced for Company C did not and the items that Company C priced for Company A did not. This is because there are certain types of specialist products that each company cannot provide. Due to the fact that Companies A and C did not price for all items on the schedule it was not possible to apply the pre-determined scoring method. Instead, a comparison was made between the prices offered by the companies. Pama quoted the lowest price when compared with the set of prices offered by both Company A and Company C, both separately and combined, as shown in Tables 3a and 3b.

Table 3a Sign Shop Vinyl's and Print

<u>Supplier</u>	<u>Quote</u>	<u>Aggregate Score for Quality and Price</u>
Company A	£ 6,800.24 Partial price only (Quotation did not include comprehensive pricing for all items)	N/A
Pama Signs	£35,131.00 All items	N/A
Company C	£ 32,020.35 Partial price only (Quotation did not include comprehensive pricing for all items)	N/A

Table 3b Like for like comparison of partial prices with Pama price for same items

Partial Prices	Pama price
Company A £6,800.24	£6,500.00
Company C £32,020.35	£29,000.00

All companies satisfied the quality criteria of delivery in less than 48 hours.

5.5 D) Highways and Sign Shop Consumables

Part 1 Schedule -Highways consumables

Company C quoted for only 30% of the items in the Highway Consumables schedule, a full pricing submission was not provided. Bunzl Greenhams and Company B priced for all items in this schedule. All companies satisfied the quality criteria of delivery in less than 48 Hrs.

Table 4 Highways Consumables

<u>Supplier</u>	<u>Quote</u>	<u>Aggregate Score for Quality and Price</u>
Bunzl Greenhams PLC	£ 9,858.83	N/A please see below

Company B	£10,487.96	N/A please see below
Company C	Insufficient information (Quotation for only 30% of the items in the Highway Consumables schedule)	
Company D	Declined to quote	

Part 2 Schedule -Sign Shop Consumables

No company priced for all items in the schedule. The prices submitted by all companies provided insufficient information to make an assessment on a like for like basis. Therefore, it is recommended to seek further quotations as a separate exercise after re-packaging the requirement with more than one schedule to aid response.

5.6 There are no issues to report regarding staffing, IT, Property and sustainability.

6. LEGAL ISSUES

6.1 Under the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination

6.2 The value of each contract is below the, relevant, threshold and, consequently, the Public Contracts Regulations 2006 (as amended) are not triggered. However, the Treaty principles of equal treatment, non-discrimination and transparency do apply.

6.3 Based on the value of each contract, the Director has delegated authority to accept the quotations and award the contracts as set out within the body of this report.

7. CONSTITUTIONAL POWERS

7.1 Council's Constitution, Responsibility for Functions, paragraph 6.1 "Chief Officers (i.e. the Chief Executive, Directors and Heads of Service as listed in Article 12) can take decisions, in consultation with the Cabinet Member concerned (or without consultation where it is a decision authorised to be taken by the Chief Officer under the Contract Procedure Rules or it involves the implementation of policy or earlier decision of the Council or Cabinet or Committee or it is in respect of operational matters within the Chief Officer's sphere of managerial or professional responsibility and is not significant in terms of budget or policy).

7.2 Contract Procedure Rules provide that the Director /Head of Service is authorised to accept these quotations as they are within contract value categories, up to £24,999 and also £25,000 to £74,999.

7.3 The value of works is within the acceptance threshold for Director/Head of service.

8. BACKGROUND INFORMATION

8.1 Following a review of contracts it is necessary to put in place a strategy to make all identified Environment Planning and Regeneration (EPR) directorate contracts compliant with Barnet's procurement rules.

8.2 The supply contracts included within this DPR embed supply arrangements that comply with Barnet's value for money requirements, putting in place proper controls, audit trails and demonstration of value for money. Vendors with whom the council has a historic relationship were invited to provide quotations along with other suppliers in the market in line with Contract Procedure Rules Table 6-1.

9. LIST OF BACKGROUND PAPERS

9.1 Audit approved directorate action plan.

10. OFFICER'S DECISION

10.1 I authorise the following action:

10.2 That the Council accept the quotations from the companies shown in Table 5 below for supply of equipment and materials and, subject to acceptance, all necessary legal and other documentation be prepared and executed by the Council and the identified suppliers.

Table 5

COMPANY		AWARD
ASHPALT SUPPLY	Hot	LAFARGE AGGREGATES Ltd
	Cold	INSTARMAC GROUP PLC
SIGN SHOP ALLOYS		ASD METALS SERVICES
SIGN SHOP VINYLs AND PRINT		PAMA SIGN SERVICES Ltd
HIGHWAYS CONSUMABLES ONLY		BUNZL GREENHAMS PLC

Signed Pam Wharfe
Interim Director of Environment, Planning and
Regeneration

Date 30 April 2012