

	<h2>CHIEF OFFICER DELEGATED POWERS REPORT</h2>
<p style="text-align: center;">Title</p>	<p style="text-align: center;">Award of Contract for Vending Supplies and Chilled Water Dispensers for Colindale</p>
<p style="text-align: center;">Report of</p>	<p style="text-align: center;">Deputy Chief Executive</p>
<p style="text-align: center;">Wards</p>	<p style="text-align: center;">All</p>
<p style="text-align: center;">Status</p>	<p style="text-align: center;">Public</p>
<p style="text-align: center;">Enclosures</p>	<p style="text-align: center;">None</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Sean Patten, Acting Facilities Manager Sean.patten@barnet.gov.uk Susan Lowe, Business Partner CSG Procurement susan.lowe@barnet.gov.uk</p>

Summary

This report seeks approval to award Vending Supplies and Chilled Water Dispensers Contract ref 701892 for Colindale to Express Vending with the contract to commence on 1 April 2019. The contract will be for a four-year period with up to 1 year extension option subject to performance review, value of contract and budget. The contractor will be responsible for vending supplies, water chilled dispensers together with maintenance and installation in terms of power and water.

Decisions

To authorise award of the contract to Express Vending for Vending Supplies and Chilled Water Dispensers to commence on 1 April 2019. The contract will be awarded for a period of four years, with the option to extend for a further period of one year.

1. WHY THIS REPORT IS NEEDED

- 1.1 To ensure that sufficient refreshments, in terms of premium coffee and dispensable chilled water, are supplied to staff at the new offices in Colindale. This was not part of the specification for the contractor completing the build and therefore has been procured separately via a framework.
- 1.2 Also, to enable the Council to achieve a cost-effective contract with a rebate option within the tender submission.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Following an Invitation to Quote procurement procedure, the evaluation outcome identifies the successful bid submission for the Vending Supplies and Chilled Water Dispensers. These outcomes inform the recommendations for this report.
- 2.2 There was a commitment to deliver revenue as part of the contract or as a minimum to ensure the service was cost-effective.
- 2.3 The requirement included commitment to undertake the installation of equipment in accordance with specification and post tender clarification site plan requirements.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 Consideration was made to sourcing the vending and chilled water services through frameworks accessible to London Borough of Barnet (LBB) but these were dismissed on the basis that LBB wanted to provide opportunity to SMEs and have overall control of the specification and terms and conditions. To have used a framework would have limited this flexibility to meet all of LBB requirements.
- 3.2 Post Tender Clarification relating to service delivery and installation identified that Bidder A and Bidder B did not meet installation requirement within their price submission. The Council has exercised its right to reject these submissions which fails to meet the Council submission requirements which have been notified to tenderers in the specification and through post tender clarifications.

4. POST DECISION IMPLEMENTATION

- 4.1 Following authorisation to award the contract to Express Vending will be concluded by HB Public Law.
- 4.2 Following authorisation to award the contract to Express Vending, LBB will liaise with the service provider to enable the mobilisation of the new contract to meet the contract commencement date of 1 April 2019.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The provision of vending and chilled water supplies supports the Council's corporate priority for delivery of quality services and has been developed to support the implementation of The Way We Work programme and the wellbeing for those working and visiting the Colindale office.

5.1.2 The services will be of a premium standard and with subsidised costs for staff.

5.1.3 The structure of the contract identifies a cost-effective solution with a rebate to the Council. This assists with the Council's commitment to balance budgets.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 London Borough of Barnet's Vending Supplies and Chilled Water Dispensers Service was advertised on Contracts Finder as a National Notice. Seven expressions of interest were made and four submissions were received, one of which being for water chilled dispenser only.

5.2.2 The tender closed on 24/01/19. Four bids were received and these were evaluated under Most Economically Advantageous Tender (MEAT) principles the outcome of evaluation is detailed in the table below:

		Water Chilled Dispenser only			
		Bidder A	Bidder B	Bidder C	Bidder D
Criteria	Weighting %			Express Vending	
Quality (30%)		Score	Score	Score	Score
MS1 Rebate	16	3.20	6.40	12.80	3.20
MS2 Premium Coffee Standard	3	1.20	1.80	2.40	0.00
MS3 Unit Delivery and Installation	5	2.00	3.00	5.00	2.00
MS4 Servicing and Maintenance	3	1.20	1.80	3.00	1.20
MS5 Refreshments/Supplies	3	0.60	1.20	2.40	0.00
TOTAL Quality	30	8.20	14.20	25.60	6.40
Price (70%)					

Price	65	57.04	65.00	39.82	52.00
Discount offered	5	5.00	3.00	5.00	5.00
TOTAL Price	70	62.04	68.00	44.82	57.00
GRAND TOTAL	100%	70.24	82.20	70.42	63.40

5.2.3 Post Tender Clarifications relating to service delivery and installation requirements and costs identified that Bidder A and Bidder B did not meet installation requirement within their price submission which required that the rates submitted shall include all the costs that the Council will pay. The Council has identified that these submissions which fail to meet the Council submission requirements which have been notified to suppliers in tender requirement.

5.2.4 The annual contract value is £32,925.88 indicating a total contract value of £164,629.40 over the four year term including the option to extend for an additional year.

5.2.5 The estimated income per year, after contract value (£32,925.88) has been accounted for, is valued at £15,000. This is based on a reasonable 500 vends per day at a subsidised cost of 50p per cup. Over the term of the contract the potential income is £75,000.

5.2.6 The contract will be costed to the Colindale managed budget cost code with income paid into cost centre 11469.

5.3 Social Value

5.3.1 The successful bid submission includes commitments which support London Borough of Barnet's social value delivery working closely with organisations to reach into the local community; to provide a multi-agency partnership aimed at providing students with learning difficulties and/or disabilities the opportunity to develop employability skills.

5.3.2 The successful bid submission includes commitment that all ingredients are 100% Rain Forest Alliance Certified

5.4 Legal and Constitutional References

5.4.1 The tender has been conducted in accordance with the Contract Procedure Rules (CPRs) and Council Constitution, Article 10 Table B.

5.5 Risk Management

5.5.1 Risks identified but ultimately mitigated within the tender documents related to compliance with British and Vending Standards, mobilisation of the contract from a utilities perspective and for the contract to be cost-effective.

5.6 Equalities and Diversity

5.6.1 N/A

5.7 Corporate Parenting

5.7.1 N/A

5.8 Consultation and Engagement

5.8.1 N/A

5.8 Insight

5.8.1 Benchmarking exercises were conducted to ensure that best practice and industry standards were incorporated into the contract. This included but is not limited to having the appropriate SLA's and associated service credits, time and attendance technology and using technology for proof of performance. The specification was also designed to meet industry standards.

6. BACKGROUND PAPERS

Chief Officer: Deputy Chief Executive

Decision maker having taken into account the views of the Chairman

Signed

Date 13 March 2019
